Bio-Matrix Scientific Group, Inc.
Form 10-K
December 29, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-K

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

For the Year Ended September 30, 2011

File Number: 0-32201

BIO-MATRIX SCIENTIFIC GROUP, INC.

(Exact name of registrant as specified in its charter)

DELAWARE (State of jurisdiction of Incorporation)	33-0824714 (I.R.S. Employer Identification No.)
4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA, (Address of principal executive offices)	91942 (Zip Code)

(619) 398-3517 ext. 308

(Registrants telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class to be so Registered:	Name of each exchange on which registered:
None	**None**

Securities registered under Section 12(g) of the Act:

Common Stock, Par Value $.0001

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes [ ] No [X]

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 [X]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in the definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or amendment to Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, and accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of large accelerated filer , accelerated filer , and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer [ ]	Accelerated Filer [ ]
Non-accelerated Filer [ ]	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of March 31, 2011, the aggregate market value of the issued and outstanding common stock held by non-affiliates of the registrant, based upon the closing price of the common stock, under the symbol BMSN as quoted on the OTC market of $0.021., was approximately $1,248,893 . For purposes of the statement in the preceding statement, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

Number of shares outstanding of each of the issuer's class of common stock as of December 12, 2011:

Common: 72,189,747

Preferred: 1,925,846.

Series AA Preferred: 4,852

Series B Preferred: 724,222

In this annual report, the terms Bio-Matrix Scientific Group Inc. , Company , us , we , or our , unless the context otherwise requires, mean Bio-Matrix Scientific Group, Inc., a Delaware corporation, and its subsidiaries.

This annual report on Form 10-K and other reports that we file with the SEC contain statements that are considered forward-looking statements. Forward-looking statements give the Company s current expectations, plans, objectives, assumptions or forecasts of future events. All statements other than statements of current or historical fact contained in this annual report, including statements regarding the Company s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as anticipate, estimate, plans, potentia projects, ongoing, expects, management believes, we believe, we intend, and similar expressions. These state based on the Company s current plans and are subject to risks and uncertainties, and as such the Company s actual future activities and results of operations may be materially different from those set forth in the forward looking statements. Any or all of the forward-looking statements in this annual report may turn out to be inaccurate and as such, you should not place undue reliance on these forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions due to a number of factors, including:

* dependence on key personnel;
* competitive factors;
* degree of success of research and development programs
* the operation of our business; and
* general economic conditions

These forward-looking statements speak only as of the date on which they are made, and except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this annual report.

PART I

Item 1. Business

We were organized October 6, 1998, under the laws of the State of Delaware as Tasco International, Inc. We are in the development stage. We intend to engage primarily in the business of providing biospecimen depository services , namely offering cryopreservation of cellular specimens as well as laboratory processing of cellular specimens including stem cell banking.

Developments since October 1, 2010:

On January 24, 2011 we vacated a facility at 8885 Rehco Road in San Diego, California as consideration for the forgiveness by the owner of the property of $146,791 owed to the owner of the property. This property, which housed two secure cryogenic stem cell banks, three research laboratories, and aseptic cellular/tissue class 10,000/100 processing lab as well as hematology, microbiology and flow cytometry laboratories, was intended to be utilized as the infrastructure or the establishment of our biospecimen depository services. We are actively seeking a comparable property to serve this function. No assurance may be given that such a property can be located or, if located, can be acquired or leased on terms favorable to the Company or, if such property is acquired or leased, that the Company will be capable of taking the necessary actions required in order that the Company will be able to successfully operate its planned business

Effective February 4, 2011 the Company s ownership of Entest BioMedical, Inc. fell to approximately 49%. and commencing February 4, 2011 the Company s financial statements reflect the Company s ownership of Entest under the equity method of accounting. A noncash gain of $42,182,649 was recognized in accordance with ASC 810-10-40-5. Fair value of the Company s investment in Entest BioMedical, Inc. resulting from deconsolidation was calculated utilizing Level 1 inputs in accordance with ASC 820. As of September 30, 2011 we own approximately 47.9% of Entest Biomedical, a publicly traded company engaged in the business of developing and commercializing therapies, medical devices and medical testing procedures for the veterinary market and acquiring and operating veterinary clinics. Our Chairman , President, CEO and Principal Financial Officer is also the Chairman , President, CEO and Principal Financial Officer of Entest Biomedical, Inc.

During the quarter ended June 30, 2011 the Company disposed of production, laboratory and cleanroom equipment such disposal resulting in cash proceeds to the Company of $7,300 and resulting in the recognition of a Loss on Disposal of Equipment of $510,780.

Principal Products and Services

We intend to engage primarily in providing biospecimen depository services, including stem cell banking. In order to engage in the business of providing biospecimen depository services we will be required to acquire or construct an FDA good manufacturing practices (cGMP) and good tissue practices (cGTP) compliant facility for the processing and cryo-storage (in liquid nitrogen) of cellular specimens , hire and retain a skilled staff , comply with federal and state regulations and market our services competitively.

Competitive business conditions and competitive position in the industry and methods of competition

We face intense and ever-changing competition from many other established local, regional and national companies. Many of these companies are competitors who possess significantly greater financial, managerial, and marketing resources. Given our small size, changing technology, and our limited resources, the intensity of competition will likely continue for the foreseeable future. This may limit our ability to introduce and market our services, limit our ability to price our planned services, and, ultimately, our ability to generate and sustain sufficient sales revenues that would allow us to achieve profitability and positive cash flow.

These competitors have, in many cases, completed or implemented strategies that may provide them with a greater ability and a more diversified business strategy that will allow them to better respond to product and market changes and other variables in this new industry.

Competitive conditions and the industry structure are likely to further change as comparative technologies, cost factors, and regulatory issues develop. These and other risks and uncertainties are likely to have a continuing direct impact on the Company in implementing its business plan.

Sources and availability of raw materials and the names of principal suppliers;

The supplies and materials required to conduct our operations are available through a wide variety of sources and may be obtained through a wide variety of sources.

Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including duration

We have not been granted any trademark or patent and are not party to any royalty agreements or labor agreements.

Need for any government approval of principal products or services, effect of existing or probable governmental regulations on the business

All tissue banks (including those banking cellular based products) must register with the FDA and be compliant. On December 22, 2007 we initiated the process of registering with the United States Food and Drug Administration (FDA) pursuant to 21CFR Parts 207, 807, and 1271 - Establishment Registration and Listing for Human Cells, Tissues, and Cellular and Tissue-Based Products .

Stem cell banking is also subject to State Regulations. We intend to apply for a Tissue Bank License from the Department of Health Services of the State of California in order that we may accept tissue specimens for short and long term storage We are required to register with the FDA under the Public Health Service Act to satisfy the regulatory requirements involving the storage of stem cells and other tissue. These regulatory requirements apply to all establishments engaged in the recovery, processing, storage, labeling, packaging, or distribution of any Human Cells, Tissues, and Cellular and Tissue-Based Products (HCT/Ps) or the screening or testing of a cell or tissue donor.

We are aware that despite these plans and the information that we have developed regarding regulatory and licensing requirements, regulatory and licensing requirements are subject to continuing changes. There is significant cost associated with compliance to any code of Federal regulations (CFR). Only those companies that have the financial resources to implement and maintain comprehensive quality programs for both Good Manufacturing Processes (cGMPs) and Good Tissue Practice (cGTP) will be able to establish such a business. While we believe that our plans, if implemented successfully, will allow us to satisfy our obligations under these regulations, we cannot assure you that we will continue to satisfy federal and state regulatory requirements or that the cost of satisfying these and future regulatory requirements can be achieved without undue and unacceptable expense to us.

The environmental laws that directly impact us currently concern the following:

1. Disposition of bio-hazardous waste.

2. Emission control from an electricity generator to be installed for backup power at the planned facility.

We intend to dispose of bio-hazardous waste (human tissue, blood and other body fluids) according to laws of the State of California. It is intended that only State licensed contractors will be used.

The State of California currently requires that all electrical generators utilizing fossil fuels be in compliance with all State and local clean air requirements. Any generator utilized must comply with all Federal, State and local regulations.

We are aware that environmental laws , particularly those dealing with the handling of bio-hazardous wastes, are subject to ever-changing requirements and there is every likelihood that the demands, costs, and burdens of these laws will increase in the future. To the extent that we are able, we intend to remain compliant with applicable laws with respect to the handling of bio-hazardous wastes and emissions. However, we cannot assure you that we will achieve such compliance or if we do achieve it, that we can remain in compliance.

Number of total employees and number of full-time employees .

As of December 22, 2011 we have one employees who is full time.

Item 2. Properties .

The Company leases approximately 3,000 square feet of office space at 4700 Spring Street, Suite 203, La Mesa California, 91941. On June 15, 2009 the Company had entered into an agreement to sublease this space to Entest Biomedical, Inc., which is currently utilizing the space as office space along with the Company . Entest Biomedical Inc. has agreed to assume all obligations under the master lease and the Company is currently utilizing the space on a month to month basis free of charge. We believe that the foregoing properties are adequate to meet our current needs for office space.

Prior to January 24, 2011 the Company leased a 14,562 sq. ft. facility which housed two secure cryogenic stem cell banks, three research laboratories, and aseptic cellular/tissue class 10,000/100 processing lab as well as hematology, microbiology and flow cytometry laboratories.

The Company vacated the property on January 24, 2011 in consideration of forgiveness of $146,791 owed to the owner of the property. This property was intended to be utilized as the infrastructure or the establishment of our biospecimen depository services. We are actively seeking a comparable property to serve this function. No assurance may be given that such a property can be located or, if located, can be acquired or leased on terms favorable to the Company or, if such property is acquired or leased, that the Company will be capable of taking the necessary actions required in order that the Company will be able to successfully operate its planned business.

