

AETHLON MEDICAL INC

Form 424B3

November 16, 2015

Filed pursuant to Rule 424(b)(3)

Registration No. 333-205832

PROSPECTUS SUPPLEMENT NO. 4

(to prospectus dated August 4, 2015)

Aethlon Medical, Inc.

1,699,040 Shares of Common Stock

This prospectus supplement relates to the prospectus dated August 4, 2015 relating to the following common stock that may be sold from time to time by the selling stockholders identified in the prospectus:

·952,383 shares of common stock; and

·746,657 shares of common stock underlying common stock purchase warrants at an exercise price of \$6.30 per share.

This prospectus supplement relates to an existing registration of securities under Registration Statement File No. 333-205832, originally filed on July 24, 2015, and does not cover securities beyond those covered by the existing Registration Statement.

All of the common stock covered by the prospectus is being sold by the selling stockholders for their own account. We will not receive any proceeds from the sale of these shares other than proceeds, if any, from the exercise of warrants to purchase shares of our common stock. If all of the warrants are exercised for cash, we will receive a total of \$4,703,939 in gross proceeds, which we expect to use for general corporate purposes. We cannot assure you that any warrants will be exercised for cash. The selling stockholders may offer and sell the shares covered by the prospectus at prevailing prices quoted on the Nasdaq Capital Market or at privately negotiated prices. The selling stockholders may sell the shares directly or through underwriters, brokers or dealers. The selling stockholders will bear any applicable sales commissions, transfer taxes and similar expenses. We will pay all other expenses incident to

the registration of the shares. See “Plan of Distribution” on page 26 of the prospectus for more information on this topic.

We are filing this prospectus supplement to supplement and amend the information previously included in the prospectus with the information contained in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 16, 2015. Accordingly, we have attached our Quarterly Report on Form 10-Q to this prospectus supplement. You should read this prospectus supplement together with the prospectus and the prospectus supplements filed on August 13, 2015, September 28, 2015 and October 23, 2015, which are to be delivered with this prospectus supplement.

Our common stock is traded on the Nasdaq Capital Market under the symbol “AEMD.” On November 12, 2015, the last reported sale price of our common stock on the Nasdaq Capital Market was \$7.18 per share.

Investing in our securities involves significant risks, including those set forth in the “Risk Factors” section of the prospectus beginning at page 4.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THE PROSPECTUS OR THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus supplement is November 16, 2015.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER 001-37487

AETHLON MEDICAL, INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

13-3632859

(I.R.S. Employer Identification No.)

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9635 GRANITE RIDGE DRIVE, SUITE 100, SAN DIEGO, CA 92123

(Address of principal executive offices) (Zip Code)

(858) 459-7800

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (ss.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES NO

As of November 13, 2015, the registrant had outstanding 7,615,636 shares of common stock, \$.001 par value

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ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2

AETHLON MEDICAL, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2015 (Unaudited)	March 31, 2015
ASSETS		
Current assets		
Cash	\$4,209,356	\$855,596
Accounts receivable	186,808	193,341
Deferred financing costs	42,883	82,324
Prepaid expenses and other current assets	108,245	73,135
Total current assets	4,547,292	1,204,396
Property and equipment, net	41,997	56,091
Patents and patents pending, net	98,743	103,325
Deposits	17,443	16,776
Total assets	\$4,705,475	\$1,380,588
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$217,594	\$342,133
Due to related parties	204,112	146,112
Convertible notes payable, current portion	341,505	-
Other current liabilities	65,737	85,731
Total current liabilities	828,948	573,976
Noncurrent liabilities		
Convertible notes payable, noncurrent portion	-	155,229
Total noncurrent liabilities	-	155,229
Total liabilities	828,948	729,205
Commitments and Contingencies (Note 13)		
Equity		
Common stock, par value \$0.001 per share; 10,000,000 shares authorized as of September 30, 2015 and March 31, 2015; 7,615,636 and 6,657,046 shares issued and outstanding as of September 30, 2015 and March 31, 2015, respectively	7,614	6,657
Additional paid-in capital	87,930,959	82,238,507
Accumulated deficit	(84,037,356)	(81,629,714)
Total Aethlon Medical, Inc. stockholders' equity before noncontrolling interests	3,901,217	615,450

