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Bio-Matrix Scientific Group, Inc.
Form 10-K
January 07, 2014

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, 2013

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) 702-1404

(Registrants telephone number, including area code)

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

Title of Each Class

Name of each exchange on which registered:

to be so 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

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

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

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):

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Large Accelerated Filer Accelerated Filer
Non-accelerated Filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

As of March 31, 2012, 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 \$0.0049., was approximately \$6,602,820. 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 classes of common stock as of December 26,2013:

Common: 2,810,513,321

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,” “potential,” “projects,” “ongoing,” “expects,” “management believes,” “we believe,” “we intend,” and similar expressions. These statements are 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.

Through our majority owned subsidiary, Regen BioPharma ,Inc.(“Regen”) , we intend to engage primarily in the development of regenerative medical applications which we intend to license from other entities up to the point of successful completion of Phase I and or Phase II clinical trials after which we would either attempt to sell or license those developed applications or, alternatively, advance the application further to Phase III clinical trials. The primary factor to be considered by us in arriving at a decision to advance an application further to Phase III clinical trials would be a greater than anticipated indication of efficacy seen in Phase I trials.

On May 1, 2013 Dr. Wei Ping Min (“Min”) entered into an agreement (“Agreement”) whereby Min assigned to Regen all right, title and interest in US Patent # 8,389,708 as well as all Patent applications from the same family corresponding to numbers PCT/CA2006/000984, CA2612200 and EP1898936.(“Min IP”) US Patent # 8,389,708 was granted to Min with regard to his invention of a method directed to the silencing of immunosuppressive cancer causing genes using short interfering RNA (siRNA) leading to an increase in the immune response, a decrease in tumor-induced immunosuppression and a decrease in in vivo tumor progression.

As consideration for the Min IP, Regen is required to:

(a) negotiate in good faith with Min with regards to a proposed consulting agreement whereby Min shall perform certain mutually agreed upon tasks for the benefit of Regen for consideration to Min consisting of One Hundred Thousand United States Dollars (\$100,000) of the common shares of Bio Matrix valued as of the date of issuance and to be paid over a twelve month period in twelve equal installments (“Consulting Shares”) and registered under the Securities Act of 1933 on Form S-8.

(b) Cause to be issued to Min 100,000 of Bio Matrix’s preferred shares (“Assignor Preferred Shares”) exchangeable into common shares of Bio Matrix (“Exchange Common Shares”) under the following terms and conditions:

(i) A sufficient number of common shares shall be authorized for issuance by Bio Matrix in order that the required number of Exchange Common Shares may be issued

(ii) Subject to (i) above, upon any date subsequent to the date of the completion of a satisfactory review by the United States Food and Drug Administration (“FDA”) of an Investigational New Drug Application (“IND”) for the Min IP submitted by Regen which shall result in the ability of Regen to lawfully begin clinical testing of the Min IP on human subjects within the United States Min shall be permitted, at his option, to exchange 33,333 of the Assignor Preferred Shares into that number of Exchange Common Shares having a value of Three Hundred Thirty Three Thousand United States Dollars (\$333,000) such shares being valued at a price per share equal to the closing price as of the day written notice is given by Min to Regen of Min’s intent to exchange.

(iii) Subject to (i) above, upon any date subsequent to the date that manufacturing procedures for the manufacture of the Min IP have been developed by Regen which comply to the Current Good Manufacturing Practices (“cGMP”) requirements of the Food Drug and Cosmetics Act of 1938 and the rules and regulations promulgated thereunder as they may apply to the manufacture of the Min IP Min shall be permitted, at Min’s option, to exchange 33,333 of the Assignor Preferred Shares into that number of Exchange Common Shares having a value of Three Hundred Thirty Three Thousand United States Dollars (\$333,000) such shares being valued at a price per share equal to the closing price as of the day written notice is given by Min to Regen of Min’s intent to exchange.

(iv) Subject to (i) above, upon any date subsequent to the date that, in connection with a lawfully administered Phase I clinical trial of the Min IP being conducted by Regen within the United States on human subjects, both of (1) a clinical trial protocol has been completed and (2) a Principal Investigator has been appointed, Min shall be permitted, at Min’s option, to exchange 33,333 of the Assignor Preferred Shares into that number of Exchange Common Shares having a value of Three Hundred Thirty Three Thousand United States Dollars (\$333,000) such shares being valued at a price per share equal to the closing price as of the day written notice is given by Min to Regen of Min’s intent to exchange. On August 9, 2013 100,000 Assignor Preferred Shares were issued to Min by BMSN

(c) Subject to sufficient number of common shares having been authorized for issuance by the Company, Min shall receive, upon successful completion of a lawfully administered Phase I clinical trial of the Min IP being conducted by Regen within the United States on human subjects, the results of which (1) shall indicate that the Min IP can be safely tolerated by human subjects (2) shall not indicate that use of the Min IP in human subjects result in side effects of such severity that commencement of a Phase II clinical trial could not occur, and (3) establishes the optimal dosage and/or method of administration(as applicable)of the Min IP , Min shall receive that number of the common shares of BMSN which, at a price per share equal to the closing price of the shares as of the day of issuance, shall equal One Million United States Dollars (\$1,000,000)

Pursuant to the Agreement, Min shall be entitled to additional consideration for productivity and deliverables over and above listed items (“Bonus”). The eligibility of Min to receive a Bonus as well as the nature and amount of any Bonus shall be at the sole discretion and determination of the Chief Executive Officer of the Company.

On August 9, 2013 we issued to Min 100,000 of our Preferred Shares pursuant to the Agreement.

On August 5, 2013 Regen was granted by Benitec Australia Limited (“Benitec”) an exclusive worldwide right and license to certain patents, patent applications, know-how and other intellectual property relating to RNA interference, a biological mechanism by which double-stranded RNA modifies gene expression (“RNAi”) possessed by Benitec.

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Pursuant to the agreement between the parties for the grant of the license (“Agreement”) , Regen is obligated to make the following payments to Benitec as consideration for the grant of the license:

(1) a one-time, non-refundable, upfront payment of twenty five thousand US dollars (\$25,000) as a license initiation fee on the execution date of the Agreement. On August 30, 2013 the Company issued 8,512,088 of its common shares to Benitec in satisfaction of this obligation on behalf of the Company.

(2) a one-time non-refundable payment of twenty five thousand US dollars (\$25,000) on the first anniversary of the execution date of the Agreement.

(3) The following milestone payments per each Licensed Product that meets such milestone :

| <u>Milestone</u> | <u>Amount</u> |
|--|---------------------------|
| Start Phase I/II clinical trial – dosing first patient | \$100,000 US Dollars |
| Start Phase III clinical trial | \$500,000 US Dollars |
| Regulatory Approval for a Licensed Product by first regulatory agency | \$1,000,000 US Dollars |
| Regulatory Approval for a Licensed Product by second regulatory agency | \$2,000,000.00 US Dollars |

As defined by the Agreement, “Licensed Product” shall mean any product sold by or on behalf of Regen, its Affiliates or its sublicensees pursuant to the license granted by the Agreement.

As further consideration to Benitec, Regen is required to pay:

(i) Royalties equal to the greater of (a) a minimum annual payment of \$25,000 per year or (b) four percent (4%) of the Net Sales as defined in the Agreement of any Licensed Products sold pursuant to the license sold within a given year.

(ii) fifty percent (50%) of all consideration (in the case of in-kind consideration, at fair market value as monetary consideration) received by Regen from sublicensees, excluding royalties from sublicensees based on Net Sales of any Licensed Products for which Benitec receives payment.

The term of this Agreement commenced on the date of execution (“Effective Date”) continues in full force and effect on a Licensed Product-by-Licensed Product and country-by-country basis until the expiration or termination of the Benitec’s Patent Rights covering such Licensed Product.

The Company has begun development of HemaXellerate, a cellular drug designed to heal damaged bone marrow. HemaXellerate I(TM) is a patient-specific composition of cells that have been demonstrated to repair damaged bone marrow and stimulate production of blood cells based on previous animal studies. The initial application of HemaXellerate will be the treatment of severe aplastic anemia (AA) which is characterized by immune-mediated bone marrow hypoplasia and pancytopenia. The HemaXellerate treatment consists of the use of autologous stromal vascular fraction(SVF) cells extracted from the patient’s own adipose tissue as a treatment for immune suppressant refractory aplastic anemia. SVF preparations contain significant numbers of cellular populations with therapeutic activity that would be relevant to aplastic anemia; namely, a) mesenchymal stem cells (MSC), which suppress pathological immune responses and accelerate hematopoiesis; b) endothelial cells, which assist in repairing damaged bone marrow hematopoietic microenvironment and stimulate hematopoiesis; and c) T regulatory cells, which possess anti-inflammatory properties.

On February 5, 2013 Regen filed an Investigational New Drug (IND) application with the United States Food and Drug Administration (“FDA”) to initiate a Phase I clinical trial assessing HemaXellerate I in patients with drug-refractory aplastic anemia. The Phase I clinical trial is intended to determine safety and potential efficacy of intravenously administered autologous SVF cells in patients with severe, immune suppressive refractory aplastic anemia with the primary endpoints of safety and feasibility and secondary endpoints of efficacy as determined by patients having complete response, partial response or relapse. The Company believes that this application of HemaXellerate qualifies for Orphan designation under the Orphan Drug Act due to the fact that aplastic anemia is a rare disease with prevalence in the United States of less than 200,000 and intends to apply to the FDA for Orphan designation for HemaXellerate I.

Principal Products and Services

Through our majority owned subsidiary, Regen BioPharma ,Inc.(“Regen”) , we intend to engage primarily in the development of regenerative medical applications which we intend to license from other entities up to the point of successful completion of Phase I and or Phase II clinical trials after which we would either attempt to sell or license

those developed applications or, alternatively, advance the application further to Phase III clinical trials.

HemaXellerate I

The Company has begun development of HemaXellerate I, a cellular therapy designed to heal damaged bone marrow. HemaXellerate I is a patient-specific composition of cells that have been demonstrated to repair damaged bone marrow and stimulate production of blood cells based on previous animal studies. The initial application of HemaXellerate I will be the treatment of severe aplastic anemia which is characterized by immune-mediated bone marrow hypoplasia (underdevelopment or incomplete development of a tissue) and pancytopenia (reduction in the number of blood cells and platelets).

Adipose tissue is collected from the patient and processed in order to separate, extract and isolate Stromal Vascular Fraction (SVF), a mix of various cell types including mesenchymal stem cells and endothelial cells. The isolated SVF is then intravenously administered to the patient. The Company believes that the isolated SVF will generate growth factors with the ability to repair damaged hematopoietic stem cells. Hematopoietic stem cells are immature cells that can develop into all types of blood cells, including white blood cells, red blood cells, and platelets. Hematopoietic stem cells are found in the peripheral blood and the bone marrow.

On February 5, 2013 Regen filed an Investigational New Drug (IND) application with the United States Food and Drug Administration ("FDA") to initiate a Phase I clinical trial assessing HemaXellerate I in patients with drug-refractory aplastic anemia. The Phase I clinical trial is intended to determine safety and potential efficacy of intravenously administered autologous SVF cells in patients with severe, immune suppressive refractory aplastic anemia with the primary endpoints of safety and feasibility and secondary endpoints of efficacy as determined by patients having complete response, partial response or relapse. The Phase I clinical trial cannot commence until comments directed to the Company by the FDA with regard to the IND have been addressed by the Company to the FDA's satisfaction.

The following actions are required to be undertaken by the Company in order to address comments made by the US Food and Drug Administration with regards to the IND filed by the Company for HemaXellerate I

- a) demonstration of safety in an immune deficient model by intravenous administration bracketing the per kilogram dose proposed in the clinical study;
- b) augmentation of existing efficacy data by including details of blood cell responses after treatment.

Pursuant to a Service Agreement entered into by and between the Company and Dr. Wei-Ping Min, on Sept 24, 2013 the Company began experiments required to be undertaken in order to address the FDA's comment concerning efficacy. The Company intends, upon satisfaction of all comments, to seek Orphan Drug Designation under the Orphan Drug Act of 1983 from the US Food and Drug Administration for HemaXellerate I. During the six months ended March 31, 2014 the Company also anticipates completion of preclinical testing with regards to dCellVax as well as submission of an IND to the FDA with regards to dCellVax.

HemaXellerate II

Also in early stage development by the Company is a version of HemaXellerate called HemaXellerate II.

HemaXellerate II is intended to be a universal donor endothelial cell based therapeutic and is intended to be manufactured by obtaining cells from a part of the placenta called the “vascular lobules”. The cells are processed and utilized for the purpose of stimulating bone marrow hematopoietic stem cell repair and proliferation. The mechanism of action for HemaXellerate II is similar to HemaXellerate I whereby the harvested and processed cells would produce growth factors which would mediate the therapeutic effects of the product.