Item 3. Legal Proceedings.

On February 3, 2011, a Complaint (Complaint) was filed in the U.S. District Court Middle District of the State of Pennsylvania against the Company, the Company s Chairman and Entest Biomedical, Inc.. by 18KT.TV LLC (Plaintiffs). The Complaint is seeking damages from the Company and Entest Biomedical, Inc. in excess of $125,000 and alleges breach of contract, unjust enrichment and breach of implied in fact contract by the Company and Entest Biomedical, Inc. in connection with agreements entered into with the plaintiffs by both the Company and Entest Biomedical, Inc.. The Company believes that the allegations in the complaint are without merit and intends to vigorously defend its interests in this matter. At this time, it is not possible to predict the ultimate outcome of these matters.

On October 24,2011 a Complaint (Complaint) was filed in the Superior Court of the State of California, County of San Diego Central Division against the Company, the Company s Chairman, and American Stock Transfer and Trust Company LLC by Rick Plote. The Complaint seeks damages from the defendants jointly and severally of no less than $615, 000 and alleges breach of written agreement, breach of written guarantee and fraud in connection with the defendants failure to transfer 4,000,000 common shares of the Company beneficially owned by the company s Chairman and CEO and pledged by the Company s Chairman to secure payment of a promissory note issued by an unaffiliated third party.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

The Company s common stock is a "penny stock," as defined in Rule 3a51-1 under the Exchange Act. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its sales person in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that the broker-dealer, not otherwise exempt from such rules, must make a special written determination that the penny stock is suitable for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure rules have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. So long as the common stock of the Company is subject to the penny stock rules, it may be more difficult to sell common stock of the Company.

Our common stock is currently traded on the OTC Market under the symbol "BMSN". Prior to January 2011 the primary market for the Company s common shares was the OTCBB. Prior to September 5, 2006 our Common Stock traded under the symbol "THII". Below is the range of high and low bid information for our common equity for each quarter within the last two fiscal years as reported by Commodity Systems Inc. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual

transactions.

October 1, 2010 to September 30, 2011	High	Low
First Quarter	.0593	.0225
Second Quarter	.0621	.02
Third Quarter	.035	.011
Fourth Quarter	.0245	.005

October 1, 2009 to September 30, 2010	High	Low
First Quarter	.12	.05
Second Quarter	.18	.05
Third Quarter	.13	.05
Fourth Quarter	.06	.02

Holders

As of December 16, 2011 there were approximately 442 holders of our Common Stock.

Dividends

No cash dividends were paid during the fiscal year ending September 30, 2008. We do not expect to declare cash dividends in the immediate future.

Recent Sales of Unregistered Securities

On February 17, 2011 the Company issued 1,785,714 shares of common stock (Shares) in satisfaction of $50,000 face value of convertible debentures.

The Offer and Sale of the Shares was exempt from the registration provisions of the Securities Act of 1933 (the Act), by reason of Section 4(2) thereof.

The Shares were offered directly through the management. No underwriters were retained to serve as placement agents. No commission or other consideration was paid in connection with the sale of the Shares. There was no advertisement or general solicitation made in connection with this Offer and Sale of Shares.

A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares

Item 6. Selected Financial Data

As we are a smaller reporting company as defined by Rule 229.10(f)(1), we are not required to provide the information required by this Item.

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

As of September 30, 2011 we had $331 of cash on hand and current liabilities of 1,484, 993 such liabilities consisting of Accounts Payable, Notes Payable, amounts due to Entest Biomedical, Inc. , Accrued Payroll Taxes, Accrued Interest and other Accrued Expenses and Convertible Notes Payable

As of September 30, 2010, we had $306 cash on hand and current liabilities of $1,455,841 such liabilities consisting of Accounts Payable, Notes Payable, Accrued Payroll Taxes, Accrued Interest and other Accrued Expenses and Convertible Notes Payable.

We feel we will not be able to satisfy its cash requirements over the next twelve months and shall be required to seek additional financing.

At this time, we plan to fund our financial needs through private placements of common stock. (No plans, terms, offers or candidates have yet been established and there can be no assurance that the company will be able to raise funds on terms favorable to us or at all.)

We cannot assure that we will be successful in obtaining financing necessary to implement our business plan. We have not received any commitment or expression of interest from any financing source that has given us any assurance that we will obtain the amount of additional financing in the future that we currently anticipate. For these and other reasons, we are not able to assure that we will obtain any additional financing or, if we are successful, that we can obtain any such financing on terms that may be reasonable in light of our current circumstances.

Sources of liquidity for us for the fiscal year ended September 30, 2010 consisted primarily of

· the sale of equity securities of the Company s then consolidated subsidiary generating cash proceeds of approximately $5,000

· Increases to Contributed Capital of the Company of approximately $10,353 as a result of contributions to our then consolidated subsidiary.

· Net cash borrowings of $236,064 by the Company as well as net borrowings of $156,567 by the Company s then consolidated subsidiary

Sources of liquidity for us for the fiscal year ended September 30, 2011 consisted primarily of additional borrowings of $113,524 as well as proceeds of $7,300 from the sale of property plant and equipment.

Revenues were -0- for the year ended September 30, 2010 and -0- for the year ended September 30, 2009. Net Income was $40,860,369 for the year ended September 30, 2011 while Net Losses were $1,545,586 for the same period ended September 30, 2010. .

The increase from net losses of $1,545,586 to net income of $40,860,369 was primarily attributable to:

(a) A noncash gain recognized as a result of the deconsolidation of Entest BioMedical, Inc. of $42,182,649

(b) Other income of $146,791 recognized as a resulting from the confirmation in writing from the Company s former landlord informing the Company that no further payment is required to be made by the Company for outstanding rental liabilities resulting in the elimination of $146,791 of Payables owed by the Company

Partially offset by a loss on disposal of equipment of $510,782.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As we are a smaller reporting company, as defined by Rule 229.10(f)(1), we are not required to provide the information required by this Item.

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Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To: The Board of Directors and Stockholders

Bio-Matrix Scientific Group Inc.

I have audited the accompanying consolidated balance sheet of Bio-Matrix Scientific Group Inc. as of September 30, 2011 and 2010 and the related statements of operations, stockholders equity and cash flows for the years ended September 30, 2011 and 2010, and the period from inception (August 2, 2005) to September 30, 2011. These financial statements are the responsibility of the Company s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor was I engaged to perform, an audit of its internal control over financial reporting. My audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but do not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Bio-Matrix Scientific Group Inc. as of September 30, 2011 and 2010 and the results of its operations and changes in stockholders equity and cash flows for the years ended September 30, 2011 and 2010, and the period from inception (August 2, 2005) to September 30, 2011 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company is a going concern. As discussed in Note 5 to the financial statements, the Company has not generated income and has accumulated losses. This raises substantive doubt about the Company s ability to continue as a going concern. Management s plans in regard to these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/ s / John Kinross-Kennedy

John Kinross-Kennedy

Certified Public Accountant

Irvine, California

December 22, 2011

BIOMATRIX SCIENTIFIC GROUP, INC.
A Development Stage Company
CONSOLIDATED BALANCE SHEET
as at September 30,

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	$ 331	$ 306
Prepaid Expenses	39,925	40,425
Employee Receivable	-	1,396
Total Current Assets	**40,256**	**42,127**
PROPERTY & EQUIPMENT (Net of Accumulated Depreciation)	20,789	538,869
OTHER ASSETS		
Deposits	4,200	26,566
Investment in Subsidiary	41,735,443	-
	41,739,643	**26,566**
TOTAL ASSETS	**$ 41,800,688**	**$ 607,562**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	130,507	251,528
Notes Payable	169,575	247,669
Accrued Payroll	627,000	444,500
Accrued Payroll Taxes	23,780	27,298
Accrued Interest	154,930	145,426
Accrued Expenses	5,000	5,000
Convertible Note Payable	313,701	333,400
Due to Affiliate	59,500	-
Current portion, note payable to affiliated party	1,000	1,000
Total Current Liabilities	**1,484,993**	**1,455,821**
TOTAL LIABILITIES	**1,484,993**	**1,455,821**
STOCKHOLDERS EQUITY (DEFICIT)		
Preferred Stock ($.0001 par value) 20,000,000 shares authorized; 2,975,478 and 1,963,821 issues and outstanding as of September 30, 2011 and September 30, 2010 respectively	197	197
	73	73

Series B Preferred Shares ($.0001 par value) 2,000,000 shares authorized; 725,409 issued and outstanding as of September 30, 2011 and September 30, 2010		
Common Stock ($.0001 par value) 80,000,000 shares authorized; 72,189,747 and 70,404,033 shares issued and outstanding as of September 30, 2011 and September 30, respectively	7,219	7,040
Additional Paid in Capital	11,498,731	10,931,758
Contributed Capital	509,355	509,355
Retained Earnings (Deficit) accumulated during the development stage	29,101,648	(11,989,566)
Equity in Earnings (Loss) of subsidiary	(264,567)	
Deficit attributable to noncontrolling interest in subsidiary	(536,961)	(307,116)
Total Stockholders' Equity (Deficit)	**40,315,695**	**(541,143)**
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**$ 41,800,688**	**$ 914,678**

The Following Notes are an integral part of these Financial Statements

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BIOMATRIX SCIENTIFIC GROUP, INC.
A Development Stage Company
CONSOLIDATED STATEMENT OF OPERATIONS

