

Edgar Filing: CEL SCI CORP - Form PRE 14A

CEL SCI CORP  
Form PRE 14A  
May 18, 2007

CEL-SCI CORPORATION  
8229 Boone Blvd.  
Suite 802  
Vienna, Virginia 22182  
(703) 506-9460

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD \_\_\_\_\_, 2007

To the Shareholders:

Notice is hereby given that the annual meeting of the shareholders of CEL-SCI Corporation ("CEL-SCI") will be held at \_\_\_\_\_ on \_\_\_\_\_, 2007, at \_\_\_\_\_ P.M., for the following purposes:

- (1) to elect the directors who shall constitute CEL-SCI's Board of Directors for the ensuing year;
- (2) to approve the adoption of CEL-SCI's 2007 Incentive Stock Option Plan which provides that up to 1,000,000 shares of common stock may be issued upon the exercise of options granted pursuant to the Incentive Stock Option Plan;
- (3) to approve the adoption of CEL-SCI's 2007 Non-Qualified Stock Option Plan which provides that up to 1,000,000 shares of common stock may be issued upon the exercise of options granted pursuant to the Non-Qualified Stock Option Plan;
- (4) to approve the adoption of CEL-SCI's 2007 Stock Bonus Plan which provides that up to 1,000,000 shares of common stock may be issued to persons granted stock bonuses pursuant to the Stock Bonus Plan;
- (5) to approve an amendment to CEL-SCI's Stock Compensation Plan to provide for the issuance of up to 1,000,000 additional restricted shares of common stock to CEL-SCI's directors, officers, employees and consultants for services provided to the Company;
- (6) to amend the Company's Articles of Incorporation such that the Company would be authorized to issue 300,000,000 shares of common stock;
- (7) to ratify the appointment of BDO Seidman, LLP as CEL-SCI's independent registered public accounting firm for the fiscal year ending September 30, 2007.

to transact such other business as may properly come before the meeting.

May 11, 2007 is the record date for the determination of shareholders entitled to notice of and to vote at such meeting. Shareholders are entitled to one vote for each share held. As of May 11, 2007, there were 111,091,192 issued and outstanding shares of CEL-SCI's common stock.

CEL-SCI CORPORATION

\_\_\_\_\_, 2007

By: Geert R. Kersten

-----  
Chief Executive Officer

PLEASE INDICATE YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD,

## Edgar Filing: CEL SCI CORP - Form PRE 14A

AND SIGN, DATE AND RETURN THE PROXY CARD, OR VOTE VIA THE INTERNET OR BY  
TELEPHONE

TO SAVE THE COST OF FURTHER SOLICITATION,  
PLEASE VOTE PROMPTLY

CEL-SCI CORPORATION  
8229 Boone Blvd.  
Suite 802  
Vienna, Virginia 22182  
(703) 506-9460

### PROXY STATEMENT

The accompanying proxy is solicited by CEL-SCI's directors for voting at the annual meeting of shareholders to be held on \_\_\_\_\_, 2007, and at any and all adjournments of such meeting. If the proxy is executed and returned, it will be voted at the meeting in accordance with any instructions, and if no specification is made, the proxy will be voted for the proposals set forth in the accompanying notice of the annual meeting of shareholders. Shareholders who execute proxies may revoke them at any time before they are voted, either by writing to CEL-SCI at the address set forth above or in person at the time of the meeting. Additionally, any later dated proxy will revoke a previous proxy from the same shareholder. This proxy statement was mailed to shareholders of record on or about \_\_\_\_\_, 2007.

There is one class of capital stock outstanding. Provided a quorum consisting of one-third of the shares entitled to vote is present at the meeting, the affirmative vote of a majority of the shares of common stock voting in person or represented by proxy is required to elect directors. Cumulative voting in the election of directors is not permitted. The affirmative vote of the holders of a majority of the outstanding shares of the Company's common stock is required to approve the proposal to increase the Company's authorized capitalization. The adoption of any other proposals to come before the meeting will require the approval of a majority of votes cast at the meeting.

Shares of CEL-SCI's common stock represented by properly executed proxies that reflect abstentions or "broker non-votes" will be counted as present for purposes of determining the presence of a quorum at the annual meeting. "Broker non-votes" represent shares held by brokerage firms in "street-name" with respect to which the broker has not received instructions from the customer or otherwise does not have discretionary voting authority. Abstentions and broker non-votes will not be counted as having voted against the proposals to be considered at the meeting.

### PRINCIPAL SHAREHOLDERS

The following table lists, as of April 20, 2007, the shareholdings of (i) each person owning beneficially 5% or more of CEL-SCI's common stock (ii) each officer who received compensation in excess of \$100,000 during CEL-SCI's most recent fiscal year and (iii) all officers and directors as a group. Unless otherwise indicated, each owner has sole voting and investment powers over his shares of common stock.

Name and Address	Number of Shares (1)	Percent	of Class
------------------	----------------------	---------	----------

Edgar Filing: CEL SCI CORP - Form PRE 14A

(3)		
Maximilian de Clara Bergstrasse 79 6078 Lungern, Obwalden, Switzerland	679,006	0.6%
Geert R. Kersten 8229 Boone Blvd., Suite 802 Vienna, VA 22182	6,309,589 (2)	5.7%
Patricia B. Prichep 8229 Boone Blvd., Suite 802 Vienna, VA 22182	1,672,857	1.5%
Eyal Talor, Ph.D. 8229 Boone Blvd., Suite 802 Vienna, VA 22182	1,148,885	1.1%
Daniel H. Zimmerman, Ph.D. 8229 Boone Blvd., Suite 802 Vienna, VA 22182	1,225,397	1.1%
John Cipriano 8229 Boone Blvd., Suite 802 Vienna, VA 22182	151,662	0.1%
Alexander G. Esterhazy 20 Chemin du Pre-Poiset CH- 1253 Vandoeuvres Geneve, Switzerland	218,333	0.2%
C. Richard Kinsolving P.O. Box 20193 Bradenton, FL 34204-0193	447,424	0.4%
Peter R. Young, Ph.D. 1247 Dodgeton Drive Frisco, TX 75034-1432	219,601	0.2%
All Officers and Directors as a Group (9 persons)	12,072,754	10.5%

(1) Includes shares issuable prior to June 30, 2007 upon the exercise of options or warrants granted to the following persons:

2

Name	Options or Warrants Exercisable Prior to June 30, 2007
Maximilian de Clara	640,999
Geert R. Kersten	3,458,001
Patricia B. Prichep	1,104,834
Eyal Talor, Ph.D.	764,666
Daniel H. Zimmerman, Ph.D.	768,334
John Cipriano	90,001
Alexander G. Esterhazy	198,333

## Edgar Filing: CEL SCI CORP - Form PRE 14A

C. Richard Kinsolving, Ph.D.	358,334
Peter R. Young, Ph.D.	185,000

- (2) Amount includes shares held in trust for the benefit of Mr. Kersten's minor children. Geert R. Kersten is the stepson of Maximilian de Clara.
- (3) Amount includes shares referred to in (1) above but excludes shares which may be issued upon the exercise or conversion of other options, warrants and other convertible securities previously issued by CEL-SCI.