The Company has not begun preclinical development of HemaXellerate II as of September 30, 2013.

dCellVax

dCellVax is intended to be a therapy whereby dendritic cells of the cancer patient are harvested from the body, treated with plasmid DNA that has the ability to block the dendritic cell from expressing indoleamine 2,3-dioxygenase (“IDO”) and subsequently reimplanted in the cancer patient.

The dendritic cells that are treated with the IDO-blocking plasmid become resistant to the influence of tumor cells which produce factors which cause the dendritic cell to express the IDO. Expression of IDO on the dendritic cell halts the dendritic cell from activating T cells and causes the dendritic cell to suppress T cells. T lymphocytes (“T cells”) are a lymphocyte that play a central role in the human immune system’s attempt to eradicate tumors.

The Company is currently in the process of attempting to generate a human equivalent of a mouse plasmid that was successfully used to silence IDO in mice which the Company believes will silence IDO in human cells (“Human Plasmid”). Upon successful generation of the Human Plasmid, the Company anticipates commencing discussions with the US Food and Drug Administration with regard to the filing of an IND for dCellVax.

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.

We intend to be competitive by utilizing the services and advice of individuals that we believe have expertise in their field in order that we can concentrate our resources on projects in which products and services in which we have the greatest potential to secure a competitive advantage may be developed and commercialized.

To that effect, Regen has established a Scientific Advisory Board of (the Advisory Board) comprised of individuals who we believe have a high level of expertise in their professional fields and who have agreed to provide counsel and assistance to us in (a) determining the viability of proposed projects (b) obtaining financing for projects and (c) obtaining the resources required to initiate and complete a project in the most cost effective and rapid manner.

Members of the Advisory Board include as follows:

Dr. Weiping Min, M.D., PhD

Dr. Min is currently a Professor, Department of Surgery at the University of Western Ontario. Dr. Min obtained his MD from Jiangxi Medical University, China, in 1983 and his Ph.D. in Immunology from Kyushu University, Japan. Dr. Min has completed postdoctoral training at the Department of Medical Microbiology and Immunology, University of Alberta and the Department of Immunology, University of Toronto.

David James Graham White, M.D., Ph.D.

Dr. White currently serves as Novartis/Stiller Professor of Xenotransplantation at the University of Western Ontario (to which he was appointed in 2000) and is a member of British Transplantation Society, the British Society of Immunologists, the Transplantation Society, the European Society of Organ Transplantation, the Royal College of Pathologists and the Athenaeum. Dr. White obtained a B.Sc. degree from the University of Surrey and M.D. and Ph.D. degrees from Cambridge University.

David A. Suhy, PhD

Dr. Suhy currently serves as Vice President of Research and Development at Tacere Therapeutics, a position he has held since October 2012. From April 2008 to October 2012 Dr. Suhy served as Director of Research and Development at Tacere Therapeutics. Dr. Suhy was one of the inventors of Tacere Therapeutics' TT-033 and has directed development of the TT-03x series of compounds which target the Hepatitis C virus (HCV) through to Investigational New Drug enabling studies.

Dr. Suhy obtained a Bachelor's Degree in biochemistry from the University of Pittsburgh in 1990 and a PhD in Biochemistry, Molecular Biology and Cell Biology from Northwestern University in 1996. Dr. Suhy conducted his post-doctoral work at Stanford University (Post Doctoral Fellow, Microbiology & Immunology) between 1996 and 1999.

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 patent and are not party to any royalty agreements or labor agreements. We have been granted a trademark for the term HEMAXELLERATE for biological tissue, namely, blood, stem cells, umbilical cords and placentas for scientific and medical research use

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

Our product is subject to regulation as a biological product under the Public Health Service Act and the Food, Drug and Cosmetic Act. The FDA generally requires the following steps for pre-market approval or licensure of a new biological product:

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Pre-clinical laboratory and animal tests conducted in compliance with the Good Laboratory Practice, or GLP, requirements to assess a drug's biological activity and to identify potential safety problems, and to characterize and document the product's chemistry, manufacturing controls, formulation, and stability;

Submission to the FDA of an Investigational New Drug, or IND application, which must become effective before clinical testing in humans can begin;

Obtaining approval of Institutional Review Boards, or IRBs, of research institutions or other clinical sites to introduce the biologic drug candidate into humans in clinical trials;

Conducting adequate and well-controlled human clinical trials to establish the safety and efficacy of the product for its intended indication conducted in compliance with Good Clinical Practice, or GCP requirements;

Compliance with current Good Manufacturing Practices, or cGMP regulations and standards;

Submission to the FDA of a Biologics License Application, or BLA, for marketing that includes adequate results of pre-clinical testing and clinical trials;

FDA reviews the marketing application in order to determine, among other things, whether the product is safe, effective and potent for its intended uses; and

Obtaining FDA approval of the BLA, including inspection and approval of the product manufacturing facility as compliant with cGMP requirements, prior to any commercial sale or shipment of the pharmaceutical agent. The FDA may also require post marketing testing and surveillance of approved products, or place other conditions on the approvals.

Regulatory Process in Europe

The European Union (EU) has approved a regulation specific to cell and tissue therapy product, the Advanced Therapy Medicinal Product (ATMP) regulation. For products such as HemaXellerate that are regulated as an ATMP, the EU Directive requires: Compliance with current Good Manufacturing Practices, or cGMP regulations and standards, pre-clinical laboratory and animal testing;

Filing a Clinical Trial Application (CTA) with the various member states or a centralized procedure; Voluntary Harmonization Procedure (VHP), a procedure which makes it possible to obtain a coordinated assessment of an application for a clinical trial that is to take place in several European countries;

Obtaining approval of Ethic Committees of research institutions or other clinical sites to introduce the AIP into humans in clinical trials;

Adequate and well-controlled clinical trials to establish the safety and efficacy of the product for its intended use; and

Submission to EMA for a Marketing Authorization (MA); Review and approval of the MAA (Marketing Authorization Application).

Clinical trials:

Typically, both in the U.S. and the European Union, clinical testing involves a three-phase process although the phases may overlap. In Phase I, clinical trials are conducted with a small number of healthy volunteers or patients and are designed to provide information about product safety and to evaluate the pattern of drug distribution and metabolism within the body. In Phase II, clinical trials are conducted with groups of patients afflicted with a specific

disease in order to determine preliminary efficacy, optimal dosages and expanded evidence of safety. In some cases, an initial trial is conducted in diseased patients to assess both preliminary efficacy and preliminary safety and patterns of drug metabolism and distribution, in which case it is referred to as a Phase I/II trial. Phase III clinical trials are generally large-scale, multi-center, comparative trials conducted with patients afflicted with a target disease in order to provide statistically valid proof of efficacy, as well as safety and potency. In some circumstances, the FDA or EMA may require Phase IV or post-marketing trials if it feels that additional information needs to be collected about the drug after it is on the market. During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data and clinical trial investigators. An agency may, at its discretion, re-evaluate, alter, suspend, or terminate the testing based upon the data which have been accumulated to that point and its assessment of the risk/benefit ratio to the patient. Monitoring all aspects of the study to minimize risks is a continuing process. All adverse events must be reported to the FDA or EMA .

All pharmaceutical companies are subject to extensive, complex, costly and evolving government regulation. For the U.S., this is principally administered by the FDA and to a lesser extent by the DEA and state government agencies, as well as by varying regulatory agencies in foreign countries where products or product candidates are being manufactured and/or marketed. The Federal Food, Drug and Cosmetic Act, the Controlled Substances Act and other federal statutes and regulations, and similar foreign statutes and regulations, govern or influence the testing, manufacturing, packing, labeling, storing, record keeping, safety, approval, advertising, promotion, sale and distribution of our future products. For Europe, the European Medicines Agency ("EMA") will regulate our future products. Regulatory approval by the EMA will be subject to the evaluation of data relating to the quality, efficacy and safety of our future products for its proposed use. The time taken to obtain regulatory approval varies between countries. Different regulators may impose their own requirements and may refuse to grant, or may require additional data before granting, an approval, notwithstanding that regulatory approval may have been granted by other regulators. Regulatory approval may be delayed, limited or denied for a number of reasons, including insufficient clinical data, the product not meeting safety or efficacy requirements or any relevant manufacturing processes or facilities not meeting applicable requirements.

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

As of December 28, 2013 we have three employees who are full time.

Item 2. Properties .

The Company utilizes approximately 2,300 square feet of office space at 4700 Spring Street, Suite 304, La Mesa California, 91941 provided to the Company by Entest BioMedical, Inc. on a month to month basis free of charge. The property is utilized as office space. We believe that the foregoing properties are adequate to meet our current needs for office space.

Item 3. Legal Proceedings.

On April 12, 2013 a complaint (Complaint) was filed in the U.S. District Court Southern District of the State of New York against the Company, the Company's Chairman and Does 1-50 by Star city Capital, LLC ("Plaintiff") alleging securities fraud, common law fraud, negligent misrepresentation, breach of fiduciary duties and breach of contract in connection with the issuance of . The Plaintiff is also request declaratory relief from the Court.

The action arises from the issuance and subsequent cancellation of 103,030,303 of the company's common shares in satisfaction of \$17,000 of convertible indebtedness of the Company held by the Plaintiff . The Plaintiff alleges that a cancellation notice sent by them to the Company's transfer agent was meant to instruct the Transfer Agent simply to cancel the physical certificate in order that an equivalent number of shares may be transferred via DWAC to the Plaintiff's stockbroker for the benefit of the Plaintiff. DWAC is the acronym for Deposit/Withdrawal At Custodian. The DWAC transaction system run by The Depository Trust Company (a.k.a. DTC or CEDE & CO) permits brokers and custodial banks, the DTC participants, to request the movement of shares to or from the issuer's transfer agent electronically. A DWAC results in the crediting or debiting of shares to or from DTC's book-entry account on the records of the issuer maintained by the transfer agent.

The Company believes that the cancellation notice sent by the Plaintiff clearly represents a cancellation of the conversion notice itself.

The convertible indebtedness held by the Plaintiff is convertible at Holder's demand into the common shares of the Company's stock at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company and the Plaintiff had agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. There can be no assurance that a subsequent conversion notice for the same amount of indebtedness issued by the Plaintiff would convert into 103,030,303 of the company's common shares.

Although the Company believes this legal action has no merit, it is not possible to predict the ultimate outcome of this legal action.

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, 2012 to September 30, 2013 High Low

| | |
|----------------|------------|
| First Quarter | .0024.0003 |
| Second Quarter | .0144.0011 |
| Third Quarter | .0018.0055 |
| Fourth Quarter | .0038.0028 |

October 1, 2011 to September 30, 2012 High Low

| | | |
|----------------|-------|-------|
| First Quarter | .01 | .004 |
| Second Quarter | .0095 | .0021 |
| Third Quarter | .0370 | .0027 |
| Fourth Quarter | .0053 | .0017 |

Holders

As of December 27, 2013 there were approximately 463 holders of our Common Stock.

Dividends

No cash dividends were paid during the fiscal year ending September 30, 2013. We do not expect to declare cash dividends in the immediate future.

Recent Sales of Unregistered Securities

Shares Issued for Services:

On May 29, 2013 the Company issued to J. Christopher Mizer 26, 045,795 shares of the Company's Common Stock ("Shares") and agreed to the immediate vesting of 6,000,000 shares of the Company's common stock previously issued to J. Christopher Mizer as a Restricted Stock Award in satisfaction of \$ 116,452 of accrued but unpaid salary due to J. Christopher Mizer .

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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 Preferred Shares stating that the preferred Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares

On May 30, 2013 the "Company" issued to David R. Koos, the Company's Chairman and Chief Executive Officer, 40,000 shares of the Company's Series AAA Preferred Stock ("Preferred Shares") in satisfaction of \$10,000 of accrued but unpaid salary due to David Koos.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Preferred 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 Preferred Shares. There was no advertisement or general solicitation made in connection with this Offer and Sale of Preferred Shares.

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

On August 6, 2013 the Company issued 100,000 of the Company's Preferred Shares pursuant to that agreement entered into on May 1, 2013 with Dr. Wei Ping Min ("Min") whereby Min assigned to Regen BioPharma Inc. ("Regen"), a majority owned subsidiary of Bio-Matrix Scientific Group, Inc. ("the Company"), all right, title and interest in US Patent # 8,389,708 as well as all Patent applications from the same family corresponding to numbers PCT/CA2006/000984, CA2612200 and EP1898936. ("Min IP")

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Preferred 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 Preferred Shares. There was no advertisement or general solicitation made in connection with this Offer and Sale of Preferred Shares.

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

On August 30, 2013 the Company issued 8,512, 088 of the Company's Common Shares ("Shares") to Benitec Australia Limited as a one-time, non-refundable, upfront payment pursuant to that agreement by and between Regen and Benitec Australia Limited entered into on August 5, 2013

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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 Preferred Shares stating that the preferred Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares

On September 19 , 2013 the Company issued 500,000 shares of the Company's Common Stock ("Shares") to a member of Regen's Scientific Advisory Board in consideration for services rendered.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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 Preferred Shares. There was no advertisement or general solicitation made in connection with this Offer and Sale of Preferred Shares.