	For the Year Ended September 30, 2011	For the Year Ended September 30, 2010	From Inception (August 2, 2005) through September 30, 2011
REVENUES	$ -	$ -	$ -
COST AND EXPENSES			
Research and Development	51,286	416,828	1,255,171
General and Administrative	550,769	1,133,969	6,105,822
Depreciation and Amortization	-	-	2,668
Consulting and Professional Fees	63,692	116,632	4,810,714
Impairment of Goodwill and Intangibles	-	-	34,688
Total Costs and Expenses	665,747	1,667,429	12,209,063
OPERATING LOSS	**(665,747)**	**(1,667,429)**	**(12,209,063)**
OTHER INCOME & (EXPENSES)			
Interest Expense	(62,829)	(91,278)	(358,535)
Interest Income	-	-	306
Other Income	146,791	-	176,891
Gain on de-consolidation of subsidiary	42,182,649		42,182,649
Loss on sale of Available for Sale Securities	-	-	(487,900)
Loss on disposal of Equipment	(510,782)	-	(510,782)
Other Expense	-	-	(166)
Other Losses attributable to subsidiary	(228,713)	-	(228,713)
Total Other Income & (Expense)	**41,527,116**	**(91,278)**	**40,773,750**
NET INCOME (LOSS) before subsidiary losses	**40,861,369**	**(1,758,707)**	**28,564,687**
(Net Income) Loss attributable to noncontrolling interest	229,845	213,121	536,961
NET INCOME (LOSS) before equity in subsidiary losses	41,091,214	(1,545,586)	29,101,648
Equity in Net Income (Loss) of subsidiary	(264,567)		(264,567)
NET INCOME LOSS available to common shareholders	**40,826,647**	**(1,545,586)**	**28,837,081**
BASIC EARNINGS (LOSS) PER SHARE	$ 0.57	$ (0.03)	
FULLY DILUTED EARNINGS (LOSS) PER SHARE	$ 0.57		
Weighted average number of shares outstanding	71,504,816	59,073,798	
Fully Diluted weighted average number of shares			

outstanding	72,071,414

The Following Notes are an integral part of these Financial Statements

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BIOMATRIX SCIENTIFIC GROUP, INC.

(A Development Stage Company)

Condensed Consolidated Statements of Stockholders' Equity

From August 2, 2005 through September 30, 2011

	Series AA Preferred Shares	Series B Preferred Shares	Amount	Preferred Shares	Amount	Common Shares	Amount	Additional Paid-in Capital	Retained Earnings	Contributed Capital	Accumulated Other Comprehensive Income(Loss)	
sued						25,000	35,921	0				
2005												
r 30,									(1,000)			
r 30,						25,000	35,921	0	(1,000)			
, 2005												
31,									(366,945)			
31,						25,000	35,921	0	(367,945)			
zation						9,975,000	(34,921)	34,921				
ed rger						2,780,000	278	(278)				
ed for						305,000	31	759,719				
ed for ation						300,000	30	584,970				
, 2006												
r 30,									(2,053,249)			(2
						13,385,000	1,339	1,379,332	(2,421,194)			(1

r 30,				
ed for	100,184	10	112,524	
ed for ation	153,700	15	101,465	
ed in for debt	2,854,505	284	1,446,120	
, 2006				
r 31,				(466,179)
r 31,	16,493,389	1,649	3,039,441	(2,887,373)
ed for	500,000	50	124,950	
ed for	359,310	36	235,042	
ed for ation	143,920	14	88,400	
ed in for debt	500,000	50	124,950	
, 2007				
March				(515,624)
March	17,996,619	1,800	3,612,783	(3,402,997)
ed for	240,666	24	60,142	
ed for	406,129	41	222,889	
ed for ation	150,000	15	110,435	
ed in for debt	1,316,765	132	329,059	
April				
June				(718,955)
une	20,110,179	2,011	4,335,308	(4,121,952)

ed for			1,200,000	120	299,880		
ed for			1,253,000	125	404,125		
ed for ation			100,000	10	24,990		
ed in for debt			566,217	57	143,940		
uly 1,							
r 30,						(751,989)	
r 30,			23,229,396	2,323	5,208,244	(4,873,941)	
ed for							
ed for			191,427	19	62,108		
, 2007							
r 31,						(405,812)	
r 31,			23,420,823	2,342	5,270,352	(5,279,753)	
ed for	575,000	57			114,942		
ed for	340,000	35	146,705	15	106,651		
2008							
arch						(417,325)	
arch	915,000	92	23,567,528	2,357	5,491,945	(5,697,078)	
ed for	2,154,850	215			672,172		
ed for	1,421,725	142	232,000	23	613,439		
ed for nterest			31,245	3	17,293		
ed as	1,075,087	108			(108)		
April							
, 2008						(1,063,446)	(1

une		5,566,662	557	23,830,773	2,383	6,794,741	(6,760,524)		
Stock Officer 08	4,852								
ed for uly 8,				905,000	91	769,159			
ed for 2,		11,667	1			3,499			
ed for 25, rrant		90,000	9			17,991			
ed for uly and , 2008				85,087	9	21,263			
ed for r 3,				50,000	5	24,995			
ed nding		218		9					
July 1, r 30,							(1,195,491)		(1
ted ensive s of r 30,								50,000	
r 30,	4,852	5,668,547	567	24,870,869	2,488	7,631,648	(7,956,015)	50,000	
ired in n with for Shares r 2,		(1,099,000)	(109)						
ed in n with for Shares				1,099,000	109				

r 2,									
ued for nterest nber 3,				133,124	13	33,268			
ed for ember		66,670	7			6,660			
ed for r 31,		33,330	3			3,330			
ed for ember		75,000	8			11,242			
ed								499,000	
, 2008 ber 31,							(388,722)		
ted ensive s of r 31,									(540,000)
r 31,	4,852	4,744,547	476	26,102,993	2,610	7,686,148	(8,344,737)	499,000	(490,000)
ed for ,2009		50,000	5			7,495			
ed for , 2009				1,400,000	140	209,860			
ed for ary		67,000	7			6,693			
ed for ary				1,300,000	130	104,868			
ed for ary		25,000	2						
ed for ary				35,000	4	6,996			
ed for				100,000	10	19,990			

5,					
ed for			37,925	4	11,373
1,					
ed for ary			35000	4	6,996
ired in n with for Shares 7,2009	(27,450)	-3			
ed in n with for Shares 7,2009			27,450	3	
ed for ary			10,000	1	1,999
ed for uary 3,	63,000	6			6294
ed for 4,2009			200,000	20	35980
ed for uary	200,000	20			29,980
ed for uary	66,667	7			5,993
ued for ch 3,			1,000,000	100	99,900
ired in n with for Shares ,2009	(214,286)	-21			
ed in n with for Shares 2009			214286	21	
ired in n with for	(250,000)	-25			

Shares ,2009										
ed in n with for Shares 2009				250,000	25					
ed for ch 13,				200,000	20	14,980				
ed for March				250,000	25	24,975				
ated ensive of , 2009									490,000	
 , 2009 31,							(1,210,188)			(1
March	4,852	4,724,478	474	31,162,654	3,117	8,280,520	(9,554,925)	499,000	0	
ired in on with for Shares 2009		(800,000)	-80							
ed in for Shares 2009				800,000	80					
ed for April				325000	32	42,219				
ed for pril				53496	5	6,192				
ed to ounts esult				2,869,827	286	127,497				
ired in on with for Shares 009		-780,000	-78							
				780,000	78					

ed in for Shares 009											
ed as May		725,409	73					(73)			
ired in on with for Shares 009				-94,000	-9						
ed in for Shares 009						94,000	9				
ed for une						200,000	20	13,980			
ed in on of alary						4,000,000	400	119,600			
April June									(391,372)		
une	4,852	725,409	73	3,050,478	307	40,284,977	4,027	8,589,935	(9,946,297)	499,000	0
ed for ly 20,						68398	7	12311			
ired in on with for Shares 009				-75000	-7						
Shares , 2009								100000			
ed in for Shares 009						75000	7				
ed to penses 0,2009						2,500,000	250	299750			
ed for ugust						700000	70	83930			
								200,000			

ed by y for August											
ed for r						100,000	10	9050			
ed by y r 10,								45000			
Stock tion											
Stock ary) ar r 30,								24725			
July 1, r 30,									(497,683)		
le to olling y									(93,995)		
r 30,	4,852	725,409	73	2,975,478	300	43,728,375	4,371	9,364,701	(10,537,975)	499,000	0
ued es 9,						50,000	5	4,995			
ed for ember						3,273,333	328	97,873			
ed as t or y r 31						40,000	5				
ed by y for								5,000			

. Stock tion								98,916			
Stock ary) ths r 30,											
Stock ary tion								4,557			
, 2009 ber 31									(395,848)		
le to olling ,									(52,754)		
r 31,	4,852	725,409	73	2,975,478	300	47,091,708	4,709	9,576,042	(10,986,577)	499,000	0
ued t 9,						229,607	23	30,273			
ued rtible e						1,433,333	143	99,857			
red in n with for Shares 5,				(109,735)	(13)						
Stock Shares 5 2010						109,735	10				
ued rtible e						3,000,000	300	29,700			
ued March						2,511,546	251	288,577			

ued March						6,777,920	678	233,776			
ued March						3,593,268	360	251,169			
ued d rch						4,454,994	445	304,055			
Stock tion											
Stock ary) ths bruary								76,359			
ued es 2010						300,000	30	41,950			
 ,2010 31,									(389,680)		
 le to olling ,									(41,293)		
March	4,852	725,409	73	2,865,743	287	69,502,111	6,949	10,931,758	(11,417,550)	499,000	0
red in n with for Shares				(901,922)	(90)						
ed for shares						901,922	91				
June									(327,226)		
 le to olling ,									(47,687)		
une	4,852	725,409	73	1,963,821	197	70,404,033	7,040	10,931,758	(11,792,463)	499,000	0
n ed										10,355	