Noncontrolling interests	(24,690)	35,933
Total equity	3,876,527		651,383
Total liabilities and equity	\$4,705,475		\$1,380,588

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three and Six Month Periods Ended September 30, 2015 and 2014

(Unaudited)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Six Months Ended September 30, 2015	Six Months Ended September 30, 2014
REVENUES				
Government contract revenue	\$ 188,366	\$ 479,075	\$ 380,874	\$ 530,371
OPERATING EXPENSES				
Professional fees	389,207	308,821	927,433	710,434
Payroll and related expenses	597,850	544,354	1,056,078	1,165,040
General and administrative	325,670	227,092	611,695	428,097
Total operating expenses	1,312,727	1,080,267	2,595,206	2,303,571
OPERATING LOSS	(1,124,361)	(601,192)	(2,214,332)	(1,773,200)
OTHER EXPENSE				
Loss on debt conversion	–	65,493	–	2,531,123
Interest and other debt expenses	127,245	78,145	253,933	144,799
Loss on extension of warrants	–	143,363	–	143,363
Total other expense	127,245	287,001	253,933	2,819,285
NET LOSS BEFORE NONCONTROLLING INTERESTS	(1,251,606)	(888,193)	(2,468,265)	(4,592,485)
LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(27,000)	(40,784)	(60,623)	(89,135)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$(1,224,606)	\$(847,409)	\$(2,407,642)	\$(4,503,350)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$(0.16)	\$(0.16)	\$(0.34)	\$(0.92)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	7,610,459	5,187,398	7,167,903	4,869,898

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended September 30, 2015 and 2014

(Unaudited)

	Six Months Ended September 30, 2015	Six Months Ended September 30, 2014
Cash flows from operating activities:		
Net loss	\$(2,468,265)	\$(4,592,485)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	18,676	18,676
Stock based compensation	101,421	260,680
Fair market value of common stock, warrants and options issued for services	–	162,358
Loss on extension of warrants	–	143,363
Loss on debt conversion	–	2,531,123
Amortization of debt discount and deferred financing costs	225,717	21,502
Changes in operating assets and liabilities:		
Accounts receivable	6,533	(162,495)
Prepaid expenses and other current assets	(35,777)	9,558
Accounts payable and other current liabilities	(144,533)	163,646
Due to related parties	58,000	49,708
Net cash used in operating activities	(2,238,228)	(1,394,366)
Cash flows from financing activities:		
Proceeds from the issuance of common stock, net	5,591,988	670,274
Net cash provided by financing activities	5,591,988	670,274
Net increase (decrease) in cash	3,353,760	(724,092)
Cash at beginning of period	855,596	1,250,279
Cash at end of period	\$4,209,356	\$526,187
Supplemental disclosures of non-cash investing and financing activities:		
Debt and accrued interest converted to common stock	\$–	\$1,007,631
Reclassification of warrant derivative liability into equity	\$–	\$10,679,067

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Deferred financing costs recorded in connection with debt amendment	\$-	\$5,000
Reclassification of accrued interest to convertible notes payable	\$-	\$25,766
Cashless exercise of warrants	\$5	\$-

See accompanying notes.

AETHLON MEDICAL, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2015

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

ORGANIZATION

Aethlon Medical, Inc. and subsidiary ("Aethlon", the "Company", "we" or "us") is a medical device company focused on creating innovative devices that address unmet medical needs in cancer, infectious disease and other life-threatening conditions. At the core of our developments is the Aethlon ADAPT™ (Adaptive Dialysis-Like Affinity Platform Technology) system, a medical device platform that converges single or multiple affinity drug agents with advanced plasma membrane technology to create therapeutic filtration devices that selectively remove harmful particles from the entire circulatory system without loss of essential blood components. On June 25, 2013, the United States Food and Drug Administration (FDA) approved an Investigational Device Exemption (IDE) that allows us to initiate human feasibility studies of the Aethlon Hemopurifier® in the U.S. Under the feasibility study protocol, we will enroll ten end-stage renal disease patients who are infected with the Hepatitis C virus (HCV) to demonstrate the safety of Hemopurifier therapy. Successful completion of this study will allow us the opportunity to initiate pivotal studies that are required for market clearance to treat HCV and other disease conditions in the U.S.