On November 4, 2013 the Company issued 200,000 shares of the Company's Common Stock ("Shares") to a member of Regen's Scientific Advisory Board in consideration for services rendered.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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 Preferred Shares. There was no advertisement or general solicitation made in connection with this Offer and Sale of Preferred Shares.

Shares Issued for Debt:

On October 19, 2012 the Company issued 8,635,222 Common Shares in ("Shares") satisfaction of \$9,000 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On October 19, 2012 the Company issued 5,756,000 Common Shares ("Shares") in satisfaction of \$6,000 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 2, 2012 the Company issued 17,500,00 Common Shares ("Shares") in satisfaction of \$5,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 8, 2012 the Company issued 15,964,912 Common Shares (“Shares”) in satisfaction of \$9,100 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 9, 2012 the Company issued 14,158,067 Common Shares (“Shares”) in satisfaction of \$8,179 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 9, 2012 the Company issued 17,500,00 Common Shares (“Shares”) in satisfaction of \$5,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 14, 2012 the Company issued 32,000,000 Common Shares (“Shares”) in satisfaction of \$17,600 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 15, 2012 the Company issued 16,136,364 Common Shares (“Shares”) in satisfaction of \$7,100 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 19, 2012 the Company issued 48,000,000 Common Shares (“Shares”) in satisfaction of \$16,800 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 20, 2012 the Company issued 32,000,000 Common Shares (“Shares”) in satisfaction of \$11,200 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 21, 2012 the Company issued 17,500,000 Common Shares (“Shares”) in satisfaction of \$5,000 of outstanding indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 21, 2012 the Company issued 16,000,000 Common Shares (“Shares”) in satisfaction of \$5,600 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 26, 2012 the Company issued 15,200,000 Common Shares (“Shares”) in satisfaction of \$3,200 of outstanding convertible indebtedness And \$2,120 of accrued interest.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 29, 2012 the Company issued 46,212, 122 Common Shares (“Shares”) in satisfaction of \$15,250 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 29, 2012 the Company issued 30,303,030 Common Shares (“Shares”) in satisfaction of \$10,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On November 29, 2012 the Company issued 14,452,111 Common Shares (“Shares”) in satisfaction of \$5,000 of outstanding convertible indebtedness.

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The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 10, 2012 the Company issued 30,303,030 Common Shares ("Shares") in satisfaction of \$10,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 12 , 2012 the Company issued 57,159,091 Common Shares ("Shares") in satisfaction of \$12,575 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 19 , 2012 the Company issued 40,000,000 Common Shares ("Shares") in satisfaction of \$6,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 26 the Company issued 6057142 common shares in satisfaction of \$2,120 of interest accrued but unpaid.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 28 , 2012 the Company issued 12,636,3636 Common Shares (“Shares”)in satisfaction of \$13,900 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On January 8, 2013 the Company issued 90,000,000 Common Shares in (“Shares”) satisfaction of \$9,900 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. 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.

On February 27, 2013 the Company issued 21,450,717 Common Shares (“Shares”) in satisfaction of \$24,775 of outstanding convertible indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. 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.

On March 21 , 2013 the Company issued 5,158,730 Common Shares (“Shares”) in satisfaction of \$30,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. 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.

On March 21 , 2013 the Company issued 2,777,778 Common Shares (“Shares”) in satisfaction of \$15,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. 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.

On March 22 2013 the Company issued 100,000,000 Common Shares (“Shares”)in satisfaction of \$100,000 of outstanding convertible indebtedness and accrued interest.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. 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.

On March 25 2013 the Company issued 7,721,740 Common Shares (“Shares”)in satisfaction of \$35,520 of outstanding convertible indebtedness and accrued interest.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. The Shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. 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.

On April 2 2013 the Company issued 100,000,000 Common Shares (“Shares”) in satisfaction of \$50,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On April 12 2013 the Company issued 100,000,000 Common Shares (“Shares”) in satisfaction of \$50,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On April 17, 2013 the Company issued 7,162,534 Common Shares (“Shares”) in satisfaction of \$13,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On April 23 2013 the Company issued 100,000,000 Common Shares (“Shares”) in satisfaction of \$50,000 of outstanding indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On April 25, 2013 the Company issued 84,848,085 Common Shares (“Shares”) in satisfaction of \$140,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On May 16 2013 the Company issued 100,000,000 Common Shares (“Shares”) in satisfaction of \$50,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On June 10 2013 the Company issued 20,000,000 Common Shares (“Shares”) in satisfaction of \$10,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On June 13 2013 the Company issued 100,000,000 Common Shares (“Shares”) in satisfaction of \$50,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On August 26 2013 the Company issued 100,000,000 Common Shares (“Shares”) in satisfaction of \$35,000 of outstanding convertible indebtedness.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On August 30 2013 the Company issued 66,287,898 Common Shares (“Shares”) in satisfaction of \$70,197 of outstanding indebtedness and accrued interest.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On September 11 2013 the Company issued 60000000 Common Shares (“Shares”) in satisfaction of \$120,000 of outstanding indebtedness and accrued interest.

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On October 14, 2013 the Company Issued 120,000,000 Common Shares (“Shares”) in satisfaction of \$ 44,500 of indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On November 13, 2013 the Company Issued 120,000,000 Common Shares (“Shares”) in satisfaction of \$ 12,000 of indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

On December 5, 2013 the Company Issued 120,000,000 Common Shares (“Shares”) in satisfaction of \$ 15,000 of indebtedness

The Shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. 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.

Shares Issued Pursuant to Contractual Obligations

On December 12 , 2012 the Company issued 9,242,425 Common Shares (“Shares”) pursuant to contractual obligations to debt holders.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 21, 2012 the Company issued 57,159,091 Common Shares (“Shares”) pursuant to contractual obligations to debt holders.

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The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 21, 2012 the Company issued 30,303,030 Common Shares (“Shares”) pursuant to contractual obligations to debt holders.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

On December 21, 2012 the Company issued 14,545,454 Common Shares (“Shares”) pursuant to contractual obligations to debt holders.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

Shares issued for legal settlement

On March 13, 2013 the Company issued 100,000,000 Common Shares (“Shares”) pursuant to a SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE entered into by and between the Company and 18KTV.LLC

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

Shares issued in conversion of Nonvoting Convertible Preferred Shares

On March 13, 2013 the Company issued 35714286 Common Shares (“Shares”) in conversion of 75,000 of the Company’s Nonvoting Convertible Preferred Shares

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

Shares issued in settlement of dispute with vendor

On December 12, 2013 the Company issued 30,000,000 of its Common Shares (“Shares”) to a vendor in settlement of a dispute over fees owed between the vendor and Regen.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. 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.

Issuance of Convertible Debentures and Changes in Terms and Conditions of Existing Securities:

On October 19, 2012 for no additional consideration, the Company agreed to amend the terms of \$10,000 of outstanding debt to allow conversion at the Holder’s option into common shares of the Company at a conversion price per share equal to 55% (the “Discount”) of the lowest closing bid price for the Company’s common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the “Closing Bid Price”); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder’s brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price(“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock.

On October 19, 2012 for no additional consideration, the Company agreed to amend the terms of \$20,000 of outstanding debt to allow conversion at the Holder’s option into common shares of the Company at a conversion price per share equal to 55% (the “Discount”) of the lowest closing bid price for the Company’s common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the “Closing Bid Price”); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder’s brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price(“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock.

On October 29, 2012 for no additional consideration, the Company agreed to amend the terms of \$30,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On November 12, 2012 for no additional consideration, the Company agreed to amend the terms of \$50,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On November 15, 2012 for no additional consideration, the Company agreed to amend the terms of \$50,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On December 12, 2012 for no additional consideration, the Company agreed to amend the terms of \$30,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On December 12, 2012 for no additional consideration, the Company agreed to amend the terms of \$100,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On March 18 ,2013 for no additional consideration, the Company agreed to amend the terms of \$100,000 of outstanding debt to allow conversion at the Holder's option into 100,000,000 common shares of the Company.

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

Securities Issuances by Regen Biopharma, Inc.

On May 17, 2013 Regen issued 50,000,000 common shares ("Shares") to Bio Matrix Scientific Group, Inc. for consideration of \$20,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. No underwriters were retained to serve as placement agents for the sale. The shares were sold directly through our management. 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.

On September 9, 2013 Regen issued 1,500,000 common shares ("Shares") to Caven Investments LLC.

- (c) The satisfaction of \$70,000 of the outstanding indebtedness owed to Caven Investments LLC by Bio-Matrix Scientific Group Inc
- (d) The cancellation of all of Caven Investments LLC's outstanding warrants to purchase common shares of Bio-Matrix Scientific Group Inc.

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The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. No underwriters were retained to serve as placement agents for the sale. The shares were sold directly through our management. 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.

On September 30, 2013 Regen issued 100,000 common shares ("Shares") to ASC Recap, LLC for consideration of \$100,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. No underwriters were retained to serve as placement agents for the sale. The shares were sold directly through our management. There was no advertisement or general solicitation made in connection with this Offer and Sale of Shares. A placement fee of \$10,000 was paid to Capital Path Securities was paid in connection with this Sale

On October 16, 2013 Regen issued 100,000 common shares ("Shares") to ASC Recap, LLC for consideration of \$100,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. No underwriters were retained to serve as placement agents for the sale. The shares were sold directly through our management. There was no advertisement or general solicitation made in connection with this Offer and Sale of Shares. A placement fee of \$10,000 was paid to Capital Path Securities was paid in connection with this Sale

On November 15, 2013 Regen issued 100,000 common shares ("Shares") to ASC Recap, LLC for consideration of \$100,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. No underwriters were retained to serve as placement agents for the sale. The shares were sold directly through our management. 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.

On December 12, 2013 Regen issued 100,000 common shares ("Shares") to ASC Recap, LLC for consideration of \$100,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended. No underwriters were retained to serve as placement agents for the sale. The shares were sold directly through our management. 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.

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, 2013 we had cash of \$116,714 and as of September 30, 2012 we had cash of \$75,712.

The increase in cash of approximately 54% is primarily attributable to :

Net cash borrowings of \$256,852 by the Company from its Chief Executive Officer

Net cash borrowings of \$10,000 from unaffiliated lenders

The refunding to Regen of \$35,000 by Oregon Health and Science University resulting from the termination of that June 5 2013 Agreement by and between Regene. and Oregon Health and Science University

Issuance by Regen of 100,000 of its common shares for consideration of \$100,000

Offset by expenses incurred in the operation of the Company’s business.

As of September 30, 2013 we had Available for Sale Securities of \$7,000 and as of September 30, 2012 we had Available for Sale Securities of \$22,000. The decrease in Available for Sale Securities of approximately 68% is primarily attributable to remeasurement based on unrealized losses.

As of September 30, 2013 we had Notes Payable of \$219,372 and as of September 30, 2012 we had Notes Payable of \$817,020.

This decrease of approximately 73% is primarily attributable to:

The reclassification of \$290,000 of Notes Payable to Convertible Notes Payable resulting from changes in terms and conditions

The settlement of \$474,500 of principal amount of Notes Payable through the issuance of common stock

The payment in cash of \$1,100 of principal amount of Notes Payable

Offset by:

Additional borrowings over the year of \$267,952.

As of September 30, 2013 we had Accrued Payroll of \$612,094 and as of September 30, 2012 we had Accrued Payroll of \$307,692

The increase in Accrued Payroll of approximately 98% is primarily attributable to:

The addition over the course of the fiscal year ended September 30, 2013 of \$266,500 in salaries accrued but unpaid to David Koos

The addition over the course of the fiscal year ended September 30, 2013 of \$85,000 in salaries accrued but unpaid to David Koos

Offset by :

The issuance of 26,045,795 Common Shares and the immediate vesting of 6,000,000 Common Shares issued as a restricted stock award in satisfaction of \$116,452 of compensation accrued but unpaid to the former president of Regen over the two year period ending September 30, 2013.

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As of September 30, 2013 we had Accrued Payroll Taxes of \$45,386 and as of September 30, 2012 we had Accrued Payroll Taxes of \$27,769

The increase in Accrued Payroll Taxes of approximately 63% is primarily attributable to employer tax obligations incurred but not yet paid arising from stock issued to employees as compensation.

As of September 30, 2013 we had Accrued Interest of \$239,829 and as of September 20, 2012 we had Accrued Interest of \$210,069.

The increase in Accrued Interest of approximately 14% is primarily attributable to the incurring by the Company of interest accrued but unpaid on Notes payable and Convertible Notes Payable

As of September 30, 2013 we had Convertible Notes Payable, Net of Discount of \$98,701 and as of September 30, 2012 we had Convertible Notes Payable, Net of Discount of \$300,509.