July1 ber									(432,832)		
le to olling ,									(71,387)		
r 30,	4,852	725,409	73	1,963,821	197	70,404,033	7,040	10,931,758	(12,296,682)	509,355	0
ed by for								100,000			
ed by for								62,400			
, 2010 ber 31									(265,800)		
le to olling ,									(117,320)		
r 31,	4,852	725,409	73	1,963,821	197	70,404,033	7,040	11,094,158	(12,679,802)	509,355	0(1
Stock ary cash								100,000			
Stock ary debt								39,992			
Stock debt						1785714	178	56,643			
Stock ary s								70,638			
Stock ary t								17,600			
Stock ary n with chase nt								193,200			

any d on dation al, Inc.									(73,500)			
ne ,2011 31,										42,093,244		4
le to olling ,										(112,525)		
Net Losses) al, Inc.										(101,838)		
March	4,852	725,409	73	1,963,821	197	72,189,747	7,218	11,498,731		29,199,079	509,355	0 4
April June										(616,870)		
Net Losses) al, Inc.										(69,867)		
une	4,852	725,409	73	1,963,821	197	72,189,747	7,218	11,498,731		28,512,342	509,355	0 4
July1 ber										(119,360)		
Net Losses) al, Inc.										(92,862)		
r 30,	4,852	725,409	73	1,963,821	197	72,189,747	7,218	11,498,731		28,300,120	509,355	0 4

The Following Notes are an integral part of these Financial Statements

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BIO-MATRIX SCIENTIFIC GROUP, INC.
A Development Stage Company
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Year Ended September 30, 2011	For the Year Ended September 30, 2010	From Inception (August 2, 2005) through September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (loss)	$ 40,826,647	$ (1,545,586)	$ 28,837,081
Adjustments to reconcile net Income to net cash (used in) provided by operating activities:			
Depreciation expense			2,667
Stock issued for compensation to employees	71,440	179,835	1,186,342
Stock issued for services rendered by consultants	62,396	47,000	4,083,130
Stock issued for prepaid expenses		13,665	313,665
Stock issued for interest	6,821	30,296	138,547
Changes in operating assets and liabilities:			
(Increase) decrease in prepaid expenses	500	292,973	(39,925)
Increase (Decrease) in Accounts Payable	(121,021)	24,152	130,508
Increase (Decrease) in Accrued Expenses	188,481	166,252	840,646
Increase (Decrease) in Other Comprehensive Income			(50,000)
(Increase) Decrease in Employee Receivable	1,396	(1,396)	-
Increase (Decrease) in Due to Affiliate	59,500		59,500
Non cash increase in Investment in Entest	(42,000,000)		(42,000,000)
Loss attributable to Non Controlling interest in subsidiary	(229,845)	(213,121)	(536,961)
Equity in Loss of Entest	264,567		264,567
Net Cash Provided by (Used in) Operating Activities	(869,118)	(1,005,930)	(6,770,233)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in Other Assets	22,366	(1,059)	(4,200)
Purchases of fixed assets			(541,536)
Disposal of Fixed Assets	7,300		7,300
Purchase of Other Assets			

Preferred Stock retired			
Preferred Stock sold for cash			
(Additions) Decreases to Securities Available for Sale			
Loss on Disposal of Equipment	510,780		510,780
Net Cash Provided by (Used in) Investing Activities	540,446	(1,059)	(27,656)
CASH FLOWS FROM FINANCING ACTIVITIES			
Preferred Stock issued for cash			339
Common stock issued for cash			1,630
Common Stock issued for Debt	89,992	989,345	1,296,053
Common Stock issued for Accrued Salaries		304,500	424,500
Common Stock issued for expenses			
Common stock issued in merger			
Additional paid in Capital	336,498	5,000	2,017,417
Principal borrowings on Convertible Debentures	(19,699)	(170,000)	313,701
Principal borrowings (repayments) on notes and Convertible Debentures	(78,094)	(149,653)	989,031
(Increase) Decrease in Securities available for Sale			50,000
Contributed Capital		10,353	509,353
Net Borrowings From Related Parties			1,195,196
Increase (Decrease) in Notes from Affiliated party			1,000
Net Cash Provided by (Used in) Financing Activities	328,697	989,545	6,798,220
Net Increase (Decrease) in Cash	25	(17,444)	331
Cash at Beginning of Period	306	17,750	-
Cash at End of Period	$ 331	$ 306	$ 331

The Following Notes are an integral part of these Financial Statements

BIO-MATRIX SCIENTIFIC GROUP, INC.

(A Development Stage Company)

Notes to consolidated Financial Statements

As of September 30, 2011

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bio-Matrix Scientific Group, Inc. (Company) was organized October 6, 1998, under the laws of the State of Delaware as Tasco International, Inc.

The Company is in the development stage. From October 6, 1998 to June 3, 2006 its activities have been limited to capital formation, organization, and development of its business plan to provide production of visual content and other digital media, including still media, 360-degree images, video, animation and audio for the Internet.

On July 3, 2006 the Company abandoned its efforts in the field of digital media production when it acquired 100% of the share capital of Bio-Matrix Scientific Group, Inc., a Nevada corporation, (BMSG) for consideration consisting of 10,000,000 shares of the common stock of the Company and the cancellation of 10,000,000 shares of the Company owned and held by John Lauring.

As a result of this transaction, the former stockholder of BMSG held approximately 80% of the voting capital stock of the Company immediately after the transaction. For financial accounting purposes, this acquisition was a reverse acquisition of the Company by BMSG under the purchase method of accounting, and was treated as a recapitalization with BMSG as the acquirer. Accordingly, the financial statements have been prepared to give retroactive effect to August 2, 2005 (date of inception), of the reverse acquisition completed on July 3, 2006, and represent the operations of BMSG.

A. BASIS OF ACCOUNTING

The financial statements have been prepared using the basis of accounting generally accepted in the United States of America. Under this basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred. The Company has adopted a September 30, year-end.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Bio-Matrix Scientific Group, inc., a Delaware corporation, BMSG a Nevada corporation and a wholly owned subsidiary, and Entest BioMedical, Inc., (Entest) which was a majority owned subsidiary under common control and a Nevada corporation up to February 3, 2011. Significant inter-company transactions have been eliminated.

C. USE OF ESTIMATES

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

D. DEVELOPMENT STAGE

The Company is a development stage company devoting substantially all of its efforts to establish a new business.

E. CASH EQUIVALENTS

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Maintenance and repairs are expensed in the year in which they are incurred. Expenditures that enhance the value of property and equipment are capitalized.

G. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. A fair value hierarchy requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company s financial instruments as of August 31, 2011 consisted of $170,575 of Notes Payable , $313,701 of Convertible Notes payable and $59,500 due to Entest Biomedical. The fair value of all of the Company s financial instruments as of September 30, 2011 were valued according to the Level 2 input. The carrying amount of the financial instruments is equal to the fair value as determined by the Company

H. INCOME TAXES

The Company accounts for income taxes using the liability method prescribed by ASC 740, Income Taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company applied the provisions of ASC 740-10-50, Accounting For Uncertainty In Income Taxes , which provides clarification related to the process associated with accounting for uncertain tax positions recognized in our financial statements. Audit periods remain open for review until the statute of limitations has passed. The completion of review or the expiration of the statute of limitations for a given audit period could result in an adjustment to the Company s liability for income taxes. Any such adjustment could be material to the Company s results of operations for any given quarterly or annual period based, in part, upon the results of operations for the given period. As of August 31, 2011 and 2010, the Company had no uncertain tax positions, and will continue to evaluate for uncertain positions in the future.

The Company generated a deferred tax credit through net operating loss carry forward. However, a valuation allowance of 100% has been established.

Interest and penalties on tax deficiencies recognized in accordance with ACS accounting standards are classified as income taxes in accordance with ASC Topic 740-10-50-19.

I. BASIC EARNINGS (LOSS) PER SHARE

The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 260, "Earnings Per Share", which specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. ASC 260 requires the presentation of basic earnings (loss) per share and diluted earnings (loss) per share. The Company has adopted the provisions of ASC 260 effective from inception.

Basic net loss per share amounts is computed by dividing the net income by the weighted average number of common shares outstanding.

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2010, the FASB issued ASU No. 2010-09, Subsequent Events (ASC Topic 855), Amendments to Certain Recognition and Disclosure Requirements. This Standard update requires a SEC Filer to (1) evaluate subsequent events through the date that the financial statements are issued or available to be issued, (2) defines SEC Filer as an entity that is required to file or furnish its financial statements with either the SEC or, with respect to an entity subject to Section 12(i) of the Securities Exchange Act of 1934, as amended, the appropriate agency under that Section, (3) not be bound to disclosing the date through which subsequent events have been evaluated, (4) note the definition of *public entity* is not longer defined nor necessary for Topic 855, (5) note the scope of the reissuance disclosure requirements is refined to include revised financial statements only. These Updates are effective for interim or annual periods ending after June 15, 2010. ASU No. 2010-09 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In January 2010, the FASB issued ASU No. 2010-08, Technical Corrections to various Topics. This Standard is being updated to eliminate outdated or inconsistent GAAP standards and to clarify the Boards original intent mainly with regards to derivatives and hedging. This is effective for the first reporting period (including interim periods) beginning after issuance. ASU No. 2010-08 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In January 2010, the FASB issued ASU No. 2010-06, Improving Disclosures about Fair Value Measurements related to ASC Topic 820-10. This update requires new disclosures to; transfers in or out of Levels 1 and 2, activity in Level 3fair value measurements, Level of disaggregation, and disclosures about inputs and valuation techniques. This amendment will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. ASU No. 2010-06 has no impact on the Company s results of operations, financial condition or cash flows.