Successful outcomes of human trials will also be required by the regulatory agencies of certain foreign countries where we intend to sell this device. Some of our patents may expire before FDA approval or approval in a foreign country, if any, is obtained. However, we believe that certain patent applications and/or other patents issued more recently will help protect the proprietary nature of the Hemopurifier(R) treatment technology.

In October 2013, our majority owned subsidiary, Exosome Sciences, Inc. ("ESI"), commenced operations with a focus on advancing exosome-based strategies to diagnose and monitor the progression of cancer, infectious disease and other life-threatening conditions.

Our common stock is traded on the Nasdaq Capital Market under the symbol "AEMD."

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and applicable sections of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments necessary to make the financial statements not misleading have been included. The condensed consolidated balance sheet as of March 31, 2015 was derived from our audited financial statements. Operating results for the six months ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending March 31, 2016. For further information, refer to our Annual Report on Form 10-K for the year ended March 31, 2015, which includes audited financial statements and footnotes as of March 31, 2015 and 2014 and for the years then ended.

Certain reclassifications have been made to the previously presented consolidated financial statements and condensed consolidated financial statements to conform to the current period presentation. These reclassifications had no effect on previously reported results of consolidated operations or equity.

On April 14, 2015, we completed a 1-for-50 reverse stock split. Accordingly, authorized common stock was reduced from 500,000,000 shares to 10,000,000 shares, and each 50 shares of outstanding common stock held by stockholders were combined into one share of common stock. The accompanying condensed consolidated financial statements and accompanying notes have been retroactively revised to reflect such reverse stock split as if it had occurred on April 1, 2014. All share and per share amounts have been revised accordingly.

2. LOSS PER COMMON SHARE

Basic loss per share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during the period of computation. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if potential common shares had been issued, if such additional common shares were dilutive. Since we had net losses for all periods presented, basic and diluted loss per share are the same, and additional potential common shares have been excluded as their effect would be antidilutive.

As of September 30, 2015 and 2014, a total of 2,719,162 and 2,793,456 potential common shares, consisting of shares underlying outstanding stock options, warrants and convertible notes payable were excluded as their inclusion would be antidilutive.

3. RESEARCH AND DEVELOPMENT EXPENSES

Our research and development costs are expensed as incurred. We incurred research and development expenses during the three and six month periods ended September 30, 2015 and 2014, which are included in various operating expense line items in the accompanying condensed consolidated statements of operations. Our research and development expenses in those periods were as follows:

	September 30, 2015	September 30, 2014
Three months ended	\$ 207,676	\$ 250,388
Six months ended	\$ 424,267	\$ 637,723

4. SIGNIFICANT RECENT ACCOUNTING PRONOUNCEMENTS

Management is evaluating significant recent accounting pronouncements that are not yet effective for us, including the new accounting standard on revenue recognition, Accounting Standards Update (ASU) 2014-09 (Topic 606), the new accounting standard related to presentation of financial statements - going concern qualifications, ASU 2014-15, the new accounting standard on consolidation, ASU 2015-02, the new accounting standard on extraordinary and unusual items on income statements, ASU 2015-01, and the new accounting standard on imputation of interest, simplifying the presentation of debt issuance costs, ASU 2015-03 and have not yet concluded whether any such pronouncements will have a significant effect on our future consolidated financial statements.

5. CONVERTIBLE NOTES PAYABLE

Convertible Notes Payable consisted of the following at September 30, 2015:

	Principal	Unamortized Discount	Net Amount	Accrued Interest
Convertible Notes Payable – Current Portion:				
November 2014 10% Convertible Notes	\$ 527,780	\$ (186,275)	\$ 341,505	\$ 47,647
Total – Convertible Notes Payable – Current Portion	527,780	(186,275)	341,505	47,647
Convertible Notes Payable – Non-Current Portion	–	–	–	–

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Total Convertible Notes Payable \$527,780 \$ (186,275) \$341,505 \$47,647

During the six months ended September 30, 2015, we recorded interest expense of \$26,390 related to the contractual interest rates of our convertible notes, interest expense of \$186,276 related to the amortization of debt discount and interest expense of \$39,441 related to the amortization of deferred financing costs for a total interest expense of \$252,107 related to our convertible notes in the six months ended September 30, 2015.