The decrease in Convertible Notes Payable, Net of Discount of approximately 67% is primarily attributable to:

\$657, 179 of principal amount of Convertible Notes payable converted into shares of the Company's Common Stock offset by \$455, 371 of discount attributable to Beneficial Conversion Features recognized

As of September 30, 2013 we had \$34,895 in Amount Due to Affiliate and as of September 30, 2011 we had \$39,140 in Amount Due to Affiliate. The decrease of approximately 11% is attributable to:

(a) Payment of \$5,000 to Entest Biomedical, Inc. (an affiliate of the Company) by the Company during the quarter ended December 31, 2012 offset by

(b) Payment of \$755 of expenses on behalf of the Company by Entest Biomedical, Inc. during the quarter ended December 31, 2012.

Material Changes in Results of Operations:

Revenues were \$0 for the twelve months ended September 30, 2013 and the same period ended September 30, 2012. Net Losses were \$2,004,097 for the year ended September 30, 2013 and \$1,752,849 for the same period ended September 30, 2012. The increase in Net Losses was primarily attributable to:

(A) Increases in General and Administrative Expenses, primarily attributable to

- (1) compensation paid to J. Christopher Mizer and Thomas Ichim during the fiscal year ended September 30, 2013
- (2) an expense of \$640,000 recognized during the fiscal year ended September 30, 2013 resulting from the issuance of 100,000,000 of the Company's Common shares pursuant to a legal settlement agreement

(B) Increases in Interest Expense attributable to Amortization of Discount resulting from reclassification of \$390,000 in Notes payable to convertible Notes Payable
Offset by:

decreases in Research and Development Expenses, Interest Expenses not attributable to Amortization of Discount,
(A) consulting and professional fees and expenses attributable to common shares issued pursuant to contractual obligations.

(B) The recognition of \$41,688 in losses on early Extinguishment of Debts during the fiscal year ended September 30, 2012

(C) Other income recognized during the year ended September 30, 2013 consisting of:

- (i) A refund of \$35,000 paid to Regen resulting from termination of a license agreement
- (ii) Recognition of \$25,000 in Other Income attributable to the cancellation for no consideration of Common Shares of the Company originally issued in conversion of \$25,000 of Convertible Notes Payable

As of September 30, 2013 we had \$116,714 Cash on Hand and current liabilities of \$1,394,849. We feel we will not be able to satisfy our cash requirements over the next twelve months and shall be required to seek additional financing.

Management plans to raise additional funds through borrowing and offering securities for cash. During the fiscal year ended September 30, 2013 the Company's net cash borrowings totaled \$266,852. On September 30, 2013 Regen issued 100,000 of its common shares for consideration of \$100,000. On October 16, 2013 Regen issued 100,000 of its common shares for consideration of \$100,000. On November 15, 2013 Regen issued 100,000 of its common shares for

consideration of \$100,000. On December 12, 2013 Regen issued 100,000 of its common shares for consideration of \$100,000.

On April 26, 2012 the Company executed an Equity Purchase Agreement (the "Purchase Agreement") and Registration Rights Agreement (the "Rights Agreement") with Southridge Partners II, LP, and a Delaware limited partnership ("Southridge").

Under the terms of the Purchase Agreement, Southridge will purchase, at the Company's election, up to \$20,000,000 of the Company's registered common stock (the "Shares"). During the term of the Purchase Agreement, the Company may at any time deliver a "put notice" to Southridge thereby requiring Southridge to purchase a certain dollar amount of the Shares. Simultaneous with the delivery of such Shares, Southridge shall deliver payment for the Shares. Subject to certain restrictions, the purchase price for the Shares shall be equal to 91% of the Market Price, as such capitalized term is defined in the Purchase Agreement, on such date on which the Purchase Price is calculated in accordance with the terms and conditions of this Agreement.

Market Price, as such term is defined in the Purchase Agreement, means the lowest Closing Price, as such term is defined in the Purchase Agreement, during the Valuation Period, as such term is defined in the Purchase Agreement.

Closing Price is defined in the Purchase Agreement as the closing bid price for the Company's common stock on the principal market over which the Company's common shares trade on a day on which that principal market is open for business as reported by Bloomberg Finance L.P.

Valuation Period, as such term is defined in the Purchase Agreement, means the period of 5 Trading Days immediately following the Clearing Date, as such term is defined in the Purchase Agreement, associated with the applicable Put Notice during which the Purchase Price of the Shares is valued.

Clearing Date, as such term is defined in the Purchase Agreement, means the date in which the Estimated Put Shares (as defined in Section 2.2(a) of the Purchase Agreement) have been deposited into Southridge's brokerage account and Southridge's broker has confirmed with Southridge that Southridge may execute trades of such Estimated Put Shares.

The definition of Estimated Put Shares in Section 2.2(a) of the Purchase Agreement is that number of Shares equal to the dollar amount indicated in the Put Notice divided by the Closing Price on the Trading Day immediately preceding the Put Date, multiplied by 125%. Pursuant to the Purchase Agreement, on a Put Date the Company will be required to the applicable number of Estimated Put Shares to Southridge's brokerage account. At the end of the Valuation Period the Purchase Price shall be established and the number of Shares shall be determined for a particular Put. If the

number of Estimated Put Shares initially delivered to Southridge is greater than the Put Shares purchased by Southridge pursuant to such Put, then immediately after the Valuation Period Southridge shall deliver to Company any excess Estimated Put Shares associated with such Put. If the number of Estimated Put Shares delivered to Investor is less than the Shares purchased by Southridge pursuant to a Put, then immediately after the Valuation Period the Company shall deliver to Southridge the difference between the Estimated Put Shares and the Shares issuable pursuant to such Put.

The number of Shares sold to Southridge shall not exceed the number of such shares that, when aggregated with all other shares of common stock of the Company then beneficially owned by Southridge, would result in Southridge owning more than 9.99% of all of the Company's common stock then outstanding. Additionally, Southridge may not execute any short sales of the Company's common stock.

The Purchase Agreement shall terminate (i) on the date on which Southridge shall have purchased Shares pursuant to this Agreement for an aggregate Purchase Price of \$20,000,000, or (ii) on the date occurring 24 months from the date on which the Agreement was executed and delivered by the Company and Southridge.

Under the terms of the Rights Agreement, the Company agreed to file a registration statement with the Securities and Exchange Commission within 90 days of the date on which the Purchase Agreement was executed and delivered by the Company and Southridge.

The registration statement shall be filed with respect to not less than the maximum allowable number of Shares issuable pursuant to a put notice to Southridge that has been exercised or may be exercised in accordance with the terms and conditions of the Purchase Agreement permissible under Rule 415, promulgated under the Securities Act of 1933.

The Company is obligated to keep such registration statement effective until (i) three months after the last closing of a sale of Shares under the Purchase Agreement, (ii) the date when Southridge may sell all the Shares under Rule 144 without volume limitations, or (iii) the date Southridge no longer owns any of the Shares.

The Purchase Agreement requires the Company to reserve and keep available until the consummation of such Closing, free of preemptive rights sufficient shares of common stock for the purpose of enabling the Company to satisfy its obligation to issue the Shares.

The Purchase Agreement also required the Company to issue to Southridge shares of a newly designated preferred stock with a stated value of \$50,000 convertible at the option of Southridge into shares of the Company's common stock at a conversion price equal to seventy percent (70%) of the lowest Closing Price for the five (5) trading days immediately preceding a conversion notice. The Preferred Stock has no registration rights.

There is no guarantee that we will be able to raise any capital through any type of offerings.. We cannot assure that we will be successful in obtaining additional 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.

As of December 28, 2013 we are not party to any binding agreements which would commit us to any material capital expenditures.

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.

Item 8. Financial Statements and Supplementary Data

SEALE AND BEERS, CPAs

PCAOB & CPAB REGISTERED AUDITORS

www.sealebeers.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Bio-Matrix Scientific Group, Inc.

(A Development Stage Company)

We have audited the accompanying balance sheets of Bio-Matrix Scientific Group, Inc. (A Development Stage Company) as of September 30, 2012 and 2013, and the related statements of income and cash flows for each of the years in the two year period ended September 30, 2013 and the related statements of income , cash flows, and stockholders' equity (deficit) since inception on October 6, 1998 through September 30, 2013. Bio-Matrix Scientific Group, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we 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 were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used

and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bio-Matrix Scientific Group, Inc. (A Development Stage Company) as of September 30, 2012 and 2013, and the related statements of income, stockholders' equity (deficit), and cash flows for each of the years in the two year period ended September 30, 2012 and since inception on October 6, 1998 through September 30, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has no revenues, has negative working capital at September 30, 2013, has incurred recent losses and recurring negative cash flow from operating activities which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Seale and Beers, CPAs

Seale and Beers, CPAs

Las Vegas, Nevada

December 23, 2013

BIOMATRIX SCIENTIFIC GROUP, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEET

As of September 30, 2014

ASSETS

CURRENT ASSETS

| | |
|----------------------|------------|
| Cash | \$ 116,714 |
| Prepaid Expenses | 15,000 |
| Total Current Assets | 131,714 |

PROPERTY & EQUIPMENT (Net of Accumulated Depreciation)

0

OTHER ASSETS

| | |
|-------------------------------|--------|
| Deposits | 4,200 |
| Deferred Financing Costs | 65,000 |
| Investment in Subsidiary | |
| Available for Sale Securities | 7,000 |
| Total Other Assets | 76,200 |

TOTAL ASSETS

\$ 207,914

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

| | |
|--|-----------|
| Accounts Payable | 138,572 |
| Notes Payable | 219,372 |
| Accrued Payroll | 612,094 |
| Accrued Payroll Taxes | 45,386 |
| Accrued Interest | 239,829 |
| Accrued Expenses | 5,000 |
| Convertible Note Payable Net of Unamortized Discount | 98,701 |
| Due to Affiliate | 34,895 |
| Current portion, note payable to affiliated party | 1,000 |
| Total Current Liabilities | 1,394,849 |

Total Liabilities

1,394,849

STOCKHOLDERS' EQUITY (DEFICIT)

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| | |
|---|--------------|
| Preferred Stock (\$.0001 par value) 20,000,000 shares authorized; 20,000,000 shares authorized; 1,963,821 issues and outstanding as of September 30 2012 and 2,063,821 outstanding as of September 30, 2013 | 207 |
| Series AA Preferred (\$.0001 par value) 100,000 shares authorized 94,852 issued and outstanding as of September 30, 2013 and September 30, 2012 | 9 |
| Series AAA Preferred (\$.0001 par value) 1,000,000 shares authorized 40,000 and 0 shares issued and outstanding as of September 30, 2013 and September 30, 2012 respectively | 4 |
| Series B Preferred Shares (\$.0001 par value) 2,000,000 shares authorized; 725,409 issued and outstanding as of September 30, 2013 and September 30, 2012 respectively | 73 |
| Common Stock (\$.0001 par value) 5,000,000,000 shares authorized; 2,390,304, 145 and 323,507,887 issued and outstanding as of September 30, 2013 and September 30, 2012 respectively | 239,029 |
| Non Voting Convertible Preferred Stock (\$1 Par value) 200,000 shares authorized; 0 and 75,000 issued and outstanding as of September 30, 2013 and September 30, 2012 | |
| Additional Paid in capital | 14,845,671 |
| Contributed Capital | 509,355 |
| Retained Earnings (Deficit) accumulated during the development stage | 24,542,314 |
| Accumulated Other Comprehensive Income (Loss) | (41,329,361) |
| Total Stockholders' Equity (Deficit) Biomatrix Scientific Group, Inc. | (1,192,699) |
| Noncontrolling Interest in subsidiary | 5,765 |
| Total Stockholders' Equity | (1,186,934) |
| TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT) | \$ 207,914 |

The Accompanying Notes are an Integral Part of These Financial Statements

BIO MATRIX SCIENTIFIC GROUP, INC
(A Development Stage Company)
CONSOLIDATED STATEMENT OF OPERATIONS

| | Year ended September 30 2013 | Year ended September 30, 2012 | From inception through September 30, 2013 |
|---|---------------------------------|----------------------------------|--|
| REVENUES | 0 | 0 | 0 |
| COST AND EXPENSES | | | |
| Research and Development | 9,509 | 17,715 | 1,282,395 |
| General and Administrative | 1,317,927 | 564,479 | 8,216,941 |
| Depreciation and Amortization | | | 2,668 |
| Consulting and Professional Fees | 200,475 | 213,232 | 5,224,421 |
| Impairment of Goodwill and Intangibles | | | 34,688 |
| Total Costs and Expenses | 1,527,911 | 795,426 | 14,761,113 |
| OPERATING LOSS | (1,527,911) | (795,426) | (14,761,113) |
| OTHER INCOME & (EXPENSES) | | | |
| Interest Expense | (46,492) | (55,139) | (460,166) |
| Loss on Early Extinguishment of Debt | | (41,688) | (41,688) |
| Interest Expense attributable to amortization of discount | (455,371) | (374,338) | (829,709) |
| Interest Income | | | 306 |
| Securities issued pursuant to contractual obligations | (35,223) | (66,372) | (101,595) |
| Other Income | 60,000 | 25 | 236,916 |
| Gain on de-consolidation of subsidiary | | | 41,645,688 |
| Loss on sale of Available for Sale Securities | | | (487,900) |
| Loss on disposal of Equipment | | (20,789) | (531,571) |
| Other Expense | | | (166) |
| Total Other Income & (Expense) | (477,086) | (558,301) | 39,430,115 |
| NET INCOME (LOSS) before loss attributable to noncontrolling interest in Entest | (2,004,997) | (1,353,727) | 24,669,002 |