### ELECTION OF DIRECTORS

Unless the proxy contains contrary instructions, it is intended that the proxies will be voted for the election of the current directors listed below to serve as members of the board of directors until the next annual meeting of shareholders and until their successors shall be elected and shall qualify.

All current directors have consented to stand for re-election. In case any nominee shall be unable or shall fail to act as a director by virtue of an unexpected occurrence, the proxies may be voted for such other person or persons as shall be determined by the persons acting under the proxies in their discretion.

Certain information concerning CEL-SCI's officers and directors follows:

Name	Age	Position
----	---	-----
Maximilian de Clara	76	Director and President
Geert R. Kersten, Esq. and Treasurer	47	Director, Chief Executive Officer
Patricia B. Prichep Secretary	55	Senior Vice President of Operations and
Dr. Eyal Talor	50	Senior Vice President of Research and Manufacturing
Dr. Daniel H. Zimmerman	65	Senior Vice President of Research, Cellular Immunology
John Cipriano	64	Senior Vice President of Regulatory Affairs
Alexander G. Esterhazy	62	Director
Dr. C. Richard Kinsolving	69	Director Dr.
Peter R. Young	61	Director

3

Mr. Maximilian de Clara, by virtue of his position as an officer and director of CEL-SCI, may be deemed to be the "parent" and "founder" of the Company as those terms are defined under applicable rules and regulations of the Securities and Exchange Commission.

The principal occupations of CEL-SCI's officers and directors, during the past several years, are as follows:

Maximilian de Clara. Mr. de Clara has been a Director of CEL-SCI since its inception in March 1983, and has been President of CEL-SCI since July 1983. Prior to his affiliation with CEL-SCI, and since at least 1978, Mr. de Clara was involved in the management of his personal investments and personally funding research in the fields of biotechnology and biomedicine. Mr. de Clara attended the medical school of the University of Munich from 1949 to 1955, but left before he received a medical degree. During the summers of 1954 and 1955, he worked as a research assistant at the University of Istanbul in the field of

## Edgar Filing: CEL SCI CORP - Form PRE 14A

cancer research. For his efforts and dedication to research and development in the fight against cancer and AIDS, Mr. de Clara was awarded the "Pour le Merit" honorary medal of the Austrian Military Order "Merito Navale" as well as the honor cross of the Austrian Albert Schweitzer Society.

Geert R. Kersten, Esq. Mr. Kersten was Director of Corporate and Investment Relations for CEL-SCI between February 1987 and October 1987. In October of 1987, he was appointed Vice President of Operations. In December 1988, Mr. Kersten was appointed Director of the Company. Mr. Kersten also became CEL-SCI's Treasurer in 1989. In May 1992, Mr. Kersten was appointed Chief Operating Officer and in February 1995, Mr. Kersten became CEL-SCI's Chief Executive Officer. In previous years, Mr. Kersten worked as a financial analyst with Source Capital, Ltd., an investment advising firm in McLean, Virginia. Mr. Kersten is a stepson of Maximilian de Clara, who is the President and a Director of CEL-SCI. Mr. Kersten attended George Washington University in Washington, D.C. where he earned a B.A. in Accounting and an M.B.A. with emphasis on International Finance. He also attended law school at American University in Washington, D.C. where he received a Juris Doctor degree.

Patricia B. Prichep has been CEL-SCI's Senior Vice President of Operations since March 1994. Between December 1992 and March 1994, Ms. Prichep was CEL-SCI's Director of Operations. Ms. Prichep became CEL-SCI's Corporate Secretary in May 2000. From June 1990 to December 1992, Ms. Prichep was the Manager of Quality and Productivity for the NASD's Management, Systems and Support Department. Between 1982 and 1990. Ms. Prichep was Vice President and Operations Manager for Source Capital, Ltd.

Eyal Talor, Ph.D. has been CEL-SCI's Senior Vice President of Research and Manufacturing since March 1994. From October 1993 until March 1994, Dr. Talor was Director of Research, Manufacturing and Quality Control, as well as the Director of the Clinical Laboratory, for Chesapeake Biological Laboratories, Inc. From 1991 to 1993, Dr. Talor was a scientist with SRA Technologies, Inc., as well as the director of SRA's Flow Cytometry Laboratory (1991-1993) and Clinical Laboratory (1992-1993). During 1992 and 1993, Dr. Talor was also the Regulatory Affairs and Safety Officer For SRA. Since 1987, Dr. Talor has held

4

various positions with the Johns Hopkins University, including course coordinator for the School of Continuing Studies (1989-Present), research associate and lecturer in the Department of Immunology and Infectious Diseases (1987-1991), and associate professor (1991-Present).

Daniel H. Zimmerman, Ph.D. has been CEL-SCI's Senior Vice President of Cellular Immunology since January 1996. Dr. Zimmerman founded CELL-MED, Inc. and was its president from 1987-1995. From 1973 to 1987 Dr. Zimmerman served in various positions at Electronucleonics, Inc. including Scientist, Senior Scientist, Technical Director and Program Manager. From 1969-1973 Dr. Zimmerman was a Senior Staff Fellow at NIH.

John Cipriano, has been CEL-SCI's Senior Vice President of Regulatory Affairs since March 2004. Mr. Cipriano brings to CEL-SCI over 30 years of experience in both biotech and pharmaceutical companies. In addition, he held positions at the United States Food and Drug Administration (FDA) as Deputy Director, Division of Biologics Investigational New Drugs, Office of Biologics Research and Review and was the Deputy Director, IND Branch, Division of Biologics Evaluation, Office of Biologics. Mr. Cipriano completed his B.S. in Pharmacy from the Massachusetts College of Pharmacy in Boston, Massachusetts and

## Edgar Filing: CEL SCI CORP - Form PRE 14A

his M.S. in Pharmaceutical Chemistry from Purdue University in West Lafayette, Indiana.

Alexander G. Esterhazy became a Director of CEL-SCI in April 1999. Since November 1997 Mr. Esterhazy has been an independent financial advisor. Between July 1991 and October 1997 Mr. Esterhazy was a senior partner of Corpofina S.A. Geneva, a firm engaged in mergers, acquisitions and portfolio management. Between January 1988 and July 1991 Mr. Esterhazy was a managing director of DG Bank in Switzerland. During this period Mr. Esterhazy was in charge of the Geneva, Switzerland branch of the DG Bank, founded and served as vice president of DG Finance (Paris) and was the President and Chief Executive officer of DG-Bourse, a securities brokerage firm.