In January 2010, the FASB issued ASU No. 2010-01, amends SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. This Standard codified in ASC 105 is being modified to include the authoritative and non-authoritative levels of GAAP. This amendment is effective for financial statements issued for interim and annual periods ending after September 15, 2009. ASU No. 2010-01 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In January, 2010, the FASB issued ASU 2010-06, Improving Disclosures about Fair Value Measurements. The standard amends ASC Topic 820, Fair Value Measurements and Disclosures to require additional disclosures related to transfers between levels in the hierarchy of fair value measurement. The standard does not change how fair values are measured. The standard is effective for interim and annual reporting periods beginning after December 15, 2009. As a result, it is effective for the Company in the first quarter of fiscal year 2010. The Company does not believe that the adoption of ASU 2010-06 will have a material impact on consolidated its financial statements.

In June 2009, the FASB issued new guidance which is now part of ASC 105-10 (formerly Statement of Financial Accounting Standards No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles). ASC 105-10 replaces FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles", and establishes the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. ASC 105-10 is effective for interim and annual periods ending after September 15, 2009. The adoption of ASC 105-10 did not have a material impact on the Company s financial statements.

In June 2009, the FASB amended ASC 810 (formerly Statement of Financial Accounting Standards No.167, Amendments to FASB Interpretation No. 46(R)). The amendments include: (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. ASC 810 is effective for the first annual reporting period beginning after November 15, 2009 and for interim periods within that first annual reporting period. The Company will adopt ASC 810 in fiscal 2010. The Company does not expect that the adoption of ASC 810 will have a material impact on its financial statements.

In June 2009, the FASB amended ASC 860, (formerly SFAS No. 166, Accounting for Transfers of Financial Assets, an amendment to SFAS No. 140*).* ASC 860 eliminates the concept of a qualifying special-purpose entity, changes the requirements for derecognizing financial assets, and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity s continuing involvement in and exposure to the risks related to transferred financial assets. ASC 860 is effective for fiscal years beginning after November 15, 2009. The Company will adopt ASC 860 in fiscal 2010. The Company does not expect that the adoption of ASC 860 will have a material impact on its financial statements.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2011 consists of the following:

Acquisition cost:	Estimate useful life (year)	
Office equipment	3 to 5	7,250
Computer	3	16,207
Subtotal		23,457
Less accumulated depreciation		(2,668)
Total		$US 20,789

Depreciation expenses were $0 and $ 0 for the year ended September 30, 2011 and September 30, 2010, respectively. With the exception of one computer which is fully depreciated, no property and equipment has yet to be utilized in production therefore no depreciation shall be recognized until usage commences.

NOTE 4. OPTIONS AND WARRANTS

As of September 30, 2011 the Company has no outstanding exercisable warrants or options.

NOTE 5. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Exclusive of a onetime non-cash gain of $42,182,649 recognized upon the deconsolidation of Entest., The Company generated net losses of $ 13,882,529 (including $536,961 of Net Losses attributable to noncontrolling interest in Entest and $264,567 in Equity in Net Losses of Entest) during the period from August 2, 2005 (inception) through September 30, 2011. This condition raises substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management plans to raise additional funds by offering securities for cash. Management has yet to decide what type of offering the Company will use or how much capital the Company will raise. There is no guarantee that the Company will be able to raise any capital through any type of offerings.

NOTE 6. INCOME TAXES

As of September 30,2011

Deferred tax assets:	
Net operating tax carry forwards	$ 4,773,189
Other	-0-
Gross deferred tax assets	4,773,189
Valuation allowance	(4,773,189)
Net deferred tax assets	$ -0-

As of September 30, 2011 the Company has a Deferred Tax Asset of $4,727,991 completely attributable to net operating loss carry forwards of approximately $13,921,145 (which expire 20 years from the date the loss was incurred) consisting of

(a) $38,616, of Net Operating Loss Carry forwards acquired in the reverse acquisition of BMSG and

(b) $13,882,529 attributable to Bio-Matrix Scientific Group, Inc. a Delaware corporation, BMSG and Entest

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carry forwards are expected to be available to reduce taxable income. The achievement of required future taxable income is uncertain. In addition, the reverse acquisition of BMSG has resulted in a change of control. Internal Revenue Code Sec 382 limits the amount of income that may be offset by net operating loss (NOL) carryovers after an ownership change. As a result, the Company has the Company recorded a valuation allowance reducing all deferred tax assets to 0.

NOTE 7. RELATED PARTY TRANSACTIONS

As of September 30, 2011 the Company is indebted to Bombardier Pacific Ventures, a company controlled by David Koos, the Company s Chairman and Chief Executive Officer, in the amount of $36,281. These loans are due and payable at the demand of Bombardier pacific Ventures and bear simple interest at a rate of 15% per annum.

On June 15, 2009 Entest entered into an agreement with the Company whereby Entest has agreed to sublease approximately 3,000 square feet of office space from the Company for a term of 3 years for consideration consisting of monthly rental payments of $4,100 per month. Beginning October 2010 Entest has been paying rental expenses directly to the owner of the subleased space and is currently carrying a balance of $59,500 of rental expenses prepaid to the Company.

NOTE 8. NOTES PAYABLE

	2011	2010
Bio Technology Partners Business Trust	$24,100	$19,850
Bombardier Pacific Ventures (Note 7)	$36,281	$48,667
Venture Bridge Advisors	$109,294	$5,750
David Koos	--	$16,836
Notes Payable by Entest Biomedical		
derecognized upon deconsolidation of Entest Biomedical	--	$156,566
Notes Payable	$169,575	--
Due to Affiliate	$59,500	$247,669
Convertible Notes Payable (Note 11)	$313,701	--

Both of Bio Technology Partners Business Trust and Venture Bridge Advisors have provided lines of credit to the Company in the amount of $700,000 each or so much thereof as may be disbursed to, or for the benefit of the Company by Lender in Lender's sole and absolute discretion. The unpaid principal of these lines of credit bear simple interest at the rate of ten percent per annum. Interest is calculated based on the principal balance as may be adjusted from time to time to reflect additional advances or payments made hereunder. Principal balance and accrued interest shall become due and payable in whole or in part at the demand of the Lender.

All loans to the Company made by either of David R. Koos or Bombardier Pacific Ventures are due and payable at the demand of Koos or Bombardier and bear simple interest at a rate of 15% per annum.

The Amount Due to affiliate represents rent prepaid to the Company by Entest Biomedical pursuant to a sublease agreement entered into by and between the Company and Entest Biomedical on June 15, 2009. Beginning October 2010 Entest has been paying rental expenses directly to the owner of the subleased space and as of the Company s fourth fiscal quarter both of the Company and Entest Biomedical have agreed to void the terms and conditions of the sublease. $59,500 previously paid to the Company by Entest Biomedical to repay rental expenses is currently due and payable at the demand of Entest Biomedical. This amount accrues no interest.

NOTE 9. STOCKHOLDERS' EQUITY

The stockholders' equity section of the Company contains the following classes of capital stock as of September 30 , 2011:

* Preferred stock, $ 0.0001 par value; 20,000,000 shares authorized:

1,963,821 Preferred shares issued and outstanding.

4,852 Series AA Preferred Shares issued and outstanding.

725,409 Series B Preferred Shares issued and outstanding.

* Common stock, $ 0.0001 par value; 80,000,000 shares authorized: 72,189,747 shares issued and outstanding.

NOTE 10. STOCK TRANSACTIONS.

On February 17, 2011 the Company issued 1,785,714 common shares in satisfaction of $50,000 face value of convertible debentures.

NOTE 11. CONVERTIBLE DEBENTURES

On November 14, 2007 the Company sold a $50,000 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $50,000 to one purchaser.

Interest on the Convertible Debenture shall accrue at a rate of 12% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 12% per annum, payable on the maturity Date, which is November 14, 2009.

At any time subsequent to the expiration of a six month period since either of:

(i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of the common stock of the Company by certain selling shareholders (the Selling Shareholders Registration Statement) has been declared effective by the SEC or

(ii) the Selling Shareholder Registration Statement has been withdrawn by the Company, the holder may convert the Convertible Debenture, in whole but not in part, into the Company s common shares at the conversion rate of $0.15 per Share.

Subsequent to any conversion, the holder shall have the right, upon written demand to Company (Registration Demand), to cause Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC) a Registration Statement in order that the Conversion Shares may be registered under the Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

On November 30, 2007, the Company sold $75,000 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $75,000 to one purchaser.

Interest on the Convertible Debenture shall accrue at a rate of 12% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 12% per annum, payable on the maturity Date, which is November 14, 2009.

At any time subsequent to the expiration of a six month period since either of:

(i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of the Company s common stock by certain selling shareholders (the Selling Shareholders Registration Statement) has been declared effective by the SEC or

(ii) the Selling Shareholder Registration Statement has been withdrawn by the Company.

The holder may convert the Convertible Debenture, in whole but not in part, into the Company s common shares at the conversion rate of $0.15 per Share (Conversion Shares).

Subsequent to any conversion, the holder shall have the right, upon written demand to the Company (Registration Demand), to cause the Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC) a Registration Statement in order that the Conversion Shares may be registered under the

Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

On January 8, 2008, the Company sold $18,400 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $18,400 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 12% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 12% per annum, payable on the maturity Date, which is December 28, 2009.