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| | | | |
|---|----------------|---------------|---------------|
| Biomedical, Inc. and equity in subsidiary losses | | | |
| (Net Income) Loss attributable to noncontrolling interest in Entest Biomedical, Inc. | | | 536,961 |
| NET INCOME (LOSS) before equity in subsidiary losses | (1,353,727) | | 25,205,963 |
| Equity in Net Income (Loss) of Entest | (399,082) | | (663,649) |
| NET INCOME (LOSS) | \$ (2,004,997) | \$(1,752,809) | \$ 24,542,314 |
| Less: (Net Income) Loss attributable to noncontrolling interest Regen Biopharma, Inc. | 8,833 | | 8,833 |
| NET INCOME (LOSS) available to common shareholders | (1,996,164) | (1,752,809) | \$ 24,551,147 |
| BASIC AND FULLY DILUTED EARNINGS (LOSS) PER SHARE | \$ (0.001) | \$ (0.01) | |
| Weighted average number of shares outstanding | 1,375,962,730 | 148,749,547 | |

The Accompanying Notes are an Integral Part of These Financial Statements

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

| | Year Ended September 30, 2013 | Year Ended September 30, 2012 | From inception to September 30, 2013 |
|--|----------------------------------|----------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Income (loss) | \$ (2,004,997) | \$ (1,752,809) | \$ 24,542,314 |
| Adjustments to reconcile net Income to net cash (used in) provided by operating activities: | | | |
| Depreciation expense | | | 2,667 |
| Stock issued for compensation to employees | 62,400 | 40,809 | 1,289,551 |
| Stock issued for services rendered by consultants | 26,560 | 140,000 | 4,249,690 |
| Stock issued for prepaid expenses | | | 313,665 |
| Stock issued for interest | 5,035 | | 143,582 |
| Stock issued for expenses | 640,000 | | 640,000 |
| Gain Recognized on Deconsolidation of subsidiary | | | (42,000,000) |
| Changes in operating assets and liabilities: | | | |
| (Increase) decrease in prepaid expenses | | 24,925 | (15,000) |
| Increase (Decrease) in Accounts Payable | 5,533 | 2,532 | 138,573 |
| Increase (Decrease) in Accrued Expenses | 351,779 | (260,180) | 932,245 |
| Increase (Decrease) in Due to Affiliate | (4,245) | (20,360) | 34,895 |
| Equity in Loss of Entest | | 399,082 | 663,649 |
| (Increase) Decrease in Gain on cancellation of stock | (25,000) | | (25,000) |
| Net Cash Provided by (Used in) Operating Activities | \$ (942,935) | \$ (1,426,001) | \$ (9,089,169) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| (Increase) Decrease in Other Assets | | | (4,200) |
| Purchases of fixed assets | | | (541,536) |
| Disposal of Fixed Assets | | | 7,300 |
| Loss on Disposal of Equipment | | 20,789 | 531,569 |
| Net Cash Provided by (Used in) Investing Activities | | 20,789 | (6,867) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | | |
|--|--------------|------------|-------------|
| Preferred Stock issued for Cash | | | 874,985 |
| Common Stock issued for cash | 0 | | 621,164 |
| Common Stock issued for Accrued Salaries | 116,452 | | 540,952 |
| Preferred Stock issued for Accrued Salaries | 10,000 | | 10,000 |
| Common Stock issued pursuant to Contractual Obligations | 35,223 | 66,372 | 101,595 |
| Additional paid in Capital | 390,000 | 439,708 | 1,352,945 |
| Principal borrowings on Convertible Debentures | 555,370 | 392,108 | 1,261,179 |
| Principal borrowings (repayments) on notes and Convertible Debentures | (123,148) | 647,445 | 2,809,381 |
| Net Borrowings From Related Parties | | | 1,195,196 |
| Contributed Capital | | | 509,353 |
| Increase (Decrease) in Notes from Affiliated party | | | 1,000 |
| (Increase) Decrease in Deferred Financing Costs | | (65,000) | (65,000) |
| Net Cash Provided by (Used in) Financing Activities | 983,897 | 1,480,633 | 9,212,750 |
| Net Increase (Decrease) in Cash | \$ 40,962 | \$ 75,421 | \$ 116,714 |
| Cash at Beginning of Period | 75,752 | 331 | 0 |
| Cash at End of Period | \$ 116,714 | \$ 75,752 | \$ 116,714 |
| Supplemental Disclosure of Noncash investing and financing activities: | | | |
| Common Shares Issued for Debt | \$ 1,132,056 | \$ 405,300 | \$2,841,289 |
| Common Shares Issued for Nonvoting Preferred | \$ 75,000 | | \$75,000 |

The Accompanying Notes are an Integral Part of These Financial Statements

BIO-MATRIX SCIENTIFIC GROUP INC. AND SUBSIDIARIES
(A Development Stage Company)
Condensed Consolidated Statements of Stockholders' Equity
From August 2, 2005 through September 30, 2012

| | Series AA Preferred Shares | Series B Preferred Shares | Series C Preferred Shares |
|--|----------------------------------|---------------------------------|---------------------------------|
| | Amount | Shares | Amount |
| Shares issued to parent | | | |
| Net Loss August 2, 2005 through September 30, 2005 | | | |
| Balance September 30, 2005 | | | |
| | | | |
| Net Loss October 1, 2005 through December 31, 2005 | | | |
| Balance December 31, 2005 | | | |
| | | | |
| Recapitalization | | | |
| Stock issued Tasco merger | | | |
| Stock issued for services | | | |
| Stock issued for Compensation | | | |
| Net Loss January 1, 2006 through September 30, 2006 | | | |
| Balance September 30, 2006 | | | |
| | | | |
| Stock issued for services | | | |
| Stock issued for Compensation | | | |
| Stock issued in exchange for canceling debt | | | |
| Net Loss October 1, 2006 through December 31, 2006 | | | |
| Balance December 31, 2006 | | | |
| | | | |
| Stock issued for cash | | | |
| Stock issued for services | | | |
| Stock issued for Compensation | | | |
| Stock issued in exchange for canceling debt | | | |
| Net Loss January 1, 2007 through March 31, 2007 | | | |
| Balance March 31, 2007 | | | |

Stock issued for cash
 Stock issued for services
 Stock issued for Compensation
 Stock issued in exchange for canceling debt
 Net Loss April 1, 2007
 through June 30, 2007
Balance June 30, 2007

Stock issued for cash
 Stock issued for services
 Stock issued for Compensation
 Stock issued in exchange for canceling debt
 Net Loss July 1, 2007
 through September 30, 2007
Balance September 30, 2007

Stock issued for Cash
 Stock issued for services
 Net Loss October 1, 2007
 through December 31, 2007
Balance December 31, 2007

Stock issued for cash
 Stock issued for services
 Net Loss January 1 2008
 through March 31, 2008
Balance March 31, 2008

Stock issued for cash
 Stock issued for services
 Stock issued for accrued interest
 Stock issued as dividend
 Net Loss April 1, 2008
 to June 30, 2008
Balance June 30, 2008

| | |
|---|-------|
| Series AA Stock issued to Officer July 3, 2008 | 4,852 |
| Stock issued for services July 8, 2008 | |
| Stock issued for Cash July 2, 2008 | |
| Stock issued for Cash July 25, 2008 (Warrant Exercise) | |
| Stock issued for interest between July 30, 2008 and August 30, 2008 | |
| Stock issued for services September 3, 2008 | |
| Stock issued due to rounding | |
| Net Loss July 1, 2008 to September 30, 2008 | |

| | |
|---|--------------|
| Accumulated other Comprehensive Income as of September 30, 2008 | |
| Balance September 30, 2008 | 4,852 |

Stock Retired in connection with Exchange for Common Shares December 2, 2008
 Stock issued in connection with Exchange for Preferred Shares December 2, 2008
 Stock Issued for Accrued Interest on December 3, 2008
 Stock issued for Cash December 31, 2008
 Stock issued for services December 31, 2008
 Stock issued for Cash December 31, 2008
 Contributed capital

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Net Loss October 1, 2008 to December 31, 2008

Accumulated other Comprehensive Income as of December 31, 2008

Balance December 31, 2008 **4,852**

Stock issued for Services January 7,2009

Stock issued for Services January 7, 2009

Stock issued for Cash January 7,2009

Stock issued for Cash January 14,2009

Stock issued for Cash January 14,2009

Stock issued for Cash january 15,2009

Stock issued for Services January 15, 2009

Stock issued for Services January 21, 2009

Stock issued for Cash January 21, 2009

Stock Retired in connection with Exchange for Common Shares January 27,2009

Stock issued in connection with Exchange for Preferred Shares January 27,2009

Stock issued for Cash january 28, 2009

Stock issued for cash February 3, 2009

Stock issued for Services January 24,2009

Stock issued for cash February 13, 2009

Stock issued for cash February 25, 2009

Stock Issued for Debt March 3, 2009

Stock Retired in connection with Exchange for Common Shares March 10 ,2009

Stock issued in connection with Exchange for Preferred Shares march 10, 2009

Stock Retired in connection with Exchange for Common Shares March 13 ,2009

Stock issued in connection with Exchange for Preferred Shares march 13, 2009

Stock issued for Cash March 13, 2009

Stock issued for services March 31, 2009

Accumulated Other Comprehensive Income as of March 31, 2009

Net Loss January 1, 2009 to march 31, 2009

Balance March 31, 2009 **4,852**

Stock Retired in Connection with Exchange for Common Shares April 21, 2009

Stock issued in Exchange for Preferred Shares April 21, 2009

Stock issued for Services April 21, 2009

Stock issued for interest April 24,2009

Stock issued to satisfy amounts due as a result of Notes Payable

Stock Retired in Connection with Exchange for Common Shares May 15, 2009

Stock issued in Exchange for Preferred Shares May 15,2009

Stock issued as dividend May 15, 2009

725,409 73

Stock Retired in Connection with Exchange for Common Shares June 8, 2009

Stock issued in Exchange for Preferred Shares June 8, 2009

Stock issued for Services June 22, 2009

Stock issued in satisfaction of accrued salary

Net Loss April 1, 2009 to June 30, 2009

Balance June 30, 2009 **4,852**

725,409 73

Stock issued for interest July 20, 2009

Stock Retired in Connection with Exchange for Common Shares July 29, 2009

Common Shares issued by subsidiary August 3, 2009

Stock issued in Exchange for Preferred Shares July 29, 2009

Stock issued to prepay expenses August 20,2009

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| | | | |
|---|--------------|----------------|-----------|
| Stock issued for services August 20,2009 | | | |
| Stock issued by Subsidiary for Services August 31, 2009 | | | |
| Stock issued for services September 8,2009 | | | |
| Stock issued by Subsidiary September 10, 2009 | | | |
| Restricted Stock Award compensation expense (Stock of Subsidiary) for the year ended September 30, 2009 | | | |
| Net Loss July 1, 2009 to September 30, 2009 | | | |
| Loss attributable to non controlling interest in subsidiary | | | |
| Balance September 30, 2009 | 4,852 | 725,409 | 73 |
| Shares issued for services October 19, 2009 | | | |
| Stock issued for debt November 16 2009 | | | |
| Stock issued as contingent payment for services previously rendered December 31 2009 | | | |
| Stock issued by Subsidiary for cash | | | |
| Restricted Stock Award compensation expense (Stock of Subsidiary) for 3 months ended November 30, 2009 | | | |
| Common Stock of subsidiary issued as compensation | | | |
| Net Loss October 1, 2009 to December 31 2009 | | | |
| Loss attributable to non controlling interest in subsidiary | | | |
| Balance December 31, 2009 | 4,852 | 725,409 | 73 |
| Shares issued for interest January 19, 2010 | | | |
| Shares issued for Convertible Debenture | | | |
| Stock retired in connection with exchange for Common Shares February 5, 2010 | | | |
| Common Stock issued for Preferred Shares February 5 2010 | | | |
| Shares issued for Convertible Debenture February 10,2010 | | | |
| Shares issued for rental expenses March 31, 2010 | | | |
| Shares issued for debt March 31, 2010 | | | |
| Shares issued for debt March 31, 2010 | | | |
| Shares issued for accrued salary March 31, 2010 | | | |
| Restricted Stock Award compensation expense (Stock of Subsidiary) for 3 months ended February 28,2010 | | | |
| Shares issued for services March 19 2010 | | | |
| Net Loss January 1,2010 to March 31, 2010 | | | |
| Loss attributable to non controlling interest in subsidiary | | | |
| Balance March 31, 2010 | 4,852 | 725,409 | 73 |
| Stock retired in connection with exchange for Common Shares | | | |
| Stock issued for Preferred shares | | | |
| Net Loss June 30, 2010 | | | |
| Loss attributable to non controlling interest in subsidiary | | | |
| Balance June 30, 2010 | 4,852 | 725,409 | 73 |
| Increase in Contributed Capital | | | |
| Net Loss July1 to September 30,2010 | | | |
| Loss attributable to non controlling interest in subsidiary | | | |
| Balance September 30, 2010 | 4,852 | 725,409 | 73 |
| Stock issued by Subsidiary for cash October 7, 2010 | | | |
| Stock issued by Subsidiary for services November 17 and November 30, 2010 | | | |
| Net Loss October 1, 2010 to December 31 2010 | | | |
| Net Loss attributable to non controlling interest in subsidiary | | | |
| Balance December 31, 2010 | 4,852 | 725,409 | 73 |
| Common Stock of Subsidiary issued for cash January 26, 2011 | | | |