Convertible Notes Payable consisted of the following at March 31, 2015:

	Principal	Unamortized Discount	Net Amount	Accrued Interest
Convertible Notes Payable – Non-Current Portion:				
November 2014 10% Convertible Notes	\$ 527,780	\$ (372,551)	\$ 155,229	\$ 21,258
Total – Convertible Notes Payable – Non-Current Portion	527,780	(372,551)	155,229	21,258
Total Convertible Notes Payable	\$ 527,780	\$ (372,551)	\$ 155,229	\$ 21,258

During the fiscal year ended March 31, 2015, we recorded interest expense of \$24,625 related to the contractual interest rates of our convertible notes, interest expense of \$155,230 related to the amortization of debt discounts on the convertible notes and interest expense of \$118,147 related to the amortization of deferred financing costs for a total of \$298,002.

NOVEMBER 2014 10% CONVERTIBLE NOTES

In November 2014, we entered into a subscription agreement with two accredited investors providing for the issuance and sale of (i) convertible promissory notes in the aggregate principal amount of \$527,780 and (ii) five year warrants to purchase up to 47,123 shares of common stock at a fixed exercise price of \$8.40 per share. These notes bear interest at the annual rate of 10% and mature on April 1, 2016.

The aggregate gross cash proceeds to us were \$415,000 after subtracting legal fees of \$35,000; the balance of the principal amount of the notes represents a \$27,780 due diligence fee and an original issuance discount. We recorded deferred financing costs of \$112,780 to reflect the legal fees, due diligence fee and original issuance discount and will amortize those costs over the life of the notes using the effective interest method.

The estimated relative fair value of warrants issued in connection with the November 2014 10% Convertible Notes was recorded as a debt discount and is amortized as additional interest expense over the term of the underlying debt. We recorded debt discount of \$240,133 based on the relative fair value of these warrants. In addition, as the effective conversion price of the debt was less than market price of the underlying common stock on the date of issuance, we recorded an additional debt discount of \$287,647 related to id #000000">

SOLE VOTING POWER

0

8

SHARED VOTING POWER

5,899,719

9

SOLE DISPOSITIVE POWER

0

10

SHARED DISPOSITIVE POWER

5,899,719

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,899,719

12

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4%(1)

14

TYPE OF REPORTING PERSON

PN (Cayman Islands Exempt Limited Partnership)

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

CUSIP No. 42805T 10 5

1 NAMES OF REPORTING PERSONS

2 TC Group Cayman Investment Holdings, L.P.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO
Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZEN OR PLACE OF ORGANIZATION

Cayman Islands
7 SOLE VOTING POWER

NUMBER OF
SHARES 8 0 SHARED VOTING POWER

BENEFICIALLY

OWNED BY
EACH 9 5,899,719 SOLE DISPOSITIVE POWER

REPORTING

PERSON 10 0 SHARED DISPOSITIVE POWER
WITH

11 5,899,719
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,899,719

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4%(1)

14 TYPE OF REPORTING PERSON

PN (Cayman Islands Exempt Limited Partnership)

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

CUSIP No. 42805T 10 5

1 NAMES OF REPORTING PERSONS

CEP II Managing GP Holdings, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZEN OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

0

SHARES 8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

5,899,719

EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

5,899,719

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,899,719

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4%(1)

14 TYPE OF REPORTING PERSON

00 (Cayman Islands Limited Company)

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

CUSIP No. 42805T 10 5

1 NAMES OF REPORTING PERSONS

CEP II Managing GP, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZEN OR PLACE OF ORGANIZATION

Alberta Canada

7 SOLE VOTING POWER

NUMBER OF

0

SHARES 8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

5,899,719

EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

5,899,719

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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5,899,719

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4%(1)

14 TYPE OF REPORTING PERSON

PN

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

CUSIP No. 42805T 10 5

1 NAMES OF REPORTING PERSONS

CEP II U.S. Investments, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZEN OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

0

SHARES 8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

5,677,083

EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

10 SHARED DISPOSITIVE POWER

WITH

5,677,083

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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5,677,083