At any time subsequent to the expiration of a six month period since either of:

(i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of our common stock by certain selling shareholders (the Selling Shareholders Registration Statement) has been declared effective by the SEC or

(ii) the Selling Shareholder Registration Statement has been withdrawn by the Company.

The holder may convert the Convertible Debenture, in whole but not in part, into our common shares at the conversion rate of $0.15 per Share (Conversion Shares).

Subsequent to any conversion, the holder shall have the right, upon written demand to the Company (Registration Demand), to cause the Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC) a Registration Statement in order that the Conversion Shares may be registered under the Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

On January 18, 2008, the Company sold $200,000 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $200,000 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 14% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 14% per annum, payable on the maturity Date, which is January 12, 2010.

At any time subsequent to the expiration of a six month period since either of:

(i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of our common stock by certain selling shareholders (the Selling Shareholders Registration Statement) has been declared effective by the SEC or

(ii) the Selling Shareholder Registration Statement has been withdrawn by the Company.

The holder may convert the Convertible Debenture, in whole but not in part, into our common shares at the conversion rate of $0.25 per Share (Conversion Shares).

Subsequent to any conversion, the holder shall have the right, upon written demand to the Company (Registration Demand), to cause the Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC)

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a Registration Statement in order that the Conversion Shares may be registered under the Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

On January18, 2008, the Company sold $100,000 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $100,000 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 14% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 14% per annum, payable on the maturity Date, which is January 12, 2010.

At any time subsequent to the expiration of a six month period since either of:

(i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of our common stock by certain selling shareholders (the Selling Shareholders Registration Statement) has been declared effective by the SEC or

(ii) the Selling Shareholder Registration Statement has been withdrawn by the Company.

The holder may convert the Convertible Debenture, in whole but not in part, into our common shares at the conversion price of $0.25 per Share (Conversion Shares).

Subsequent to any conversion, the holder shall have the right, upon written demand to the Company (Registration Demand), to cause the Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC) a Registration Statement in order that the Conversion Shares may be registered under the Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

The Company shall agree to the granting of a Lien to the Holder against collateral which the Company owns or intends to purchase, namely:

Flow Cytometer (4 Color) (BD Facscanto)
Laboratory computer system/also for enrollments/storage tracking
Hematology Analyzer (celldyne 1800)(ABBOTT)
Laminar Flow Hood 4 ft (Clean hood) (2)

Bench top centrifuges (2) refrigerated
Small equipment (lab set-up)
Microscope
Tube heat sealers (2 ea)
Barcode printer and labeling device

On February 15, 2008, the Company sold $50,000 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $50,000 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 12% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 12% per annum, payable on the maturity Date, which is February 15, 2010.

At any time subsequent to the expiration of a six month period since either of:

(i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of our common stock by certain selling shareholders (the Selling Shareholders Registration Statement) has been declared effective by the SEC or

(ii) The Selling Shareholder Registration Statement has been withdrawn by the Company.

The holder may convert the Convertible Debenture, in whole but not in part, into our common shares at the conversion price of $0.10 per Share (Conversion Shares).

Subsequent to any conversion, the holder shall have the right, upon written demand to the Company (Registration Demand), to cause the Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC) a Registration Statement in order that the Conversion Shares may be registered under the Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

On March 3, 2008 the Selling Shareholder s Registration Statement was withdrawn by the Company.

On March 3, 2008, the Company sold $10,000 face value convertible debenture (Convertible Debenture) for an aggregate purchase price of $10,000 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 12% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 12% per annum, payable on the maturity Date, which is March 3, 2010.

At any time subsequent to the expiration of a six month period from March 3, 2008, the holder may convert the Convertible Debenture, in whole but not in part, into our common shares at the conversion rate of $0.15 per Share (Conversion Shares).

Subsequent to any conversion, the holder shall have the right, upon written demand to the Company (Registration Demand), to cause the Company, within ninety days of the Registration Demand, to prepare and file with the United States securities and Exchange Commission (SEC) a Registration Statement in order that the Conversion Shares may be registered under the Securities Act of 1933, as amended, and use its reasonable best efforts to cause that Registration Statement to be declared effective by the SEC. There is no penalty to the Company in the event the registration Statement is not declared effective by the SEC.

On February 2, 2010 the Company issued 1,433,333 common shares in full satisfaction of a $100,000 face value of convertible debentures bearing interest at 14% per annum.

On February 10, 2010 the Company issued 3,000,000 shares of common stock in satisfaction of $30,000 owed by the Company to holders of the Company s convertible debentures bearing interest at 12% per annum.

On March 31, 2010 the Company issued 4,000,000 shares of common stock in satisfaction of $40,000 owed by the Company to holders of the Company s convertible debentures bearing interest at 12% per annum.

On February 17, 2011 the Company issued 1,785,714 common shares in satisfaction of $50,000 face value of convertible debentures.

At September 30, 2011, the following convertible debentures remain outstanding:

$230,301 bearing simple interest at 14% per annum convertible into the Company s common stock at $0.025 per share.

$83,000 bearing simple interest at 12% per annum convertible into the Company s common stock at $0.025 per share.

All Convertible Debentures are currently due and payable. The holders have not made a demand for payment

NOTE 12. LOSS ON DISPOSAL OF EQUIPMENT

During the quarter ended June 30, 2011 the Company disposed of production, laboratory and cleanroom equipment such disposal resulting in cash proceeds to the Company of $7,300 and resulting in the recognition of a Loss on Disposal of Equipment of $510,780.

NOTE 13. COMMITMENTS AND CONTINGENCIES

On August 3, 2005, BMSG entered into an agreement to lease a 14,562 square foot facility for use as a cellular storage facility at a rate of $18,931 per month. The lease is for a period of five years commencing on December 1, 2005 and expiring on November 30, 2010. The lease contains a renewal option enabling the Company to renew the lease for an additional five years. There are no contingent payments which the Company is required to make. As of November 30, 2010, the Company elected not to renew the lease and is currently utilizing 3,000 square feet of office space in La Mesa California at a rate of $4,176 per month.

On August 16, 2010 a Complaint (Complaint) was filed in the Superior Court of the State of California, County of San Diego Central Division against the Company, the Company s Chairman, Freedom Environmental Services, Inc. and the BMXP Holdings Inc. Shareholder s Business Trust, a Nevada Business Trust (collectively Defendants) by Princeton Research, Inc. and Jan Vandersande (collectively Plaintiffs) seeking to recover general damages in excess of $25,000, punitive damages in excess of $25,000 and attorney s fees. The Complaint alleges breach of fiduciary duty of loyalty, fraud and deceit in connection with the late distribution of shares of the Company to beneficiaries of the BMXP Holdings Inc. Shareholder s Business Trust.

On June 29, 2011 the Company and BMXP Holdings Inc. Shareholder s Business Trust entered into a settlement agreement with the Plaintiffs (Settlement) whereby litigation was dismissed with prejudice and a general release of claims was granted to the Defendants by the Plaintiffs and to the Plaintiffs by the Defendants.

Pursuant to the Settlement, the Plaintiffs will be granted one year to exclusively identify for the Company companies suitable for merger with or acquisition by the Company (Target Companies) provided however that the Company may also identify Target Companies over the term of the Settlement.

In the event that the Company completes a merger or acquisition of a Target Company identified by the Plaintiffs (Transaction) , the Plaintiffs shall be compensated in accordance with the terms and conditions of that Transaction.

In the event that the Company completes a merger or acquisition of a Target Company that is not identified by the Plaintiffs within one year from June 27, 2011 or in the event controlling interest in the Company is sold within one year from June 27, 2011 then Plaintiffs shall be entitled to receive the greater of:

(a) 5% of any consideration received by the Company and Bombardier pacific ventures in connection with such merger or sale or
(b) $25,000 in cash

In the event that an acquisition, merger or sale as contemplated under the Settlement is not completed within one year from June 27, 2011 the Plaintiffs shall receive $30,000 from the Company.

On February 3, 2011, a Complaint (Complaint) was filed in the U.S. District Court Middle District of the State of Pennsylvania against the Company, the Company s Chairman and Entest. by 18KT.TV LLC (Plaintiffs). The Complaint is seeking damages from the Company and Entest in excess of $125,000 and alleges breach of contract, unjust enrichment and breach of implied in fact contract by the Company and Entest in connection with agreements entered into with the plaintiffs by both the Company and Entest.

NOTE 14. DECONSOLIDATION OF ENTEST BIOMEDICAL, INC.

Effective February 4, 2011 the Company s ownership of Entest BioMedical, Inc. fell to approximately 49%. and commencing February 4, 2011 the Company s financial statements reflect the Company s ownership of Entest under the equity method of accounting. A gain of $42,182,649 was recognized in accordance with ASC 810-10-40-5. Fair value of the Company s investment in Entest BioMedical, Inc. resulting from deconsolidation was calculated utilizing Level 1 inputs in accordance with ASC 820. As of September 30, 2011 , the Company s ownership of Entest is 47.9%.

NOTE 15. SUBSEQUENT EVENTS

On October 24,2011 a Complaint (Complaint) was filed in the Superior Court of the State of California, County of San Diego Central Division against the Company, the Company s Chairman, and American Stock Transfer and Trust Company LLC by Rick Plote. The Complaint seeks damages from the defendants jointly and severally of no less than $615, 000 and alleges breach of written agreement, breach of written guarantee and fraud in connection with the defendant s failure to transfer 4,000,000 common shares of the Company beneficially owned by the company s Chairman and CEO and pledged by the Company s Chairman to secure payment of a promissory note issued by an unaffiliated third party.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

In connection with a change of accountant,

(a) During the Company s two most recent fiscal years and any subsequent interim period preceding such resignation, declination or dismissal there were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report.