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| | | | |
|---|-------|---------|----|
| Common Stock of Subsidiary issued for debt January 3, 2011 | | | |
| Common Stock issued for debt February 17, 2011 | | | |
| Common Stock of Subsidiary issued to employees January 3, 2011 | | | |
| Common Stock of Subsidiary issued to consultant January 4, 2011 | | | |
| Common Stock of Subsidiary issued in connection with Asset Purchase Agreement January 4, 2011 | | | |
| Intecompny Liability recognized on deconsolidation of Entest Biomedical, Inc. | | | |
| Net Income January 1, 2011 to March 31, 2011 | | | |
| Net Loss attributable to non controlling interest in subsidiary | | | |
| Deconsolidation of Entest Biomedical | | | |
| Equity in Net Income (Losses) of Entest Biomedical, Inc. | | | |
| Balance March 31, 2011 | 4,852 | 725,409 | 73 |
| Net Loss April 1, 2011 to June 30, 2011 | | | |
| Equity in Net Income (Losses) of Entest Biomedical, Inc. | | | |
| Balance June 30, 2011 | 4,852 | 725,409 | 73 |
| Net Loss July 1 to September 30, 2011 | | | |
| Equity in Net Income (Losses) of Entest Biomedical, Inc. | | | |
| Balance September 30, 2011 | 4,852 | 725,409 | 73 |
| Shares issued for indebtedness April 23, 2012 | | | |
| Shares issued for indebtedness April 23, 2012 | | | |
| Shares issued for indebtedness April 24, 2012 | | | |
| Shares issued for indebtedness April 30, 2012 | | | |
| Shares issued for indebtedness May 2, 2012 | | | |
| Shares issued for indebtedness May 11, 2012 | | | |
| Shares issued for indebtedness May 11, 2012 | | | |
| Shares issued for indebtedness May 11, 2012 | | | |
| Shares issued for indebtedness May 14, 2012 | | | |
| Shares issued for indebtedness May 16, 2012 | | | |
| Shares issued for indebtedness May 21, 2012 | | | |
| Shares issued for indebtedness May 24, 2012 | | | |
| Shares issued for indebtedness May 30, 2012 | | | |
| Shares issued for indebtedness June 6, 2012 | | | |
| Shares issued for indebtedness June 8, 2012 | | | |
| Shares issued for indebtedness June 8, 2012 | | | |
| Shares issued for indebtedness June 8, 2012 | | | |
| Shares issued for indebtedness June 12, 2012 | | | |
| Shares issued for indebtedness June 12, 2012 | | | |
| Shares issued for indebtedness June 12, 2012 | | | |
| Shares issued for indebtedness June 12, 2012 | | | |
| Shares issued for indebtedness June 19, 2012 | | | |
| Shares issued for indebtedness June 12, 2012 | | | |
| Shares issued for indebtedness July 2, 2012 | | | |
| Shares issued for indebtedness July 2, 2012 | | | |
| Shares issued for indebtedness July 13, 2012 | | | |
| Shares issued for indebtedness July 16, 2012 | | | |
| Shares issued for indebtedness July 16, 2012 | | | |
| Shares issued for indebtedness August 17, 2012 | | | |
| Shares issued for indebtedness August 17, 2012 | | | |
| Shares issued for indebtedness August 17, 2012 | | | |
| Shares issued for indebtedness September 7, 2012 | | | |
| Shares issued for indebtedness September 10, 2012 | | | |
| Shares issued for indebtedness September 12, 2012 | | | |

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| | | | | |
|--|---------------|----------|----------------|-----------|
| Shares issued for indebtedness September 12, 2012 | | | | |
| Shares issued for indebtedness September 28, 2012 | | | | |
| Shares issued for indebtedness August 17, 2012 | | | | |
| Shares issued for indebtedness June 8, 2012 | | | | |
| Shares issued for indebtedness June 8, 2012 | | | | |
| Shares issued pursuant to contractual obligations May 18, 2012 | | | | |
| Shares issued pursuant to contractual obligations May 25, 2012 | | | | |
| Shares issued pursuant to contractual obligations June 6, 2012 | | | | |
| Shares issued pursuant to contractual obligations June 25, 2012 | | | | |
| Shares issued pursuant to contractual obligations July 9, 2012 | | | | |
| Shares issued pursuant to contractual obligations July 16, 2012 | | | | |
| Shares issued pursuant to contractual obligations August 17, 2012 | | | | |
| Shares issued pursuant to contractual obligations August 17, 2012 | | | | |
| Shares issued for Investment Banking Services May 2, 2012 | | | | |
| Restricted Stock Award issued to Employee May 14, 2012 | | | | |
| Restricted Stock Award issued to Employee July 5, 2012 | | | | |
| Shares issued to Employees May 14, 2012 | 90,000 | 9 | | |
| Nonvoting Convertible preferred Shares Issued for Services August 30, 2012 | | | | |
| Net Loss | | | | |
| Equity in Net Income (Losses) of Entest Biomedical, Inc. | | | | |
| Accumulated Other Comprehensive Income (Loss) | | | | |
| Recognition of Beneficial Conversion Feature , Convertible Notes | | | | |
| Recognition of Beneficial Conversion Feature , Nonvoting Convertible Preferred | | | | |
| Beneficial Conversion feature deemed dividend | | | | |
| Restricted Stock Award Compensation Expense recognized | | | | |
| Balance September 30, 2012 | 94,852 | 9 | 725,409 | 73 |
| Shares issued for indebtedness October 19, 2012 | | | | |
| Shares issued for indebtedness October 19, 2012 | | | | |
| Shares issued for indebtedness November 2, 2012 | | | | |
| Shares issued for indebtedness November 8, 2012 | | | | |
| Shares issued for indebtedness November 9, 2012 | | | | |
| Shares issued for indebtedness November 9, 2012 | | | | |
| Shares issued for indebtedness 11/14/2012 | | | | |
| Shares issued for indebtedness 11/15/2012 | | | | |
| Shares issued for indebtedness 11/19/2012 | | | | |
| Shares issued for indebtedness 11/20/2012 | | | | |
| Shares issued for indebtedness 11/21/2012 | | | | |
| Shares issued for indebtedness 11/21/2012 | | | | |
| Shares issued for indebtedness 11/26/2012 | | | | |
| Shares issued for indebtedness 11/29/2012 | | | | |
| Shares issued for indebtedness 11/29/2012 | | | | |
| Shares issued for indebtedness 11/29/2012 | | | | |
| Shares issued for indebtedness 11/29/2012 | | | | |
| Shares issued for indebtedness 12/10/2012 | | | | |
| Shares issued for indebtedness 12/12/2012 | | | | |
| Shares issued for indebtedness 12/19/2012 | | | | |
| Shares issued for indebtedness 12/28/2012 | | | | |
| Shares issued for indebtedness 12/28/2012 | | | | |
| Shares issued for Interest 11/26/2012 | | | | |
| Shares issued pursuant to contractual obligations 12/12/2012 | | | | |
| Shares issued pursuant to contractual obligations 12/21/2012 | | | | |

| | | | | |
|--|---------------|----------|----------------|-----------|
| Shares issued pursuant to contractual obligations 12/21/2012 | | | | |
| Shares issued pursuant to contractual obligations 12/21/2012 | | | | |
| Recognition of Beneficial Conversion Feature , Convertible Notes | | | | |
| Restricted Stock Award Compensation Expense recogized | | | | |
| Net Loss October 1 2012 to December 31 2012 | | | | |
| Accumulated Other Comprehansive Income (Loss) | | | | |
| Balance December 31 2012 | 94,852 | 9 | 725,409 | 73 |
| 1/8/2013 Shares issued for indebtedness | | | | |
| 2/27/2013 Shares issued for indebtedness | | | | |
| 2/27/2013 Shares issued for indebtedness | | | | |
| 3/12/2012 Shares issued for settlement | | | | |
| 3/21/2013 Shares issued for indebtedness | | | | |
| 3/21/2013 Shares issued for indebtedness | | | | |
| 3/25/2012 Shares issued for indebtedness | | | | |
| 3/25/2012 Shares issued for accrued interest | | | | |
| 3/22/2012 Shares issued for indebtedness | | | | |
| Recognition of Beneficial Conversion Feature , Convertible Notes | | | | |
| Net Loss January 1 2013 to March 31 2013 | | | | |
| Accumulated Other Comprehansive Income (Loss) | | | | |
| Balance March 31, 2013 | 94,852 | 9 | 725,409 | 73 |
| 4/2/2013 Shares issued for indebtedness | | | | |
| 4/12/2013 Shares issued for indebtedness | | | | |
| 4/17/2013 Shares issued for indebtedness | | | | |
| 4/23/2013 Shares issued for indebtedness | | | | |
| 4/25/2013 Shares issued for indebtedness | | | | |
| 4/25/2013 Shares issued for indebtedness | | | | |
| 5/16/2013 Shares issued for indebtedness | | | | |
| 5/29/2013 Vesting of Restricted Stock Award | | | | |
| 5/29/2013 Shares issued for accrued salaries | | | | |
| 5/30/2013 Shares issued for accrued salaries | | | | |
| 6/10/2013 Shares issued for indebtedness | | | | |
| 6/13/2013 Shares issued for indebtedness | | | | |
| 6/20/2013 Shares cancelled | | | | |
| 6/27/2013 Shares issued as compensation | | | | |
| Net Loss April 1 2013 to June 30 2013 | | | | |
| Accumulated Other Comprehansive Income (Loss) | | | | |
| Balance June 30 2013 | 94,852 | 9 | 725,409 | 73 |
| 7/25/2013 cancellation of Shares previously issued in satisfaction of convertible debt | | | | |
| 8/26/2013 Shares issued for indebtedness | | | | |
| 8/30/2013 Shares issued as consideration to consultant | | | | |
| 8/30/2013 Shares issued for indebtedness and interest | | | | |
| 8/20/2013 Shares of subsidiary issued for Company indebtedness and interest | | | | |
| 9/30/2013 Shares of subsidiary issued for Cash | | | | |
| 9/3/2013 Common Stock Issued for Preferred Stock | | | | |
| 9/3/2012 Common stock issued for preferred Stock | | | | |
| 9/11/2013 Common Stock issued for indebtedness | | | | |
| 9/19/2013 Common stock issued to employee as compensation | | | | |
| 9/19/2013 Shares issued as consideration to consultant | | | | |
| 8/9/2013 shares issued as consideration to consultant | | | | |
| 9/30/2013 Shares issued for indebtedness | | | | |
| Net Loss July 1 to September 30 2013 | | | | |

Accumulated Other Comprehensive Income (Loss)

Noncontrolling interest recognized

| | | | | | |
|-----------------------------------|---------------|----------|----------------|-----------|----------|
| Balance September 30, 2013 | 94,852 | 9 | 725,409 | 73 | 4 |
|-----------------------------------|---------------|----------|----------------|-----------|----------|

The Accompanying Notes are an Integral Part of These Financial Statements

BIO-MATRIX SCIENTIFIC GROUP, INC.
(A Development Stage Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year Ended September 30, 2012 | Year Ended September 30, 2013 |
|--|--|---|
| Net Income | (1,752,809) | (2,004,997) |
| Less: | | |
| Unrealized Losses on Securities | (41,314,361) | (15,000) |
| Total Other Comprehensive Income (Loss) | (41,314,361) | (15,000) |
| Comprehensive Income | (43,067,170) | (2,019,997) |

The Accompanying Notes are an Integral Part of These
Financial Statements

BIO-MATRIX SCIENTIFIC GROUP, INC.