C. Richard Kinsolving, Ph.D. has been a Director of CEL-SCI since April 2001. Since February 1999 Dr. Kinsolving has been the Chief Executive Officer of BioPharmacon, a pharmaceutical development company. Between December 1992 and February 1999 Dr. Kinsolving was the President of Immuno-Rx, Inc., a company engaged in immuno-pharmaceutical development. Between December 1991 and September 1995 Dr. Kinsolving was President of Bestechnology, Inc. a nonmedical research and development company producing bacterial preparations for industrial use. Dr. Kinsolving received his Ph.D. in Pharmacology from Emory University (1970), his Masters degree in Physiology/Chemistry from Vanderbilt University (1962), and his Bachelor's degree in Chemistry from Tennessee Tech. University (1957).

Peter R. Young, Ph.D. has been a Director of CEL-SCI since August 2002. Dr. Young has been a senior executive within the pharmaceutical industry in the United States and Canada for most of his career. Over the last 20 years he has primarily held positions of Chief Executive Officer or Chief Financial Officer and has extensive experience with acquisitions and equity financings. Since November 2001 Dr. Young has been the President of Agnus Dei, LLC, which acts as a partner in an organization managing immune system clinics which treat patients

5

with diseases such as cancer, multiple sclerosis and hepatitis. Since January 2003 Dr. Young has been the President and Chief Executive Officer of SRL Technology, Inc., a company involved in the development of pharmaceutical (drug) delivery systems. Between 1998 and 2001 Dr. Young was the Chief Financial Officer of Adams Laboratories, Inc. Dr. Young received his Ph.D. in Organic Chemistry from the University of Bristol, England (1969), and his Bachelor's degree in Honors Chemistry, Mathematics and Economics also from the University of Bristol, England (1966).

All of CEL-SCI's officers devote substantially all of their time to CEL-SCI's business.

Alexander G. Esterhazy, Dr. C. Richard Kinsolving and Dr. Peter R. Young are independent directors as that term is defined in section 121(a) of the listing standards of the American Stock Exchange.

CEL-SCI's Board of Directors met twelve times during the year ended September 30, 2006. All of the Directors attended each of these meetings either in person or by telephone conference call.

For purposes of electing directors at its annual meeting CEL-SCI does not have a nominating committee or a committee performing similar functions. CEL-SCI's board of directors does not believe a nominating committee is necessary since CEL-SCI's board of directors is small and the board of directors as a whole performs this function. The current nominees to the Board of

## Edgar Filing: CEL SCI CORP - Form PRE 14A

Directors were selected by a majority vote of CEL-SCI's independent directors.

CEL-SCI does not have any policy regarding the consideration of director candidates recommended by shareholders since a shareholder has never recommended a nominee to the board of directors. However, CEL-SCI's board of directors will consider candidates recommended by shareholders. To submit a candidate for the board of directors the shareholder should send the name, address and telephone number of the candidate, together with any relevant background or biographical information, to CEL-SCI's Chief Executive Officer, at the address shown on the cover page of this proxy statement. The board has not established any specific qualifications or skills a nominee must meet to serve as a director. Although the board does not have any process for identifying and evaluating director nominees, the board does not believe there would be any differences in the manner in which the board evaluates nominees submitted by shareholders as opposed to nominees submitted by any other person.

CEL-SCI does not have a policy with regard to board member's attendance at annual meetings. All board members attended the last annual shareholder's meeting held on November 17, 2006.

Holders of CEL-SCI's common stock can send written communications to CEL-SCI's entire board of directors, or to one or more board members, by addressing the communication to "the Board of Directors" or to one or more directors, specifying the director or directors by name, and sending the communication to CEL-SCI's offices in Vienna, Virginia. Communications addressed to the Board of Directors as whole will be delivered to each board member.

6

Communications addressed to a specific director (or directors) will be delivered to the director (or directors) specified.

Security holder communications not sent to the board of directors as a whole or to specified board members are not relayed to board members.

CEL-SCI has adopted a Code of Ethics which is applicable to CEL-SCI's principal executive, financial, and accounting officers and persons performing similar functions. The Code of Ethics is available on CEL-SCI's website located at [www.cel-sci.com](http://www.cel-sci.com).

### Executive Compensation

The following table shows in summary form the compensation received by (i) the Chief Executive Officer of CEL-SCI and (ii) by each other executive officer of CEL-SCI who received in excess of \$100,000 during the fiscal year ended September 30, 2006.

Name and Principal Position	Fiscal Year	Salary (1)	Bonus (2)	Restric- ted Stock Awards (3)	Options Granted (4)	All Other Annual Compen- sation (5)
-----	-----	-----	-----	-----	-----	-----
Maximilian de Clara, President	2006	\$363,000	\$200,000	\$11,600	100,000	\$67,164
	2005	\$363,000	--	--	50,000	\$72,041
	2004	\$363,000	--	--	50,000	\$60,165
Geert R. Kersten,	2006	\$386,693	--	\$13,050	200,000	\$18,642

Edgar Filing: CEL SCI CORP - Form PRE 14A

Chief Executive Officer and Treasurer	2005	\$370,585	--	\$12,700	50,000	\$18,290
	2004	\$366,673	--	\$11,296	50,000	\$18,690
Patricia B. Prichep	2006	\$170,820	--	\$ 9,628	90,000	\$3,080
Senior Vice President of Operations and Secretary	2005	\$159,864	--	\$ 9,404	30,000	\$3,030
	2004	\$148,942	--	\$ 7,110	50,000	\$3,000
Eyal Talor, Ph.D.	2006	\$210,568	--	\$ 9,600	80,000	\$3,080
Senior Vice President of Research and Manufacturing	2005	\$201,154	--	\$ 8,400	30,000	\$3,030
	2004	\$192,373	--	\$ 4,797	50,000	\$3,000
Daniel Zimmerman, Ph.D,	2006	\$161,574	--	\$ 9,261	60,000	\$3,080
Senior Vice President of Cellular Immunology	2005	\$154,350	--	\$ 9,059	30,000	\$3,030
	2004	\$147,613	--	\$ 7,176	50,000	\$3,000

7

John Cipriano	2006	\$157,020	--	\$ 9,000	60,000	30
Senior Vice President of Regulatory Affairs	2005	\$150,000	--	\$ 9,000	30,000	30

- (1) The dollar value of base salary (cash and non-cash) received. During the year ended September 30, 2006, \$47,220 of the total salaries paid to the persons shown in the table were paid in restricted shares of CEL-SCI's common stock.

Information concerning the issuance of these restricted shares is shown in the following table:

Date Shares Were Issued	Number of Shares Issued	Price Per Share
-----	-----	-----
09/20/06	81,413	\$0.58

On each date the amount of compensation satisfied through the issuance of shares was determined by multiplying the number of shares issued by the price per share. The price per share was equal to the closing price of CEL-SCI's common stock on the date prior to the date the shares were issued.