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4%(1)

14 TYPE OF REPORTING PERSON

PN

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

CUSIP No. 42805T 10 5

1 NAMES OF REPORTING PERSONS

2 Carlyle Europe Partners II, L.P.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO
Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZEN OR PLACE OF ORGANIZATION

England

7 SOLE VOTING POWER

NUMBER OF

SHARES 0
8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 222,636
EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0
10 SHARED DISPOSITIVE POWER

WITH

11 222,636
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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222,636

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.1%(1)

14 TYPE OF REPORTING PERSON

PN

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

CUSIP No. 42805T 10 5

1 NAMES OF REPORTING PERSONS

2 CEP II Participations S.à r.l. SICAR
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO
Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6 CITIZEN OR PLACE OF ORGANIZATION

Luxembourg
7 SOLE VOTING POWER

NUMBER OF
SHARES 8 0 SHARED VOTING POWER

BENEFICIALLY

OWNED BY
EACH 9 222,636 SOLE DISPOSITIVE POWER

REPORTING

PERSON 10 0 SHARED DISPOSITIVE POWER
WITH

11 222,636
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

222,636

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.1%(1)

14 TYPE OF REPORTING PERSON

OO (Luxembourg Limited Liability Company)

(1) Based on 413,873,148 Shares outstanding on February 28, 2011.

Explanatory Note

This Amendment No. 1 to Schedule 13D (this Amendment No. 1) amends and supplements the Schedule 13D originally filed with the United States Securities and Exchange Commission (the SEC) on June 8, 2009 (the Statement), as follows:

ITEM 2. Identity and Background

Item 2 of the Statement is amended by inserting the following information:

DBD Cayman Holdings, Ltd., a Cayman Islands exempted company, c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands. The telephone number is +1 345-949-0100.

DBD Cayman Holdings, Ltd. has investment discretion and dispositive power over the shares of Hertz Holdings common stock held by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. DBD Cayman Holdings, Ltd. is the sole shareholder of DBD Cayman, Ltd., which is the sole general partner of TCG Holdings Cayman II, L.P., which is the sole general partner of TC Group Cayman Investment Holdings, L.P., which is the sole shareholder of CEP II Managing GP Holdings, Ltd., which is the sole general partner of CEP II Managing GP, L.P., which is the general partner of each of CEP II U.S. Investments, L.P. and Carlyle Europe Partners II, L.P., which is the sole shareholder of CEP II Participations S.à r.l. SICAR. DBD Cayman Holdings, Ltd. is controlled by its ordinary members, William E. Conway, Jr., Daniel A. D Aniello and David M. Rubenstein and all action relating to the investment and disposition of the shares of Hertz Holdings common stock held by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. requires their approval. William E. Conway, Jr., Daniel A. D Aniello and David M. Rubenstein may be deemed to share beneficial ownership over the shares shown as beneficially owned by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. Such persons disclaim beneficial ownership of these shares.

ITEM 4. Purpose of Transaction

Item 4 of the Statement is amended by inserting the following information:

On March 31, 2011, Carlyle Partners IV, L.P. sold 14,552,261 Shares, CP IV Coinvestment, L.P. sold 587,717 Shares, CEP II Participations S.à r.l. SICAR sold 69,639 Shares and CEP II U.S. Investments, L.P. sold 1,775,740 Shares, in each case to Goldman, Sachs & Co. (GS) at a price of \$15.63 per Share, in a registered offering (the Secondary Offering) pursuant to an Underwriting Agreement, dated as of March 28, 2011 (the Underwriting Agreement), by and among the CD&R Hertz Funds (as defined in the Statement), the Carlyle Hertz Funds (as defined in the Statement), the Merrill Lynch Hertz Funds (as defined in the Statement), CMC-Hertz Partners, L.P. and GS.