(b) There was no reportable event as described in paragraph (a)(1)(v) of Item 304 of Regulation S-K

Item 9A. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

The principal executive officer and principal financial officer has evaluated the Company s disclosure controls and procedures as of September 30, 2011. Based on this evaluation, he has concluded that the disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission s rules and forms and to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the Company s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. David Koos, the Company s CEO and Acting CFO, functions as both the Company s principal executive officer and principal financial officer.

b) Management s annual report on internal control over financial reporting.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) promulgated under the Securities and Exchange Act of 1934. Rule 13a-15(f) defines internal control over financial reporting as follows:

The term internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

The Company s internal control over financial reporting is a process designed under the supervision of the Company s management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company s financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

In designing and evaluating our disclosure controls and procedures, our management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only a reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met.

The Company s management assessed the effectiveness of its internal control over financial reporting as of September 30, 2011 based on the framework in Internal Control over Financial Reporting - Guidance for Smaller Public Companies (2006) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management believes that, as of September 30, 2010, the Company s internal control over financial reporting is effective.

Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report. This exemption for smaller reporting companies provided under the temporary rules referenced above has been made permanent under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

(c) There have been no changes during the quarter ended September 30, 2011 in the Company s internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Item 9B. Other Information.

Not applicable

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

David Koos has served as Chairman, CEO, President, Secretary, and Acting CFO of the BMSN since June 19, 2006, Chairman CEO, President, Secretary, and Acting CFO of Entest Bio since August 22, 2008 and Chairman , President, Chief Executive Officer, Secretary, Chief Financial Officer, Principal Accounting Officer of Entest since June 19, 2009.

Education:

DBA - Finance (December 2003)

Atlantic International University

Ph.D. - Sociology (September 2003)

Atlantic International University

MA - Sociology (June 1983)

University of California - Riverside, California

Five Year Employment History:

Position:	Company Name:	Employment Dates:
Chairman , President, Chief Executive Officer, Secretary, Chief Financial Officer, Principal Accounting Officer	Entest Biomedical, Inc. (a Nevada corporation majority owned by the Company which owns 100% of Entest biomedical, Inc., a California corporation)	June 19, 2009 to the present.
Chairman, President, CEO and Acting CFO	Bio-Matrix Scientific Group, Inc.	June 14, 2006 (Chairman) to Present June 19, 2006 (President, CEO and Acting CFO) June 19, 2006 (Secretary) to Present
Chairman CEO, President, Secretary, and Acting CFO	Entest Biomedical, Inc. (a California corporation)	August 22, 2008 to the Present
Chairman, CEO, Secretary & Acting CFO	Frezer Inc.	May 2, 2005 to February 2007
Chairman, CEO & Acting CFO	BMXP Holdings, Inc.	December 6, 2004 to June 2008
Managing Director & President	Cell Source Research Inc.	December 5, 2001 to Present
Managing Director & President	Venture Bridge Inc.	November 21, 2001 to Present
Chairman of the Board of Directors, CFO & Secretary	Cell Bio-Systems Inc. (New York)	July 17, 2003 to December 1, 2003
Registered Representative	Amerivet Securities Inc.*	March 31, 2004 to February 2008

* Amerivet Securities Inc. has not been active during the period as the Chief Executive Officer was on deployment in Iraq through the U.S. Army Reserves.

Section 16(a) Beneficial Ownership Compliance.

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) reports they file. Such persons are further required by SEC regulation to furnish us with copies of all Section 16(a) forms (including Forms 3, 4 and 5) that they file. Based solely on our review of the copies of such forms received by us with respect to fiscal year 2011, or written representations from certain reporting persons, we believe all of our directors and executive officers as well as any beneficial owner of more than ten percent of any class of equity securities met all applicable filing requirements.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics (the Code) that applies to our Directors, officers and employees. The Code is filed as Exhibit A of our Information Statement Pursuant to Section 14(c) of the Securities Exchange Act of 1934 filed with the Commission on August 11, 2006 . A written copy of the Code will be provided upon request at no charge by writing to our Chief Executive Officer, David Koos, at:

DR. DAVID KOOS

BIO-MATRIX SCIENTIFIC GROUP, INC.

4700 SPRING STREET, SUITE 203, LA MESA, CALIFORNIA, 91942

Director Independence

Audit Committee and Audit Committee Financial Expert

The Company s sole Director may not be considered independent as he is also an officer. The Company is not a "listed company" under Securities and Exchange Commission (SEC) rules and is therefore not required to have an audit committee comprised of independent directors. The Company does not currently have an audit committee, however, for certain purposes of the rules and regulations of the SEC and in accordance with the Sarbanes-Oxley Act of 2002, the Company s Board of Directors is deemed to be its audit committee and as such functions as an audit committee and performs some of the same functions as an audit committee including: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; and (3) engaging outside advisors. The Board of Directors has determined that its sole member is able to read and understand fundamental financial statements and has substantial business experience that results in that member's financial sophistication. Accordingly, the Board of Directors believes that its member has the sufficient knowledge and experience necessary to fulfill the duties and obligations that an audit committee would have.

Nominating and Compensation Committees

The Company does not have standing nominating or compensation committees, or committees performing similar functions. The board of directors believes that it is not necessary to have a compensation committee at this time because the functions of such committee are adequately performed by the board of directors. The board of directors also is of the view that it is appropriate for the Company not to have a standing nominating committee because the board of directors has performed and will perform adequately the functions of a nominating committee. The Company is not a "listed company" under SEC rules and is therefore not required to have a compensation committee or a nominating committee.

Shareholder Communications

There has not been any defined policy or procedure requirements for stockholders to submit recommendations or nomination for directors. There are no specific, minimum qualifications that the board of directors believes must be met by a candidate recommended by the board of directors. Currently, the entire board of directors decides on nominees, on the recommendation of any member of the board of directors followed by the board s review of the candidates resumes and interview of candidates. Based on the information gathered, the board of directors then makes a decision on whether to recommend the candidates as nominees for director. The Company does not pay any fee to any third party or parties to identify or evaluate or assist in identifying or evaluating potential nominee.

Because management and directors of the Company are the same person, the Board of Directors has determined not to adopt a formal methodology for communications from shareholders on the belief that any communication would be brought to the board of directors attention by virtue of the co-extensive capacities served by David Koos.

Executive Compensation

SUMMARY COMPENSATION TABLE*

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
David Koos Chairman and CEO	From October 1, 2010 to September 30, 2011	6,000**	0	0	0	0	0	0	6,000
David Koos Chairman and CEO	From October 1, 2009 to September 30, 2010	16,500****	0	$309,060***	0	0	0	0	325,560

* Does not include Compensation Accrued but Unpaid. As of September 30, 2011 David R. Koos is owed $597,000 in compensation accrued but unpaid.

** Includes $6,000 paid to David Koos by Entest Biomedical, Inc. between October 1, 2010 and February 3, 2011 during which time Entest Biomedical was a majority owned subsidiary of the Company.

*** Includes issued 4,454,994 shares of the common stock of the Company as well as 3040 of the common shares of Entest Biomedical, Inc.

****Includes $6,000 paid by Entest Biomedical, Inc. .

David Koos is not party to an executed employment agreement. From April 2007 until October 2008 we had agreed to compensate David Koos $12,000 per month for his services, exclusive of any bonuses or benefits. From October of 2008 to the present, we have agreed to compensate David Koos $25,000 per month for his services, exclusive of any bonuses or benefits. The majority of this compensation has been accrued.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information as of the close of business on December 12, 2011, concerning shares of our common stock beneficially owned by (i) each director; (ii) each named executive officer; (iii) by all directors and executive officers as a group; and (iv) each person known by the Company to own beneficially more than 5% of the outstanding shares of common stock.

Based on 72,189,747 shares issued and outstanding as of December 12 , 2011.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common	David R. Koos C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 203, LA MESA, CALIFORNIA, 91942	12,718,639 (a)	18%
Common	All Officers and Directors As a Group(a)	12,718,639 (a)	18%

(a) Includes 4,159,085 shares owned by Bombardier Pacific Ventures Inc., which is wholly owned by David Koos and 104,160 shares owned AFN Trust for which David Koos serves as Trustee.

The following table sets forth information as of the close of business on March 10, 2011, concerning shares of our preferred stock beneficially owned by (i)each director; (ii) each named executive officer; (iii) by all directors and executive officers as a group; and (iv) each person known by the Company to own beneficially more than 5% of the outstanding shares of preferred stock.

Based on 1,925,846 shares issued and outstanding as of December 12, 2011

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Preferred	David R. Koos (a)(b) C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 203, LA MESA, CALIFORNIA, 91942	524,079	27%
Preferred	Copeland Revocable Trust	166,907	9%
Preferred	Ronald Williams	205,714	11%
Preferred	All Officers and Directors As a Group(c)	524,079	27%

(a) Includes 458,503 Preferred Shares owned by BMXP Holdings Shareholder Business Trust. David R. Koos is the Trustee of BMXP Holdings Shareholder Business Trust. (b) Includes 62,056 shares owned by Bombardier Pacific Ventures Inc., which is wholly owned by David Koos and AFN Trust for which David Koos serves as Trustee .

The following table sets forth information as of the close of business on March 10,2011 concerning shares of our Series B preferred stock beneficially owned by (i)each director; (ii) each named executive officer; (iii) by all directors and executive officers as a group; and (iv) each person known by the Company to own beneficially more than 5% of the outstanding shares of Series B preferred stock.