- (2) The dollar value of bonus (cash and non-cash) received. The \$200,000 paid to Mr. de Clara was paid in restricted shares of CEL-SCI's common stock which cannot be sold by Mr. de Clara in the public market for three years.
- (3) During the periods covered by the table, the value of the shares of restricted stock issued to Mr. de Clara as compensation for services. In the case of all other persons listed in the table, the shares were issued as CEL-SCI's contribution on behalf of the named officer to CEL-SCI's 401(k) retirement plan.
- (4) The shares of common stock to be received upon the exercise of all stock options granted during the periods covered by the table. See "Stock Options" below.
- (5) All other compensation received that CEL-SCI could not properly report in



## Edgar Filing: CEL SCI CORP - Form PRE 14A

any other column of the table. Amounts in the table represent automobile, parking and other transportation expenses, plus, in the case of Maximilian de Clara and Geert Kersten, director's fees of \$8,000 each.

### Long Term Incentive Plans - Awards in Last Fiscal Year

None.

8

### Employee Pension, Profit Sharing or Other Retirement Plans

During 1993 CEL-SCI implemented a defined contribution retirement plan, qualifying under Section 401(k) of the Internal Revenue Code and covering substantially all CEL-SCI's employees. Prior to January 1, 1998 CEL-SCI's contribution was equal to the lesser of 3% of each employee's salary, or 50% of the employee's contribution. Effective January 1, 1998 the plan was amended such that CEL-SCI's contribution is now made in shares of CEL-SCI's common stock as opposed to cash. Each participant's contribution is matched by CEL-SCI with shares of common stock which have a value equal to 100% of the participant's contribution, not to exceed the lesser of \$1,000 or 6% of the participant's total compensation. CEL-SCI's contribution of common stock is valued each quarter based upon the closing bid price of its common stock. The fiscal 2006 expenses for this plan were \$88,054. Other than the 401(k) Plan, CEL-SCI does not have a defined benefit, pension plan, profit sharing or other retirement plan.

### Compensation of Directors During Year Ended September 30, 2006

Name	Paid in Cash	Stock Awards (1)	Option Awards (2)
Alexander G. Esterhazy	\$ 8,000	\$ 11,600	60,000
Dr. C. Richard Kinsolving	\$ 8,000	\$ 11,600	60,000
Dr. Peter R. Young	\$ 8,000	\$ 11,600	60,000

(1) The value of stock issued for services on the date of grant.

(2) The number of options granted during the year. The options are exercisable at a price of \$0.58 per share and expire on September 12, 2016.

Directors' fees paid to Maximilian de Clara and Geert R. Kersten (\$8,000 each) are included in the Executive Compensation table.

### Employment Contracts.

In April 2005 CEL-SCI entered into a three-year employment agreement with Mr. de Clara which expires April 30, 2008. The employment agreement provides that CEL-SCI will pay Mr. de Clara an annual salary of \$363,000 during the term of the agreement. In the event that there is a material reduction in Mr. de Clara's authority, duties or activities, or in the event there is a change in the control of CEL-SCI, then the agreement allows Mr. de Clara to resign from his position at CEL-SCI and receive a lump-sum payment from CEL-SCI equal to 18 months salary. For purposes of the employment agreement, a change in the control of CEL-SCI means the sale of more than 50% of the outstanding shares of CEL-SCI's Common Stock, or a change in a majority of CEL-SCI's directors.

The Employment Agreement will also terminate upon the death of Mr. de Clara, Mr. de Clara's physical or mental disability, the conviction of Mr. de

## Edgar Filing: CEL SCI CORP - Form PRE 14A

Clara for any crime involving fraud, moral turpitude, or CEL-SCI's property, or

9

a breach of the Employment Agreement by Mr. de Clara. If the Employment Agreement is terminated for any of these reasons, Mr. de Clara, or his legal representatives, as the case may be, will be paid the salary provided by the Employment Agreement through the date of termination.

On September 8, 2006 Mr. de Clara's Employment Agreement was amended and extended to April 30, 2010. The terms of the amendment to Mr. de Clara's employment agreement are referenced in a report on Form 8-K filed with the Securities and Exchange Commission on September 8, 2006.

Effective September 1, 2003, CEL-SCI entered into a three-year employment agreement with Mr. Kersten. The employment agreement provides that during the term of the employment agreement CEL-SCI will pay Mr. Kersten an annual salary of \$370,585. In the event there is a change in the control of CEL-SCI, the agreement allows Mr. Kersten to resign from his position at CEL-SCI and receive a lump-sum payment from CEL-SCI equal to 24 months salary. For purposes of the employment agreement a change in the control of CEL-SCI means: (1) the merger of CEL-SCI with another entity if after such merger the shareholders of CEL-SCI do not own at least 50% of voting capital stock of the surviving corporation; (2) the sale of substantially all of the assets of CEL-SCI; (3) the acquisition by any person of more than 50% of CEL-SCI's common stock; or (4) a change in a majority of CEL-SCI's directors which has not been approved by the incumbent directors.

Effective September 1, 2006 Mr. Kersten's employment agreement was extended to September 1, 2011.

The Employment Agreement will also terminate upon the death of Mr. Kersten, Mr. Kersten's physical or mental disability, willful misconduct, an act of fraud against CEL-SCI, or a breach of the Employment Agreement by Mr. Kersten. If the Employment Agreement is terminated for any of these reasons Mr. Kersten, or his legal representatives, as the case may be, will be paid the salary provided by the Employment Agreement through the date of termination.

### Compensation Committee Interlocks and Insider Participation

CEL-SCI has a compensation committee comprised of all of CEL-SCI's directors, with the exception of Mr. Kersten. During the year ended September 30, 2006, Mr. de Clara was the only officer participating in deliberations of CEL-SCI's compensation committee concerning executive officer compensation. Mr. de Clara is not an independent member of the compensation committee.

During the year ended September 30, 2006, no director of CEL-SCI was also an executive officer of another entity, which had an executive officer of CEL-SCI serving as a director of such entity or as a member of the compensation committee of such entity.

10

### Stock Options

The following tables shows the options granted during the fiscal year ended September 30, 2006, to the persons named below.

## Edgar Filing: CEL SCI CORP - Form PRE 14A

Options Granted During Fiscal Year Ended September 30, 2006.

Name	Grant Date	Options Granted (#)	Exercise Price Per Share	Expiration Date
Maximilian de Clara	9/12/2006	100,000	\$0.58	9/12/16
Geert R. Kersten	9/12/2006	200,000	\$0.58	9/12/16
Patricia B. Prichep	9/12/2006	90,000	\$0.58	9/12/16
Eyal Talor, Ph.D.	9/12/2006	80,000	\$0.58	9/12/16
Daniel Zimmerman, Ph.D.	9/12/2006	60,000	\$0.58	9/12/16
John Cipriano	9/12/2006	60,000	\$0.58	9/12/16

### Option Exercises

Name	Shares	
	Acquired On Exercise (1)	Value Realized (2)
Maximilian de Clara	--	--
Geert R. Kersten	--	--
Patricia Prichep	--	--
Eyal Talor	--	--
Daniel Zimmerman	--	--
John Cipriano	--	--

- (1) The number of shares received upon exercise of options during the fiscal year ended September 30, 2006.
- (2) With respect to options exercised during CEL-SCI's fiscal year ended September 30, 2006, the dollar value of the difference between the option exercise price and the market value of the option shares purchased on the date of the exercise of the options.