Notes to consolidated Financial Statements

As of September 30, 2013

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.

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.

Through its 97% owned subsidiary, Regen BioPharma, Inc., the Company intends to engage primarily in the development of regenerative medical applications which we intend to license from other entities up to the point of successful completion of Phase I and or Phase II clinical trials after which we would either attempt to sell or license those developed applications or, alternatively, advance the application further to Phase III clinical trials

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, Bio Matrix Scientific Group, Inc, a Nevada corporation and a wholly owned subsidiary (“BMSG”), Regen BioPharma, Inc., a Nevada corporation and 97% owned subsidiary (Regen) and Entest BioMedical, Inc., (“Entest”), a Nevada corporation which was a majority owned subsidiary 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. All estimates are of a normal, recurring nature and are required for the fair presentation of the financial statements. 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 September 30, 2013 consisted of Securities Available for Sale consisting of 10,000,000 shares of Entest Biomedical, Inc. The fair value of all of the Company's financial instruments as of September 30, 2013 were valued according to the Level 1 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 September 30, 2013 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. All options and convertible debt outstanding has an anti-dilutive effect on the EPS, therefore Diluted Earnings per Share are the same as basic earnings per share.

J. ADVERTISING

Costs associated with advertising are charged to expense as incurred. Advertising expenses were \$0 and \$0 for the years ended September 30, 2013 and September 30, 2012 respectively.

NOTE 2 . RECENT ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." The amendments in this update generally represent clarifications of Topic 820, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This update results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRS. The amendments in this update are to be applied prospectively. The amendments are effective for interim and annual periods beginning after December 15, 2011. Early application is not permitted. The Company does not expect this guidance to have a significant impact on its consolidated financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU No. 2011-05, "Presentation of Comprehensive Income." This update was amended in December 2011 by ASU No. 2011-12, "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05." This update defers only those changes in update 2011-05 that relate to the presentation of reclassification adjustments. All other requirements in update 2011-05 are not affected by this update, including the requirement to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. ASU No. 2011-05 and 2011-12 are effective for fiscal years (including interim periods) beginning after December 15, 2011. The Company does not expect this guidance to have a significant impact on its consolidated financial position, results of operations or cash flows.

In December 2011, the FASB issued ASU No. 2011-11, "Disclosures about Offsetting Assets and Liabilities." The amendments in this update require enhanced disclosures around financial instruments and derivative instruments that are either (1) offset in accordance with either ASC 210-20-45 or ASC 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either ASC 210-20-45 or ASC 815-10-45. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. The amendments are effective during interim and annual periods beginning on or after January 1, 2013. The Company does not expect this guidance to have any impact on its consolidated financial position, results of operations or cash flows.

ASU 2011-08, *Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment* is applicable to fiscal years beginning after December 15, 2011. Early application is permitted. The Company does not expect this ASU has a material impact on its financial position or carrying value of its intangible assets at this time.

A variety of proposed or otherwise potential accounting standards are currently under study by standard setting organizations and various regulatory agencies. Due to the tentative and preliminary nature of those proposed standards, the Company's management has not determined whether implementation of such standards would be material to its financial statements.

NOTE 3. OPTIONS AND WARRANTS

On August 20, 2012 the Company issued to the holder of a \$165,000 convertible promissory note a warrant, exercisable for three years from August 20, 2012, to purchase up to 16,500,000 of the common shares of the Company at an exercise price of \$0.01 per share. This warrant was cancelled on August 20, 2013. As of September 30, 2013 the Company has no options or warrants outstanding.

NOTE 4. 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 \$41,645,688 recognized upon the deconsolidation of Entest Biomedical, Inc. , the Company generated net losses of \$ 16,439,725 (excluding \$663,649 of Equity in Net Losses of Entest Biomedical, Inc. recognized) during the period from August 2, 2005 (inception) through September 30, 2013. 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.

On April 26, 2012 the Company executed an Equity Purchase Agreement (the "Purchase Agreement") and Registration Rights Agreement (the "Rights Agreement") with Southridge Partners II, LP, and a Delaware limited partnership ("Southridge").

Under the terms of the Purchase Agreement, Southridge will purchase, at the Company's election, up to \$20,000,000 of the Company's registered common stock (the "Shares"). During the term of the Purchase Agreement, the Company may at any time deliver a "put notice" to Southridge thereby requiring Southridge to purchase a certain dollar amount of the Shares. Simultaneous with the delivery of such Shares, Southridge shall deliver payment for the Shares. Subject to certain restrictions, the purchase price for the Shares shall be equal to 91% of the Market Price, as such capitalized term is defined in the Purchase Agreement, on such date on which the Purchase Price is calculated in accordance with the terms and conditions of this Agreement.

Market Price, as such term is defined in the Purchase Agreement, means the lowest Closing Price, as such term is defined in the Purchase Agreement, during the Valuation Period, as such term is defined in the Purchase Agreement.

Closing Price is defined in the Purchase Agreement as the closing bid price for the Company's common stock on the principal market over which the Company's common shares trade on a day on which that principal market is open for business as reported by Bloomberg Finance L.P.

Valuation Period, as such term is defined in the Purchase Agreement, means the period of 5 Trading Days immediately following the Clearing Date, as such term is defined in the Purchase Agreement, associated with the applicable Put Notice during which the Purchase Price of the Shares is valued.

Clearing Date, as such term is defined in the Purchase Agreement, means the date in which the Estimated Put Shares (as defined in Section 2.2(a) of the Purchase Agreement) have been deposited into Southridge's brokerage account and Southridge's broker has confirmed with Southridge that Southridge may execute trades of such Estimated Put Shares.

The definition of Estimated Put Shares in Section 2.2(a) of the Purchase Agreement is that number of Shares equal to the dollar amount indicated in the Put Notice divided by the Closing Price on the Trading Day immediately preceding the Put Date, multiplied by 125%. Pursuant to the Purchase Agreement, on a Put Date the Company will be required to the applicable number of Estimated Put Shares to Southridge's brokerage account. At the end of the Valuation Period the Purchase Price shall be established and the number of Shares shall be determined for a particular Put. If the number of Estimated Put Shares initially delivered to Southridge is greater than the Put Shares purchased by Southridge pursuant to such Put, then immediately after the Valuation Period Southridge shall deliver to Company any excess Estimated Put Shares associated with such Put. If the number of Estimated Put Shares delivered to Investor is less than the Shares purchased by Southridge pursuant to a Put, then immediately after the Valuation Period the Company shall deliver to Southridge the difference between the Estimated Put Shares and the Shares issuable pursuant to such Put.

The number of Shares sold to Southridge shall not exceed the number of such shares that, when aggregated with all other shares of common stock of the Company then beneficially owned by Southridge, would result in Southridge owning more than 9.99% of all of the Company's common stock then outstanding. Additionally, Southridge may not execute any short sales of the Company's common stock.

The Purchase Agreement shall terminate (i) on the date on which Southridge shall have purchased Shares pursuant to this Agreement for an aggregate Purchase Price of \$20,000,000, or (ii) on the date occurring 24 months from the date on which the Agreement was executed and delivered by the Company and Southridge.

Under the terms of the Rights Agreement, the Company agreed to file a registration statement with the Securities and Exchange Commission within 90 days of the date on which the Purchase Agreement was executed and delivered by the Company and Southridge.

The registration statement shall be filed with respect to not less than the maximum allowable number of Shares issuable pursuant to a put notice to Southridge that has been exercised or may be exercised in accordance with the terms and conditions of the Purchase Agreement permissible under Rule 415, promulgated under the Securities Act of 1933.

The Company is obligated to keep such registration statement effective until (i) three months after the last closing of a sale of Shares under the Purchase Agreement, (ii) the date when Southridge may sell all the Shares under Rule 144 without volume limitations, or (iii) the date Southridge no longer owns any of the Shares.

The Purchase Agreement requires the Company to reserve and keep available until the consummation of such Closing, free of preemptive rights sufficient shares of common stock for the purpose of enabling the Company to satisfy its obligation to issue the Shares.

The Purchase Agreement also requires the Company to issue to Southridge shares of a newly designated preferred stock with a stated value of \$50,000 convertible at the option of Southridge into shares of the Company's common stock at a conversion price equal to seventy percent (70%) of the lowest Closing Price for the five (5) trading days immediately preceding a conversion notice. The Preferred Stock shall have no registration rights.

On September 30, 2013 Regen sold 100,000 of its common shares for consideration consisting of \$100,000.

NOTE 5. INCOME TAXES

As of September 30, 2013

Deferred tax assets:

| | |
|----------------------------------|--------------|
| Net operating tax carry forwards | \$5,602,636 |
| Other | -0- |
| Gross deferred tax assets | 5,602,636 |
| Valuation allowance | (5,602,636)) |
| Net deferred tax assets | \$-0- |

As of September 30 , 2013 the Company has a Deferred Tax Asset of \$5,602,636 completely attributable to net operating loss carry forwards of approximately \$16,478,341 (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) \$16,439,725 attributable to Bio-Matrix Scientific Group, Inc. a Delaware corporation, BMSG and Regen .

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.

Income tax is calculated at the 34% Federal Corporate Rate.

NOTE 6. RELATED PARTY TRANSACTIONS

As of September 30, 2013 the Company is indebted to David Koos, the Company's Chairman and Chief Executive Officer, in the amount of \$137,372. These loans and any accrued interest are due and payable at the demand of Mr. Koos and bear simple interest at the 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 leaving a balance of \$59,500 of rental expenses prepaid to the Company.

Between January 25, 2012 and February 14, 2012 the Company became indebted to Entest in the amount of an additional \$240 for expenses paid on behalf of the Company by Entest. Between October 1, 2011 and September 30, 2012 the Company made payments to Entest totaling \$20,600. Between October 1, 2012 and December 31, 2012 the Company became indebted to Entest in the amount of an additional \$755 for expenses paid on behalf of the Company by Entest. As of September 30, 2013 the amount due to Entest is \$34,895. This obligation bears no interest and is due and payable on the demand of Entest. Entest is considered a related party due to the fact that the Chairman and CEO of the Company also serves as the Chairman and CEO of Entest.

During the year ended September 30, 2013 the Company issued to David Koos:

40,000 of its Series AAA Preferred stock in satisfaction of \$10,000 of salaries accrued but unpaid.

60,000,000 of its Common Shares in satisfaction of \$120,000 of Notes Payable.

NOTE 7. NOTES PAYABLE

| | September 30, 2012 | September 30, 2013 |
|--|--------------------------|-----------------------|
| Bio Technology Partners Business Trust | 44,500 | 0 |
| Venture Bridge Advisors | 72,000 | 82,000 |
| David Koos (Note 6) | 520 | 137,372 |
| Sherman Family Trust | 700,000 | 0 |
| Notes payable | \$817,020 | \$ 219,372 |

Venture Bridge Advisors has provided a lines of credit to the Company in the amount of \$700,000 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 this line of credit bears 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 David R. Koos are due and payable at the demand of Koos and bear simple interest at a rate of 15% per annum.

NOTE 8. STOCKHOLDERS' EQUITY

The stockholders' equity section of the Company contains the following classes of capital stock as of September 30, 2013:

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

2,063,821 Preferred Shares , par value \$0.0001, issued and outstanding.

With respect to each matter submitted to a vote of stockholders of the Corporation, each holder of Preferred Stock shall be entitled to cast that number of votes which is equivalent to the number of shares of Series B Preferred Stock owned by such holder times one (1).

On any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Preferred Stock shall receive, out of assets legally available for distribution to the Company's stockholders, a ratable share in the assets of the Corporation.

94,852 Series AA Preferred Shares, par value \$0.0001, issued and outstanding.

With respect to each matter submitted to a vote of stockholders of the Corporation, each holder of Series AA Preferred Stock shall be entitled to cast that number of votes which is equivalent to the number of shares of Series AA Preferred Stock owned by such holder times ten thousand (10,000).

On any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series AA Preferred Stock shall receive, out of assets legally available for distribution to the Company's stockholders, a ratable share in the assets of the Corporation.

40,000 Series AAA Preferred Shares, par value \$0.0001, issued and outstanding.

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With respect to each matter submitted to a vote of stockholders of the Corporation, each holder of Series AA Preferred Stock shall be entitled to cast that number of votes which is equivalent to the number of shares of Series AA Preferred Stock owned by such holder times forty thousand (40,0000).

On any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series AA Preferred Stock shall receive, out of assets legally available for distribution to the Company's stockholders, a ratable share in the assets of the Corporation.

725,409 Series B Preferred Shares, Par Value \$0.0001, issued and outstanding.

With respect to each matter submitted to a vote of stockholders of the Corporation, each holder of Series B Preferred Stock shall be entitled to cast that number of votes which is equivalent to the number of shares of Series B Preferred Stock owned by such holder times two (2).