Based on 724,222 shares issued and outstanding as of December 12, 2011

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Series B Preferred	David R. Koos (a)(b) C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 203, LA MESA, CALIFORNIA, 91942	96,012	13%
Series B Preferred	All Officers and Directors As a Group(c)	96,012	13%

(a) Includes 9,171 Preferred Shares owned by BMXP Holdings Shareholder Business Trust. David R. Koos is the Trustee of BMXP Holdings Shareholder Business Trust. (b) Includes 58,935 shares owned by Bombardier Pacific Ventures Inc., which is wholly owned by David Koos and 836 shares owned by AFN Trust for which David Koos serves as Trustee

The following table sets forth information as of the close of business on December 12, 2011 concerning shares of our Series AA Preferred stock beneficially owned by (i) each director; (ii) each named executive officer; (iii) by all directors and executive officers as a group; and (iv) each person known by the Company to own beneficially more than 5% of the outstanding shares of Series AA Preferred stock.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Series AA Preferred	David R. Koos C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 203, LA MESA, CALIFORNIA, 91942	4,852	100%
Common	All Officers and Directors As a Group(a)	4,852	100%

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Director Independence

Audit Committee and Audit Committee Financial Expert

The Company s sole Director may not be considered independent as he is also an officer. The Company is not a "listed company" under Securities and Exchange Commission (SEC) rules and is therefore not required to have an audit committee comprised of independent directors. The Company does not currently have an audit committee, however, for certain purposes of the rules and regulations of the SEC and in accordance with the Sarbanes-Oxley Act of 2002, the Company s Board of Directors is deemed to be its audit committee and as such functions as an audit committee and performs some of the same functions as an audit committee including: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; and (3) engaging outside advisors. The Board of Directors has determined that its sole member is able to read and understand fundamental financial statements and has substantial business experience that results in that member's financial sophistication. Accordingly, the Board of Directors believes that its member has the sufficient knowledge and experience necessary to fulfill the duties and obligations that an audit committee would have.

Nominating and Compensation Committees

The Company does not have standing nominating or compensation committees, or committees performing similar functions. The board of directors believes that it is not necessary to have a compensation committee at this time because the functions of such committee are adequately performed by the board of directors. The board of directors also is of the view that it is appropriate for the Company not to have a standing nominating committee because the board of directors has performed and will perform adequately the functions of a nominating committee. The Company is not a "listed company" under SEC rules and is therefore not required to have a compensation committee or a nominating committee.

Shareholder Communications

There has not been any defined policy or procedure requirements for stockholders to submit recommendations or nomination for directors. There are no specific, minimum qualifications that the board of directors believes must be met by a candidate recommended by the board of directors. Currently, the entire board of directors decides on nominees, on the recommendation of any member of the board of directors followed by the board s review of the candidates resumes and interview of candidates. Based on the information gathered, the board of directors then makes a decision on whether to recommend the candidates as nominees for director. The Company does not pay any fee to any third party or parties to identify or evaluate or assist in identifying or evaluating potential nominee.

Because management and directors of the Company are the same person, the Board of Directors has determined not to adopt a formal methodology for communications from shareholders on the belief that any communication would be brought to the board of directors attention by virtue of the co-extensive capacities served by David Koos.

Item 14. Principal Accounting Fees and Services.

The following sets forth the aggregate fees billed by John Kinross Kennedy, CPA:

		Period beginning Oct 1, 2009 and ending September 30, 2010
Audit Fees	$	4,000

Audit Related Fees	$	400
Tax Fees		
All Other Fees		
	$	4,400

Audit Fees: Aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements.

Audit Related Fees: Aggregate fees billed for professional services rendered for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements and are not reported under Audit Fees above.

All services listed were pre-approved by the Board of Directors, functioning as the Audit Committee in accordance with Section 2(a) 3 of the Sarbanes-Oxley Act of 2002.

The Board has considered whether the services described above are compatible with maintaining the independent accountant's independence and has determined that such services have not adversely affected John Kinross Kennedy, CPA s independence.

The following sets forth the aggregate fees billed by John Kinross Kennedy, CPA:

	Period beginning Oct 1, 2010 and ending September 30, 2011	
Audit Fees	$	3,600
Audit Related Fees	$	500
Tax Fees		
All Other Fees		
	$	4,100

Audit Fees: Aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements.

Audit Related Fees: Aggregate fees billed for professional services rendered for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements and are not reported under Audit Fees above.

All services listed were pre-approved by the Board of Directors, functioning as the Audit Committee in accordance with Section 2(a) 3 of the Sarbanes-Oxley Act of 2002.

The Board has considered whether the services described above are compatible with maintaining the independent accountant's independence and has determined that such services have not adversely affected John Kinross Kennedy, CPA s independence.

PART IV

Item 15. Exhibit Index

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
31.1	CERTIFICATION BY CEO PURSUANT TO SECTION 302 OF SARBANES OXLEY ACT
32.1	CERTIFICATION BY CEO PURSUANT TO SECTION 906 OF SARBANES OXLEY ACT
31.2	CERTIFICATION BY CEO PURSUANT TO SECTION 302 OF SARBANES OXLEY ACT
32.2	CERTIFICATION BY CFO PURSUANT TO SECTION 906 OF SARBANES OXLEY ACT
3(i)(1)	Certificate of Incorporation (1)
3(i)(2)	Certificate of amendment dated August 22, 2006(2)
3(1)(3)	Certificate of Designations (Series AA Preferred)(3)
3(1)(4)	Certificate of Designations (Series B Preferred)(4)
3(1)(5)	Certificate of Amendment dated November 8, 2011
3(ii)(1)	Bylaws(5)
3(ii)(2)	Amended Bylaws dated July 3, 2008(6)
3(ii)(3)	AMENDED AND RESTATED BY-LAWS OF BIO-MATRIX SCIENTIFIC GROUP, INC(7)
10.1	Agreement by and between David R. Koos and Bio-Matrix Scientific Group, Inc.(8)
10.2	Agreement for Purchase of Freedom Environmental Shares by and between Bombardier Pacific Ventures Inc, and Bio-Matrix Scientific Group, Inc, (9)
10.3	Modified Promissory Note by and Between Bio-Matrix Scientific Group, Inc. and Bombardier Pacific Ventures Inc. dated December 21, 2008.(10)
10.4	Agreement by and between Bio-Matrix Scientific Group, Inc. and Dr. Brian Koos(11)
10.5	Agreement by and between Bio-Matrix Scientific Group, Inc., Therinject LLC and Dr. Stephen Josephs(12)
10.6	Stock purchase Agreement between JB Clothing and Bio Matrix Scientific Group, Inc.(13)
10.7	Agreement by and Between Hazard Commercial Complex LLC and the Company(14)
10.8	Asset Purchase Agreement between Entest CA and Pet Pointers (16)
10.9	Exhibit A to Asset Purchase Agreement (17)
10.10	Exhibit B to Asset Purchase Agreement (18)
10.11	Employment Agreement Gregory McDonald (19)
14.1	Code of Ethics(15)

(1) Incorporated by reference to Form 10SB dated January 2, 2001
(2) Incorporated by reference to Form SB-2 dated July31, 2007
(3) Incorporated by reference to Exhibit 3(i) of Form 8-K dated July 3, 2008
(4) Incorporated by reference to Exhibit 3(i) of Form 8-K dated August 28, 2009
(5) Bylaws incorporated by reference to Form 10-SB filed on January 2, 2001

(6) Amended Bylaws dated July 3, 2008 incorporated by reference to Exhibit 3(ii) of Form 8-K dated July 3, 2008
(7) Incorporated by reference to Exhibit 3(ii) of Form 8-K dated August 28, 2009
(8) Agreement by and between David R. Koos and Bio-Matrix Scientific Group, Inc. incorporated by reference to Exhibit 10 of Form 8-K dated July 3, 2008
(9) Agreement for Purchase of Freedom Environmental Shares by and between Bombardier Pacific Ventures Inc, and Bio-Matrix Scientific Group, Inc, incorporated by reference to Exhibit 10(1) of Form 8-K dated September 29, 2008

(10) Modified Promissory Note by and Between Bio-Matrix Scientific Group, Inc. and Bombardier Pacific Ventures Inc. dated December 21, 2008 , incorporated by reference to Exhibit 10(1) of Form 8-K dated December 21, 2008.
(11) Agreement by and between Bio-Matrix Scientific Group, Inc. and Dr. Brian Koos incorporated by reference to Exhibit 3(i) of Form 8-K dated April 28, 2009
(12) Agreement by and between Bio-Matrix Scientific Group, Inc., Therinject LLC and Dr. Stephen Josephs incorporated by reference to Exhibit 10.1 of form 8-K dated August 24,2009
(13) Stock purchase Agreement between JB Clothing and Bio Matrix Scientific Group, Inc. incorporated by reference to Exhibit 10.1 of Form 8-K dated June 22, 2009
(14) Agreement by and Between Hazard Commercial Complex LLC and the Company incorporated by reference to Exhibit 10.1 of Form 8-K dated April 19, 2010
(15) Code of Ethics Incorporated by reference to Exhibit A of Form Pre 14C filed July 25, 2006
(16) incorporated by reference to Exhibit 10.1 of Form 8-K dated January 6, 2011
(17) incorporated by reference to Exhibit 10.2 of Form 8-K dated January 6, 2011
(18) incorporated by reference to Exhibit 10.3 of Form 8-K dated January 6, 2011
(19) incorporated by reference to Exhibit 10.4 of Form 8-K dated January 6, 2011

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bio-Matrix Scientific Group, Inc.

By: /s/ David R. Koos
Name: David R. Koos
Title: Chairman, Chief

Executive Officer, President, Acting Chief Financial Officer
Date: December 26, 2011

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David R. Koos	Chairman of the Board	December 26, 2011
David R. Koos		