### Shares underlying unexercised Options which are:

Name	Shares underlying unexercised Options which are:		Exercise Price	Expiration Date
	Exercisable	Unexercisable		
Maximilian de Clara	1,164,999	149,999	\$0.22 - \$1.94	5/01/08 - 9/12/16
Geert R. Kersten	3,458,001	249,999	\$0.22 - \$1.94	5/01/08 - 9/12/16
Patricia B. Prichep	1,104,834	126,666	\$0.22 - \$1.94	7/31/08 - 9/12/16
Eyal Talor, Ph.D.	764,666	116,666	\$0.22 - \$1.94	8/03/08 - 9/12/16
Daniel Zimmerman, Ph.D.	768,334	96,666	\$0.22 - \$1.94	2/19/08 - 9/12/16
John Cipriano	90,001	119,999	\$0.48 - \$1.13	3/01/14 - 9/12/16

11

### Stock Option, Bonus and Compensation Plans

CEL-SCI has Incentive Stock Option Plans, Non-Qualified Stock Option Plans, Stock Bonus Plans and a Stock Compensation Plan. The Stock Option, Bonus and Compensation Plans have been approved by CEL-SCI's stockholders. A summary description of these Plans follows. In some cases these Plans are collectively referred to as the "Plans".

## Edgar Filing: CEL SCI CORP - Form PRE 14A

Incentive Stock Option Plans. The Incentive Stock Option Plans authorize the issuance of shares of CEL-SCI's common stock to persons who exercise options granted pursuant to the Plan. Only CEL-SCI's employees may be granted options pursuant to the Incentive Stock Option Plan.

To be classified as incentive stock options under the Internal Revenue Code, options granted pursuant to the Plans must be exercised prior to the following dates:

- (a) The expiration of three months after the date on which an option holder's employment by CEL-SCI is terminated (except if such termination is due to death or permanent and total disability);
- (b) The expiration of 12 months after the date on which an option holder's employment by CEL-SCI is terminated, if such termination is due to the Employee's permanent and total disability;
- (c) In the event of an option holder's death while in the employ of CEL-SCI, his executors or administrators may exercise, within three months following the date of his death, the option as to any of the shares not previously exercised;

The total fair market value of the shares of Common Stock (determined at the time of the grant of the option) for which any employee may be granted options which are first exercisable in any calendar year may not exceed \$100,000.

Options may not be exercised until one year following the date of grant. Options granted to an employee then owning more than 10% of the Common Stock of CEL-SCI may not be exercisable by its terms after five years from the date of grant. Any other option granted pursuant to the Plan may not be exercisable by its terms after ten years from the date of grant.

The purchase price per share of Common Stock purchasable under an option is determined by the Committee but cannot be less than the fair market value of the Common Stock on the date of the grant of the option (or 110% of the fair market value in the case of a person owning more than 10% of CEL-SCI's outstanding shares).

Non-Qualified Stock Option Plans. The Non-Qualified Stock Option Plans authorize the issuance of shares of CEL-SCI's common stock to persons that exercise options granted pursuant to the Plans. CEL-SCI's employees, directors, officers, consultants and advisors are eligible to be granted options pursuant to the Plans, provided however that bona fide services must be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction. The option exercise price is determined by the Committee but cannot be less than the market

12

price of CEL-SCI's Common Stock on the date the option is granted.

Stock Bonus Plans. Under the Stock Bonus Plans shares of CEL-SCI's common stock may be issued to CEL-SCI's employees, directors, officers, consultants and advisors, provided however that bona fide services must be rendered by consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction.

Stock Compensation Plan. Under the Stock Compensation Plan shares of CEL-SCI's common stock may be issued to CEL-SCI's employees, directors, officers, consultants and advisors, provided however that bona fide services

## Edgar Filing: CEL SCI CORP - Form PRE 14A

must be rendered by consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction.

Other Information Regarding the Plans. The Plans are administered by CEL-SCI's Compensation Committee ("the Committee"), each member of which is a director of CEL-SCI. The members of the Committee were selected by CEL-SCI's Board of Directors and serve for a one-year tenure and until their successors are elected. A member of the Committee may be removed at any time by action of the Board of Directors. Any vacancies which may occur on the Committee will be filled by the Board of Directors. The Committee is vested with the authority to interpret the provisions of the Plans and supervise the administration of the Plans. In addition, the Committee is empowered to select those persons to whom shares or options are to be granted, to determine the number of shares subject to each grant and to determine when, and upon what conditions, shares or options granted under the Plans will vest or otherwise be subject to forfeiture and cancellation.

In the discretion of the Committee, any option granted pursuant to the Plans may include installment exercise terms such that the option becomes fully exercisable in a series of cumulating portions. The Committee may also accelerate the date upon which any option (or any part of any options) is first exercisable. Any shares issued pursuant to the Stock Bonus Plans or Stock Compensation Plan and any options granted pursuant to the Incentive Stock Option Plans or the Non-Qualified Stock Option Plans will be forfeited if the "vesting" schedule established by the Committee administering the Plan at the time of the grant is not met. For this purpose, vesting means the period during which the employee must remain an employee of CEL-SCI or the period of time a non-employee must provide services to CEL-SCI. At the time an employee ceases working for CEL-SCI (or at the time a non-employee ceases to perform services for CEL-SCI), any shares or options not fully vested will be forfeited and cancelled. At the discretion of the Committee payment for the shares of Common Stock underlying options may be paid through the delivery of shares of CEL-SCI's Common Stock having an aggregate fair market value equal to the option price, provided such shares have been owned by the option holder for at least one year prior to such exercise. A combination of cash and shares of Common Stock may also be permitted at the discretion of the Committee.

Options are generally non-transferable except upon death of the option holder. Shares issued pursuant to the Stock Bonus Plan or Stock Compensation

13

Plan will generally not be transferable until the person receiving the shares satisfies the vesting requirements imposed by the Committee when the shares were issued.

The Board of Directors of CEL-SCI may at any time, and from time to time, amend, terminate, or suspend one or more of the Plans in any manner they deem appropriate, provided that such amendment, termination or suspension will not adversely affect rights or obligations with respect to shares or options previously granted. The Board of Directors may not, without shareholder approval: make any amendment which would materially modify the eligibility requirements for the Plans; increase or decrease the total number of shares of Common Stock which may be issued pursuant to the Plans except in the case of a reclassification of CEL-SCI's capital stock or a consolidation or merger of CEL-SCI; reduce the minimum option price per share; extend the period for granting options; or materially increase in any other way the benefits accruing to employees who are eligible to participate in the Plans.