Under the Underwriting Agreement, CD&R Hertz Funds, the Carlyle Hertz Funds, the Merrill Lynch Hertz Funds and CMC-Hertz Partners, L.P. have agreed with GS, subject to certain exceptions, not to dispose of or hedge any Shares or securities convertible into or exchangeable for Shares during the period from March 28, 2011 continuing through and including the date 45 days after March 28, 2011, except with the prior written consent of GS (such period, the restricted period). The restricted period will be automatically extended if: (1) during the last 17 days of the restricted period the Issuer issues an earnings release or announces material news or a material event; or (2) prior to the expiration of the restricted period, the Issuer announces that it will release earnings results during the 15-day period following the last day of the restricted period, in which case the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

The foregoing description of the Underwriting Agreement does not purport to be complete and is qualified in its entirety by reference to the Underwriting Agreement, which is filed as Exhibit 7 hereto and is incorporated herein by reference.

As of the closing of the Secondary Offering, CD&R Hertz Funds, the Carlyle Hertz Funds, the Merrill Lynch Hertz Funds and CMC-Partners, L.P. ceased to own at least 50% of the Shares then outstanding in the aggregate and the Issuer ceased to be a controlled company within the meaning of the rules of the New York Stock Exchange (NYSE). In connection therewith, the board of directors of the Issuer and of The Hertz Corporation, the Issuer's wholly-owned subsidiary, amended the Issuer's and The Hertz Corporation's by-laws to reflect the creation of the new Compensation, Nominating and Governance Committee in order to be compliant with applicable NYSE independence and governance requirements and created and adopted a charter for a new compensation, nominating and governance committee of each of the Issuer and The Hertz Corporation to replace their respective existing compensation committees.

Except as described in this Item 4 and Item 6 of this Schedule 13D which are incorporated herein by reference, the Reporting Persons have no present plans or proposals that relate to or would result in any of the actions required to be reported herein.

ITEM 5. Interest in Securities of the Issuer

Item 5 of the Statement is amended and restated in its entirety by inserting the following information:

(a) (b)

As of the date hereof (and after giving effect to the sale of the Shares in the Secondary Offering), each of the Reporting Persons beneficially owns the number and percentage of Shares then issued and outstanding listed opposite its name:

Reporting Person(a)	Amount		Sole power to vote or direct the vote	Shared power to vote or to direct the vote	Sole power to dispose or to direct the disposition of	Shared power to dispose or to direct the disposition of
	beneficially owned	Percent of class(b)				
TCG Holdings, L.L.C.	48,402,867	11.70%	0	48,402,867	0	48,402,867
TC Group, L.L.C.	48,402,867	11.70%	0	48,402,867	0	48,402,867
TC Group IV Managing GP, L.L.C.	48,402,867	11.70%	0	48,402,867	0	48,402,867
TC Group IV, L.P.	48,402,867	11.70%	0	48,402,867	0	48,402,867
Carlyle Partners IV, L.P.	46,523,921	11.24%	0	46,523,921	0	46,523,921
CP IV Coinvestment, L.P.	1,878,946	0.45%	0	1,878,946	0	1,878,946
DBD Cayman Holdings Ltd.	5,899,719	1.43%	0	5,899,719	0	5,899,719
DBD Cayman Ltd.	5,899,719	1.43%	0	5,899,719	0	5,899,719
TCG Holdings Cayman II, L.P.	5,899,719	1.43%	0	5,899,719	0	5,899,719
TC Group Cayman Investment Holdings, L.P.	5,899,719	1.43%	0	5,899,719	0	5,899,719
CEP II Managing GP Holdings, Ltd.	5,899,719	1.43%	0	5,899,719	0	5,899,719
CEP II Managing GP, L.P.	5,899,719	1.43%	0	5,899,719	0	5,899,719
CEP II U.S. Investments, L.P.	5,677,083	1.37%	0	5,677,083	0	5,677,083
Carlyle Europe Partners II, L.P.	222,636	0.05%	0	222,636	0	222,636
CEP II Participations S.à r.l. SICAR	222,636	0.05%	0	222,636	0	222,636