## Edgar Filing: CEL SCI CORP - Form PRE 14A

Summary. The following table shows the weighted average exercise price of the outstanding options granted pursuant to CEL-SCI's Incentive and Non-Qualified Stock Option Plans as of September 30, 2006, CEL-SCI's most recent fiscal year end. CEL-SCI's Incentive and Non-Qualified Stock Option Plans have been approved by CEL-SCI's shareholders.

Plan category -----	Number of Securities to be Issued Upon Exercise of Outstanding Options (a) -----	Weighted-Average Exercise Price of of Outstanding Options -----	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans, Excluding Securities Reflected in Column (a) -----
Incentive Stock Option Plans	4,326,933	\$0.65	3,606,833
Non-Qualified Stock Option Plans	7,511,362	\$0.66	2,395,667

The following shows, as of April 20, 2007, the stock options and shares granted by CEL-SCI pursuant to its Plans. Each option represents the right to purchase one share of CEL-SCI's common stock. The shares reserved under each Plan do not include the shares authorized by the 2007 Plans which are being submitted to CEL-SCI's shareholders for their approval at the 2007 annual meeting.

Name of Plan -----	Total Shares Reserved Under Plans -----	Shares Reserved for Outstanding Options -----	Shares Issued -----	Remaining Options/Shares Under Plans -----
Incentive Stock Option Plans	8,100,000	4,326,933	N/A	3,606,833
Non-Qualified Stock Option Plans	11,760,000	6,861,081	N/A	1,920,667
Stock Bonus Plans	5,940,000	N/A	2,045,247	3,894,669
Stock Compensation Plan	3,500,000	N/A	291,405	3,208,595

14

Of the shares issued pursuant to CEL-SCI's Stock Bonus Plans 908,131 shares were issued as part of CEL-SCI's contribution to its 401(k) plan.

### Compensation Committee

During the year ending September 30, 2006 CEL-SCI had a Compensation Committee which, was comprised of Maximilian de Clara, Alexander Esterhazy and C. Richard Kinsolving. During the year ended September 30, 2006 the Compensation Committee did not formerly meet as a separate committee, but rather held its meetings in conjunction with CEL-SCI's Board of Director's meetings.

During the year ended September 30, 2006, Mr. de Clara was the only officer participating in deliberations of CEL-SCI's compensation committee concerning executive officer compensation. During the year ended September 30, 2006, no director of CEL-SCI was also an executive officer of another entity, which had an executive officer of CEL-SCI serving as a director of such entity

## Edgar Filing: CEL SCI CORP - Form PRE 14A

or as a member of the compensation committee of such entity.

The following is the report of the Compensation Committee:

The key components of CEL-SCI's executive compensation program include annual base salaries and long-term incentive compensation consisting of stock options. It is CEL-SCI's policy to target compensation (i.e., base salary, stock option grants and other benefits) at approximately the median of comparable companies in the biotechnology field. Accordingly, data on compensation practices followed by other companies in the biotechnology industry is considered.

CEL-SCI's long-term incentive program consists exclusively of periodic grants of stock options with an exercise price equal to the fair market value of CEL-SCI's common stock on the date of grant. To encourage retention, the ability to exercise options granted under the program is subject to vesting restrictions. Decisions made regarding the timing and size of option grants take into account the performance of both CEL-SCI and the employee, "competitive market" practices, and the size of the option grants made in prior years. The weighting of these factors varies and is subjective. Current option holdings are not considered when granting options.

In April 2005 CEL-SCI entered into a three-year employment agreement with Maximilian de Clara, CEL-SCI's President. The April 2005 employment agreement, which is essentially the same as Mr. de Clara's two prior employment agreements, provides that during the employment term CEL-SCI will pay Mr. de Clara a salary of \$363,000.

On September 8, 2006 Mr. de Clara's Employment Agreement was amended and extended to April 30, 2010. The terms of the amendment to Mr. de Clara's employment agreement are referenced in a report on Form 8-K filed with the Securities and Exchange Commission on September 8, 2006. In amending and renewing Mr. de Clara's employment contract CEL-SCI's Compensation Committee considered various factors, including Mr. de Clara's performance in his area of responsibility, Mr. de Clara's experience in his position, and Mr. de Clara's

15

length of service with the Company. During the fiscal year ending September 30, 2006 the compensation paid to Mr. de Clara was based on his April 2005 employment contract.

In August 2003, CEL-SCI entered into a three-year employment agreement with Geert R. Kersten. The employment agreement, which is essentially the same as Mr. Kersten's prior employment agreement, provides that during the term of the agreement CEL-SCI will pay Mr. Kersten an annual salary of \$370,585. Effective September 1, 2006 Mr. Kersten's employment agreement was extended to September 1, 2011. In renewing Mr. Kersten's employment contract CEL-SCI's Compensation Committee considered various factors, including Mr. Kersten's performance in his area of responsibility, Mr. Kersten's experience in his position, and Mr. Kersten's length of service with CEL-SCI. During the fiscal year ending September 30, 2006 the compensation paid to Mr. Kersten was based on his 2003 employment contract.

As explained in Note (1) to the Executive Compensation table, during the year ended September 30, 2006 Mr. de Clara and Mr. Kersten agreed to accept restricted shares of CEL-SCI's common stock for part of the compensation payable pursuant to their employment contracts.

During the year ending September 30, 2006, the compensation paid to

## Edgar Filing: CEL SCI CORP - Form PRE 14A

CEL-SCI's other executive officers was based on a variety of factors, including the performance in the executive's area of responsibility, the executive's individual performance, the executive's experience in his or her role, the executive's length of service with CEL-SCI, the achievement of specific goals established for CEL-SCI and its business, and, in certain instances, to the achievement of individual goals.

Financial or stockholder value performance comparisons were not used to determine the compensation of CEL-SCI's other executive officers since CEL-SCI's financial performance and stockholder value are influenced to a substantial degree by external factors and as a result comparing the compensation payable to the other executive officers to CEL-SCI's financial or stock price performance can be misleading.

During the year ended September 30, 2006 CEL-SCI granted options for the purchase of 590,000 shares of CEL-SCI's common stock to CEL-SCI's executive officers. In granting the options to CEL-SCI's executive officers, the Board of Directors considered the same factors which were used to determine the cash compensation paid to such officers.

Except as otherwise disclosed in this proxy statement, during the year ended September 30, 2006 CEL-SCI did not issue any shares of its common stock to CEL-SCI's officers or directors in return for services provided to CEL-SCI.

The foregoing report has been approved by the members of the Compensation Committee:

Maximilian de Clara  
Alexander Esterhazy  
C. Richard Kinsolving

16

Comparison of Five Year Cumulative Total Return Among Cel-Sci Corporation, the Amex Market Value (\$U.S. and Foreign) Index, and a Peer Group

Shown below is a line graph comparing the yearly percentage change in the cumulative total stockholder return on CEL-SCI's common stock with the cumulative total return of the Amex Market Value Index and a Biotechnology peer group for the five fiscal years ending September 30, 2006.

The members of the Peer Group used for purposes of the following comparison, and their respective trading symbols, are: IDM Pharma, Inc. (IDMI), Neoprobe Corp. (NEOP) and Immune Response Corp. (IMNR).

	Cumulative Total Return *				
	9/02	9/03	9/04	9/05	9/06
CEL-SCI CORPORATION	\$ 13.43	\$ 69.40	\$ 42.54	\$ 35.07	\$ 46.27
AMEX COMPOSITE	104.77	128.88	162.87	230.78	250.97
PEER GROUP	28.86	46.20	37.37	16.69	9.01

Audit Committee

During the year ended September 30, 2006 CEL-SCI had an Audit Committee comprised of Alexander Esterhazy, C. Richard Kinsolving and Peter Young. All members of the Audit Committee are independent as independence is defined by Section 121(A) of the American Stock Exchange's Listing Standards. Dr. Peter Young serves as the audit committee's financial expert. The purpose of the Audit Committee is to review and approve the selection of CEL-SCI's auditors and



## Edgar Filing: CEL SCI CORP - Form PRE 14A

review CEL-SCI's financial statements with CEL-SCI's independent registered public accounting firm. CEL-SCI's Audit Committee Charter was filed as an exhibit to the proxy statement pertaining to CEL-SCI's 2003 Annual Shareholders' Meeting.

During the fiscal year ended September 30, 2006, the Audit Committee met four (4) times. All members of the Audit Committee attended these meetings.

The following is the report of the Audit Committee.

- (1) The Audit Committee reviewed and discussed CEL-SCI's audited financial statements for the year ended September 30, 2006 with CEL-SCI's management.
- (2) The Audit Committee discussed with CEL-SCI's independent registered public accounting firm the matters required to be discussed by Statement on Accounting Standards (SAS) No. 61 "Communications with Audit Committee" as amended by SASs 89 and 90.
- (3) The Audit Committee has received the written disclosures and the letter from CEL-SCI's independent registered public accounting firm required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), and had discussed with CEL-SCI's independent registered public accounting firm the independent registered public accounting firm's independence; and

17

- (4) Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in CEL-SCI's Annual Report on Form 10-K for the year ended September 30, 2006 for filing with the Securities and Exchange Commission.
- (5) During the year ended September 30, 2006 CEL-SCI paid BDO Seidman LLP, CEL-SCI's independent registered public accounting firm, other audit related fees of \$45,496 for reviewing various registration statements filed by CEL-SCI during the year. The Audit Committee is of the opinion that these fees are consistent with maintaining its independence from CEL-SCI.

The foregoing report has been approved by the members of the Audit Committee:

Alexander G. Esterhazy  
C. Richard Kinsolving  
Peter Young

CEL-SCI's Board of Directors has adopted a written charter for the Audit Committee, a copy of which was filed as an appendix to the proxy statement relating to CEL-SCI's March 31, 2004 annual meeting of shareholders.

### PROPOSAL TO ADOPT 2007 INCENTIVE STOCK OPTION PLAN

Shareholders are being requested to vote on the adoption of CEL-SCI's 2007 Incentive Stock Option Plan. The purpose of the 2007 Incentive Stock Option Plan is to furnish additional compensation and incentives to CEL-SCI's officers and employees.

The 2007 Incentive Stock Option Plan, if adopted, will authorize the

## Edgar Filing: CEL SCI CORP - Form PRE 14A

issuance of up to 1,000,000 shares of CEL-SCI's common stock to persons that exercise options granted pursuant to the plan. As of the date of this Proxy Statement CEL-SCI had not granted any options pursuant to this plan.

Any options under the 2007 Incentive Stock Option Plan must be granted before May 11, 2017. If adopted, the 2007 Incentive Stock Option Plan will function and be administered in the same manner as CEL-SCI's other Incentive Stock Option Plans. The Board of Directors recommends that the shareholders of CEL-SCI approve the adoption of the 2007 Incentive Stock Option Plan.

### PROPOSAL TO ADOPT 2007 NON-QUALIFIED STOCK OPTION PLAN

Shareholders are being requested to vote on the adoption of CEL-SCI's 2007 Non-Qualified Stock Option Plan. CEL-SCI's employees, directors and officers, and consultants or advisors to CEL-SCI are eligible to be granted options pursuant to the 2007 Non-Qualified Plan as may be determined by CEL-SCI's Board of Directors, provided however that bona fide services must be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction.

18

The 2007 Non-Qualified Plan, if adopted, will authorize the issuance of up to 1,000,000 shares of CEL-SCI's common stock to persons that exercise options granted pursuant to the Plan. As of the date of this Proxy Statement CEL-SCI had not granted any options under the 2007 Non-Qualified Plan.

The 2007 Non-Qualified Plan will function and be administered in the same manner as CEL-SCI's other Non-Qualified Plans. The Board of Directors recommends that the shareholders of CEL-SCI approve the adoption of the 2007 Non-Qualified Plan.

### PROPOSAL TO ADOPT 2007 STOCK BONUS PLAN

Shareholders are being requested to vote on the adoption of CEL-SCI's 2007 Stock Bonus Plan. The purpose of the 2007 Stock Bonus Plan is to furnish additional compensation and incentives to CEL-SCI's employees, directors, officers, consultants and advisors and to allow CEL-SCI to continue to make contributions to its 401(k) plan with shares of its common stock instead of cash.

Since 1993 CEL-SCI has maintained a defined contribution retirement plan (also known as a 401(k) Plan) covering substantially all CEL-SCI's employees. Prior to January 1, 1998 CEL-SCI's contribution to the 401(k) Plan was made in cash. Effective January 1, 1998 CEL-SCI's employees approved a change in the plan such that CEL-SCI's contribution is now made in shares of CEL-SCI's common stock as opposed to cash. CEL-SCI's contribution of common stock is made quarterly and is valued based upon the price of CEL-SCI's common stock on the American Stock Exchange. The Board of Directors is of the opinion that contributions to the 401(k) plan with shares of CEL-SCI's common stock serves to further align the shareholder's interest with that of CEL-SCI's employees.

The 2007 Stock Bonus Plan, if adopted, will authorize the issuance of up to 1,000,000 shares of CEL-SCI's common stock to persons granted stock bonuses pursuant to the plan. As of the date of this Proxy Statement CEL-SCI had not granted any stock bonuses pursuant to the 2007 Stock Bonus Plan.

The 2007 Stock Bonus Plan will function and be administered in the same manner as CEL-SCI's existing Stock Bonus Plans. The Board of Directors recommends that the shareholders of CEL-SCI approve the adoption of the 2007

## Edgar Filing: CEL SCI CORP - Form PRE 14A

Stock Bonus Plans.

### PROPOSAL TO AMEND CEL-SCI'S STOCK COMPENSATION PLAN

During the two years ended September 30, 2006 CEL-SCI issued 266,355 shares of its common stock to its officers, directors and employees in payment of \$154,486 in salaries, fees and other compensation owed to these persons. To conserve cash, CEL-SCI expects that it may continue to offer its officers, directors and employees the opportunity to receive shares of CEL-SCI's common stock in payment of amounts owed by CEL-SCI for services rendered.