(a) As noted in Item 2. Identity and Background, the CD&R Hertz Funds and the Merrill Lynch Hertz Funds are not included as Reporting Persons in this Schedule 13D, and the Carlyle Hertz Funds expressly disclaim beneficial ownership of all Shares held by such funds. As such, this table excludes: (i) 24,587,427 Shares held by ML Global Private Equity Fund, L.P.; (ii) 2,949,860 Shares held by Merrill Lynch Ventures L.P. 2001; (iii) 2,362,247 Shares held by ML Hertz Co-Investor, L.P.; (iv) 44,467,854 Shares held by Clayton Dubilier & Rice Fund VII, L.P.; (v) 16,236,028 Shares held by CDR CCMG Co-Investor L.P.; (vi) 301,834 Shares held by CD&R Parallel Fund VII, L.P.; and (vii) 14,749,298 Shares held by CMC-Hertz Partners, L.P., in each case after giving effect to the sale of Shares in the Secondary Offering. This table also excludes the 20,752 Shares held by Merrill Lynch, Pierce, Fenner & Smith Incorporated, which is associated with the Merrill Lynch Hertz Funds and 59,251 Shares and 46,700 currently exercisable options to purchase Shares issued to certain entities associated with MLGPE, as assignee of compensation payable to the Merrill Sponsor Nominees under Hertz Holdings Director Compensation Policy, which shares may be deemed to be beneficially owned by ML Global Private Equity Fund, L.P.

(b) Based on 413,873,148 Shares outstanding on February 28, 2011.

Carlyle Partners IV, L.P. and CP IV Coinvestment, L.P. are the record owners of 46,523,921 Shares and 1,878,946 Shares, respectively. Investment discretion and control over the Shares held by Carlyle Partners IV, L.P. and CP IV Coinvestment, L.P. is exercised by TCG Holdings, L.L.C. through its indirect subsidiary, TC Group IV, L.P., which is the sole general partner of each of the Carlyle Funds. TCG Holdings, L.L.C. is the managing member of TC Group, L.L.C. TC Group, L.L.C. is the sole managing member of TC Group IV Managing GP, L.L.C. TC Group IV Managing GP, L.L.C. is the sole general partner of TC Group IV, L.P. TCG Holdings, L.L.C. is managed by a three person managing board, and all board action relating to the voting or disposition of these shares requires approval of a majority of the board. William E. Conway, Jr., Daniel A. D Aniello and David M. Rubenstein, as the managing members of TCG Holdings, L.L.C., may be deemed to share beneficial ownership of the shares beneficially owned by TCG Holdings, L.L.C. Such persons disclaim such beneficial ownership.

CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. are the record owners of 222,636 Shares Common Stock and 5,677,083 Shares, respectively. CEP II Managing GP, L.P. is the general partner of CEP II U.S. Investments, L.P. and Carlyle Europe Partners II, L.P., which is in turn the sole shareholder of CEP II Participations S.à r.l. SICAR. CEP II Managing GP Holdings, Ltd. is the sole general partner of CEP II Managing GP, L.P. TC Group Cayman Investment Holdings, L.P. is the sole shareholder of CEP II Managing GP Holdings, Ltd. TCG Holdings Cayman II, L.P. is the sole general partner of TC Group Cayman Investment Holdings, L.P. and DBD Cayman Ltd. is the sole general partner of TCG Holdings Cayman II, L.P. DBD Cayman Holdings, Ltd. is the sole shareholder of DBD Cayman, Ltd. Accordingly, each of CEP II Managing GP, L.P., CEP II Managing GP Holdings, Ltd., TC Group Cayman Investment Holdings, L.P., TCG Holdings Cayman II, L.P., DBD Cayman Ltd. and DBD Cayman Holdings, Ltd. may be deemed to be beneficial owners of the Common Stock held by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P.

DBD Cayman Holdings, Ltd. has investment discretion and dispositive power over the shares of Hertz Holdings common stock held by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. DBD Cayman Holdings, Ltd. is the sole shareholder of DBD Cayman, Ltd., which is the sole general partner of TCG Holdings Cayman II, L.P., which is the sole general partner of TC Group Cayman Investment Holdings, L.P., which is the sole shareholder of CEP II Managing GP Holdings, Ltd., which is the sole general partner of CEP II Managing GP, L.P., which is the general partner of each of CEP II U.S. Investments, L.P. and Carlyle Europe

Partners II, L.P., which is the sole shareholder of CEP II Participations S.à r.l. SICAR. DBD Cayman Holdings, Ltd. is controlled by its ordinary members, William E. Conway, Jr., Daniel A. D Aniello and David M. Rubenstein and all action relating to the investment and disposition of the shares of Hertz Holdings common stock held by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. requires their approval. William E. Conway, Jr., Daniel A. D Aniello and David M. Rubenstein may be deemed to share beneficial ownership over the shares shown as beneficially owned by CEP II Participations S.à r.l. SICAR and CEP II U.S. Investments, L.P. Such persons disclaim beneficial ownership of these shares.

ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer

Item 6 of the Statement is amended and restated in its entirety by inserting the following information:

The information set forth in Item 4 above is hereby incorporated by reference in response to Item 6.

ITEM 7. Materials to be Filed as Exhibits

Exhibit Number	Description
1	Joint Filing Agreement, dated April 4, 2011, by and among the Reporting Persons
7	Underwriting Agreement, dated as of March 28, 2011, by and among Clayton, Dubilier & Rice Fund VII, L.P., CDR CCMG Co-Investor L.P., CD&R Parallel Fund VII, L.P., Carlyle Partners IV, L.P., CEP II U.S. Investments, L.P., CP IV Coinvestment, L.P., CEP II Participations S.à r.l. SICAR, ML Global Private Equity Fund, L.P., Merrill Lynch Ventures L.P. 2001, ML Hertz Co-Investor, L.P., CMC-Hertz Partners, L.P. and Goldman, Sachs & Co., Inc. (incorporated by reference to Exhibit 1.1 to Form 8-K filed by the Issuer on April 1, 2011).
24	Power of Attorney

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 4, 2011

TCG Holdings, L.L.C.

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Managing Director

TC Group, L.L.C.

By: TCG Holdings, L.L.C.,

as its Managing Member

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Managing Director

TC Group IV Managing GP, L.L.C.

By: TC Group, L.L.C.,

as its Managing Member

By: TCG Holdings, L.L.C.,

as its Managing Member

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Managing Director

TC Group IV, L.P.

By: TC Group IV Managing GP, L.L.C.,

as its Managing Member

By: TC Group, L.L.C.,

as its Managing Member

By: TCG Holdings, L.L.C.,

as its Managing Member

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Managing Director

Carlyle Partners IV, L.P.

By: TC Group IV, L.P.,

as its General Partner

By: TC Group IV Managing GP, L.L.C.,

as its General Partner

By: TC Group, L.L.C.,

as its Managing Member

By: TCG Holdings, L.L.C.,

as its Managing Member

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Managing Director

CP IV Coinvestment, L.P.

By: TC Group IV, L.P.,

as its General Partner

By: TC Group IV Managing GP, L.L.C.,

as its General Partner

By: TC Group, L.L.C.,

as its Managing Member

By: TCG Holdings, L.L.C.,

as its Managing Member

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Managing Director

DBD Cayman Holdings Ltd.

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Ordinary Member

DBD Cayman Ltd.

By: DBD Cayman Holdings Ltd.,

as its sole shareholder

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

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Name: David M. Rubenstein
Title: Ordinary Member

TCG Holdings Cayman II, L.P.

By: DBD Cayman Ltd.,

as its General Partner

By: DBD Cayman Holdings Ltd.,

as its sole shareholder

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Ordinary Member

TC Group Cayman Investment Holdings, L.P.

By: TCG Holdings Cayman II, L.P.,

as its General Partner

By: DBD Cayman Ltd.,

as its General Partner

By: DBD Cayman Holdings Ltd.,

as its sole shareholder

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Ordinary Member

CEP II Managing GP Holdings, Ltd.

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Director

CEP II Managing GP, L.P.

By: CEP II Managing GP Holdings, Ltd.,

as its General Partner

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein

Name: David M. Rubenstein

Title: Director

CEP II U.S. Investments, L.P.

By: CEP II Managing GP, L.P.,
as its General Partner

By: CEP II Managing GP Holdings, Ltd.,
as its General Partner

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Director

Carlyle Europe Partners II, L.P.

By: CEP II Managing GP, L.P.,
as its General Partner

By: CEP II Managing GP Holdings, Ltd.,
as its General Partner

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Director

CEP II Participations S.à r.l. SICAR

By: CEP II Managing GP Holdings, Ltd.,
as its Manager

By: /s/ R. Rainey Hoffman as attorney-in-fact for
David M. Rubenstein
Name: David M. Rubenstein
Title: Director