19

CEL-SCI's common stock trades on the American Stock Exchange. AMEX-listed corporations must obtain shareholder approval for arrangements which permit officers, directors, employees or consultants to receive a listed corporation's shares in payment of compensation.

To comply with the AMEX requirements in this regard CEL-SCI adopted a Stock Compensation Plan, which was approved by CEL-SCI's shareholders at the May 6, 2004 annual meeting, and which provided that up to 1,000,000 shares of CEL-SCI'S common stock would be available for issuance under the Plan. Shareholders approved amendments to the Stock Compensation Plan which provided an additional 2,500,000 shares of common stock to the Stock Compensation Plan such that 3,500,000 shares would be available for issuance under the plan.

So that CEL-SCI may continue to offer shares of its common stock in payment of compensation owed, CEL-SCI's Board of Directors, subject to shareholder approval, has approved an amendment to the Stock Compensation Plan so that an additional 1,000,000 shares of restricted common stock would be available for issuance under the Plan. The Board of Directors recommends that the shareholders of CEL-SCI approve the amendment to the Stock Compensation Plan.

### PROPOSAL TO AMEND THE COMPANY'S ARTICLES OF INCORPORATION SUCH THAT THE COMPANY WOULD BE AUTHORIZED TO ISSUE 300,000,000 SHARES OF COMMON STOCK

CEL-SCI is presently authorized to issue 200,000,000 shares of common stock. As of May 10, 2007, CEL-SCI had 107,505,621 outstanding shares of common stock. Approximately 52,700,000 additional shares could be issued upon the conversion of outstanding promissory notes, the payment of interest or principal on the promissory notes, or the exercise of outstanding options and warrants.

Due to the lack of any significant revenues, CEL-SCI has relied upon proceeds from the private sales of its common stock, as well as securities convertible into common stock, to meet its funding requirements.

CEL-SCI needs to increase its authorized shares of common stock to accommodate the additional shares which may be issued if all outstanding options, warrants and convertible securities were exercised or converted and to allow CEL-SCI to raise additional capital through the sale of common stock or securities convertible into common stock.

Although CEL-SCI will be required to fund its operations through the sale of its securities until significant revenues are generated from the commercial sale of its products, as of the date of this proxy statement CEL-SCI did not have any definitive agreements or arrangements with any person to sell any additional shares of its common stock, except for CEL-SCI's obligation to issue common stock upon the exercise of outstanding options and warrants or the conversion of.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors has selected BDO Seidman, LLP, an independent registered public accounting firm, to audit the books and records of CEL-SCI for the fiscal year ending September 30, 2007. BDO Seidman served as CEL-SCI's independent registered public accounting firm for the fiscal year ended September 30, 2006. A representative of BDO Seidman is expected to be present at the shareholders' meeting.

BDO Seidman, LLP served as CEL-SCI's auditors for the years ended September 30, 2006 and 2005. The following table shows the aggregate fees billed to CEL-SCI during these year by BDO Seidman, LLP:

	Year Ended September 30,	
	2006	2005
	----	----
Audit Fees	\$159,364	\$73,205
Audit-Related Fees	45,496	9,773
Financial Information Systems	--	--
Design and Implementation Fees	--	--
Tax Fees	--	--
All Other Fees	--	--

Audit fees represent amounts billed for professional services rendered for the audit of the CEL-SCI's annual financial statements and the reviews of the financials statements included in CEL-SCI's 10-Q reports for the fiscal year. Audit Related Fees represent amounts charged for acceptance procedures and services performed concerning a financing. Before BDO Seidman, LLP was engaged by CEL-SCI to render audit or non-audit services, the engagement was approved by CEL-SCI's audit committee. CEL-SCI's Board of Directors is of the opinion that the Audit Related Fees charged by BDO Seidman, LLP are consistent with BDO Seidman, LLP maintaining its independence from CEL-SCI.

AVAILABILITY OF ANNUAL REPORT ON FORM 10-K

CEL-SCI's Annual Report on Form 10-K for the year ending September 30, 2006 will be sent to any shareholder of CEL-SCI upon request. Requests for a copy of this report should be addressed to the Secretary of CEL-SCI at the address provided on the first page of this proxy statement.

SHAREHOLDER PROPOSALS

Any shareholder proposal which may properly be included in the proxy solicitation material for the annual meeting of shareholders following CEL-SCI's year ending September 30, 2007 must be received by the Secretary of CEL-SCI no later than December 31, 2007.

GENERAL

The cost of preparing, printing and mailing the enclosed proxy,

Edgar Filing: CEL SCI CORP - Form PRE 14A

accompanying notice and proxy statement, and all other costs in connection with solicitation of proxies will be paid by CEL-SCI including any additional solicitation made by letter, telephone or telegraph. Failure of a quorum to be present at the meeting will necessitate adjournment and will subject CEL-SCI to additional expense. CEL-SCI's annual report, including financial statements for the 2006 fiscal year, is included in this mailing.

CEL-SCI's Board of Directors does not intend to present and does not have reason to believe that others will present any other items of business at the annual meeting. However, if other matters are properly presented to the meeting for a vote, the proxies will be voted upon such matters in accordance with the judgment of the persons acting under the proxies.

Please complete, sign and return the enclosed proxy promptly. No postage is required if mailed in the United States.

PROXY

CEL-SCI CORPORATION

This Proxy is solicited by the Company's Board of Directors

The undersigned stockholder of CEL-SCI acknowledges receipt of the Notice of the Annual Meeting of Stockholders to be held \_\_\_\_\_, 2007, \_\_\_\_\_ local time, at the \_\_\_\_\_ and hereby appoints Maximilian de Clara and Geert R. Kersten with the power of substitution, as Attorneys and Proxies to vote all the shares of the undersigned at said annual meeting of stockholders and at all adjournments thereof, hereby ratifying and confirming all that said Attorneys and Proxies may do or cause to be done by virtue hereof. The above named Attorneys and Proxies are instructed to vote all of the undersigned's shares as follows:

- (1) To elect the persons who shall constitute CEL-SCI's Board of Directors for the ensuing year.

[ ] FOR all nominees listed below (except as marked to the contrary below)

[ ] WITHHOLD AUTHORITY to vote for all nominees listed below

(INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, STRIKE A LINE THROUGH THE NOMINEE'S NAME IN THE LIST BELOW)

Nominees: Maximilian de Clara Geert R. Kersten Alexander G. Esterhazy C. Richard Kinsolving Peter R. Young

- (2) To approve the adoption of the Company's 2007 Incentive Stock Option Plan.

[ ] FOR [ ] AGAINST [ ] ABSTAIN

- (3) To approve the adoption of the Company's 2007 Non-Qualified Stock Option Plan.

[ ] FOR [ ] AGAINST [ ] ABSTAIN