On any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series B Preferred Stock shall receive, out of assets legally available for distribution to the Company's stockholders, a ratable share in the assets of the Corporation.

Non Voting Convertible Preferred Stock , \$1.00 Par value, 200,000 shares authorized , 0 shares issued and outstanding

Each Non Voting Convertible Preferred Stock shall convert at the option of the holder into shares of the corporation's common stock at a conversion price equal to seventy percent (70%) of the lowest Closing Price for the five (5) trading days immediately preceding written receipt by the corporation of the holder's intent to convert.

"CLOSING PRICE" shall mean the closing bid price for the corporation's common stock on the Principal Market on a Trading Day as reported by Bloomberg Finance L.P.

"PRINCIPAL MARKET" shall mean the principal trading exchange or market for the corporation's common stock.

"TRADING DAY" shall mean a day on which the Principal Market shall be open for business.

On any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Non Voting Convertible Preferred shall receive, out of assets legally available for distribution to the Company's stockholders, a ratable share in the assets of the Corporation.

Common stock, \$ 0.0001 par value; 5,000,000,000 shares authorized: 2,390,304,145 shares issued and outstanding.

With respect to each matter submitted to a vote of stockholders of the Corporation, each holder of Common Stock shall be entitled to cast that number of votes which is equivalent to the number of shares of Common Stock owned by such holder times one (1).

On any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Common Stock shall receive, out of assets legally available for distribution to the Company's stockholders, a ratable share in the assets of the Corporation.

NOTE 9. 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") 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 \$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 Facsanto)
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.

On December 19, 2011, the Company issued a convertible promissory note in the amount of \$50,000 which was funded on December 22, 2011. The note bears an interest rate of eight percent (8%), matures on September 19, 2012 and may be converted after 180 days from execution of this note for shares of the Company's common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the

common stock during the 10 trading days prior to the conversion date. The issuance of the note amounted in a beneficial conversion feature of \$40,909 which is amortized under the Interest Method. This convertible promissory note was satisfied in its entirety by the Company as a result of payment to the Holder of \$76,884 on June 11, 2012 in accordance with the prepayment conditions of the note. A Loss on Early Extinguishment of Debt of \$29,106 was recognized by the Company as a result of this prepayment.

On February 28, 2012, the Company issued a convertible promissory note in the amount of \$27,500 which was funded on March 6, 2012. The note bears an interest rate of eight percent (8%), matures on November 30, 2012 and may be converted after 180 days from execution of this note for shares of the Company's common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date. This convertible promissory note was satisfied in its entirety by the Company as a result of payment to the Holder of \$42,305 on August 29, 2012 in accordance with the prepayment conditions of the note. A Loss on Early Extinguishment of Debt of \$14,804 was recognized by the Company as a result of this prepayment.

On April 23, 2012, for no additional consideration, the Company agreed to amend the terms of \$25,000 of outstanding convertible debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$16,666 which has been fully amortized. On April 25, 2012 the Company issued 6,944,444 common shares in full satisfaction of this \$25,000 in indebtedness.

On April 23, 2012, for no additional consideration, the Company agreed to amend the terms of \$10,000 of outstanding convertible debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$6,666 which has been fully amortized. On April 23, 2012 the Company issued 2,777,778 common shares in full satisfaction of this \$10,000 in indebtedness.

On April 23, 2012, for no additional consideration, the Company agreed to amend the terms of \$15,000 of outstanding convertible debt to allow conversion at the Holder's option into common shares of the Company at a conversion price

per share equal to 60% (the “Discount”) of the lowest closing bid price for the Company’s common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the “Closing Bid Price”); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder’s brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price(“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$10,000 which has been fully amortized. During the quarter ended June 30, 2012 the Company issued 4,168,541 common shares in full satisfaction of this \$15,000 in indebtedness.

On May 2, 2012 the Company issued 3,000,000 common shares in satisfaction of \$3,000 of existing convertible debt.

On May 3, 2012, for no additional consideration, the Company agreed to amend the terms of \$10,000 of outstanding convertible debt to allow conversion at the Holder’s option into common shares of the Company at a conversion price per share equal to 60% (the “Discount”) of the lowest closing bid price for the Company’s common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the “Closing Bid Price”); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder’s brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price(“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$5,384 which has been fully amortized. On May 11, 2012 the Company issued 2,564,103 common shares in full satisfaction of this \$10,000 in indebtedness.

On May 4, 2012, for no additional consideration, the Company agreed to amend the terms of \$80,000 of outstanding convertible debt to allow conversion at the Holder’s option into common shares of the Company at a conversion price per share equal to 60% (the “Discount”) of the lowest closing bid price for the Company’s common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the “Closing Bid Price”); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder’s brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price(“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$31,111 which has been fully amortized. During the Quarter ended June 30, 2012 the Company issued 41,431,532 common shares in full satisfaction of this \$80,000 in indebtedness.

On May 7, 2012, the Company issued a convertible promissory note in the amount of \$53,000. The note bears an interest rate of eight percent (8%), matures on February 4, 2013 and may be converted after 180 days from execution

of this note for shares of the Company's common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date. The issuance of the note amounted in a beneficial conversion feature of \$53,000 which is amortized under the Interest Method.

On May 10, 2012, for no additional consideration, the Company agreed to amend the terms of \$40,000 of existing indebtedness to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 51% the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date. The reclassification of this debt resulted in the recognition of a beneficial conversion feature of \$28,000 which has been fully amortized. During the quarter ended June 30, 2012 the Company issued 15,331,392 common shares in full satisfaction of this \$40,000 in indebtedness.

On June 1, 2012, for no additional consideration, the Company agreed to amend the terms of \$40,000 of outstanding convertible debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$40,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 16,434,139 common shares in satisfaction of \$40,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$40,000 of outstanding convertible debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$40,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 26,185,202 common shares in satisfaction of \$40,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$31,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided

that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$31,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 22,787,766 common shares in satisfaction of \$30,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$15,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$15,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 9250494 common shares in satisfaction of \$15,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$15,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$15,000 which has been fully amortized. During the Quarter ended June 30, 2012 the Company issued 10,064,506 common shares in satisfaction of \$15,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$10,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has

agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$10,000 which has been fully amortized. During the year ended June 30, 2012 the Company issued 6,333,333 common shares in satisfaction of \$10,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$21,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$14,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 11633000 common shares in satisfaction of \$15,000 of this indebtedness.

On June 22, 2012, for no additional consideration, the Company agreed to amend the terms of \$22,300 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$7,433 which has been fully amortized. During the year ended September 30, 2012 the Company issued 19351068 common shares in satisfaction of \$22,300 of this indebtedness.

On June 22, 2012, for no additional consideration, the Company agreed to amend the terms of \$17,179 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$6,871 which has been fully amortized., 2012

On June 22, 2012, for no additional consideration, the Company agreed to amend the terms of \$5,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$2,000 which has been fully amortized.

On July 25 the Company issued a convertible promissory note in the amount of \$ 63,000. The note bears an interest rate of eight percent (8%), matures on April 30, 2013 and may be converted after 180 days from execution of this note for shares of the Company's common stock. The note may be converted at a thirty nine percent (39%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date.

On August 20, 2012, the "Company") issued a convertible promissory note in the principal amount of \$165,000. The note bears an annual interest rate of six percent (6%). The unconverted principal amount of the note and any accrued but unpaid interest is payable at the demand of the Holder at any time after August 20, 2013.

The note is convertible into the common shares of the Company as follows:

(a) The Holder shall have the right to convert up to fifty-percent (50%) of the principal amount of the Note ("Principal Amount") on December 20, 2012, up to seventy-five percent (75%) of the Principal Amount on April 20, 2013, and up to one hundred percent (100%) of the Principal Amount on August 20, 2013.

(b) The Holder shall have the right to convert \$25,000 of the principal amount due on this note into 5,000,000 shares of the Company's common stock at any time on or after August 21, 2012.

With the exception of (b), The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the principal amount of this Note to be converted (the "Conversion Amount") by the applicable Conversion Price.

The "Conversion Price" means the weighted average of the Trading Prices (as defined below) for the Common Stock during the ten (10) Trading Day (as defined below) period ending on the latest complete Trading Day prior to the Conversion Date weighted by the daily Trading Volume. "Trading Price" means the closing bid price on the applicable trading market or, if no closing bid price of such security is available, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" by the National Quotation Bureau, Inc. If the Trading

Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Company and the Holder. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the principal securities exchange or other securities market on which the Common Stock is then being traded. "Trading Volume" shall mean the number of shares traded on such Trading Day as reported. The Conversion Price shall be equitably adjusted for stock splits, stock dividends, rights offerings, combinations, recapitalization, reclassifications, extraordinary distributions and similar events by the Company relating to the Lender's securities. The Minimum Conversion Price is \$0.0035 per share. The issuance of the note amounted in a beneficial conversion feature of \$61,285 which is amortized under the interest method. During the year ended September 30, 2012 \$25,000 of the principal portion of this note was converted into 5,000,000 common shares of the issuers common stock.

On October 19, 2012 for no additional consideration, the Company agreed to amend the terms of \$10,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On October 19, 2012 for no additional consideration, the Company agreed to amend the terms of \$20,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On October 29, 2012 for no additional consideration, the Company agreed to amend the terms of \$30,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On November 12, 2012 for no additional consideration, the Company agreed to amend the terms of \$50,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On November 15, 2012 for no additional consideration, the Company agreed to amend the terms of \$50,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On December 12, 2012 for no additional consideration, the Company agreed to amend the terms of \$30,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On December 12, 2012 for no additional consideration, the Company agreed to amend the terms of \$100,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

On March 18, 2013 for no additional consideration, the Company agreed to amend the terms of \$100,000 of outstanding debt to allow conversion at the Holder's option into 100,000,000 common shares of the Company.

At September 30, 2013, the following convertible debentures remain outstanding:

(a) \$1,000 in aggregate convertible debt bearing simple interest at 10% per annum convertible into the Company's common stock at share and convertible into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the seven trading days immediately preceding a conversion date, as reported by Bloomberg.

(b) \$80,701 in aggregate convertible debt bearing simple interest at 12% per annum convertible into the Company's common stock at \$0.025 per share.

(c) \$17,000 in aggregate convertible debt bearing no interest convertible into the Company's common stock at share and convertible into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the five trading days immediately preceding a conversion date, as reported by Bloomberg.

Convertible Debentures described in (a), (b), and (c) are currently due and payable. The holders have not made a demand for payment

As of September 30, 2013 the Aggregate Amount of Convertible Debentures outstanding was \$98,701 and the Aggregate Amount of Unamortized discount was \$0.

As of September 30, 2012 the Aggregate Amount of Convertible Debentures outstanding was \$365,880 and the Aggregate Amount of Unamortized discount was \$65,371.

NOTE 10. COMMITMENTS AND CONTINGENCIES

On April 12, 2013 a complaint (Complaint) was filed in the U.S. District Court Southern District of the State of New York against the Company, the Company's Chairman and Does 1-50 by Star city Capital, LLC ("Plaintiff") alleging

securities fraud, common law fraud, negligent misrepresentation, breach of fiduciary duties and breach of contract in connection with the issuance of . The Plaintiff is also request declaratory relief from the Court.

The action arises from the issuance and subsequent cancellation of 103,030,303 of the company's common shares in satisfaction of \$17,000 of convertible indebtedness of the Company held by the Plaintiff . The Plaintiff alleges that a cancellation notice sent by them to the Company's transfer agent was meant to instruct the Transfer Agent simply to cancel the physical certificate in order that an equivalent number of shares may be transferred via DWAC to the Plaintiff's stockbroker for the benefit of the Plaintiff. DWAC is the acronym for Deposit/Withdrawal At Custodian. The DWAC transaction system run by The Depository Trust Company (a.k.a. DTC or CEDE & CO) permits brokers and custodial banks, the DTC participants, to request the movement of shares

to or from the issuer's transfer agent electronically. A DWAC results in the crediting or debiting of shares to or from DTC's book-entry account on the records of the issuer maintained by the transfer agent.

The Company believes that the cancellation notice sent by the Plaintiff clearly represents a cancellation of the conversion notice itself.

The convertible indebtedness held by the Plaintiff is convertible at Holder's demand into the common shares of the Company's stock at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company and the Plaintiff had agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. There can be no assurance that a subsequent conversion notice for the same amount of indebtedness issued by the Plaintiff would convert into 103,030,303 of the company's common shares .

On August 21, 2012 the Company entered into a settlement funding agreement with Princeton Research, Inc. and Jan Vandersande (collectively the "PRI Parties") which obligates the Company to pay the PRI Parties \$1,000 a month over thirty months.

NOTE 11. INVESTMENT SECURITIES

As of the quarter ending June 30, 2012 the Company reclassified 10,000,000 common shares of Entest ("Entest Shares") as Securities Available for Sale from Securities Accounted for under the Equity Method. The Entest Shares are the Company's sole Investment Securities as of September 30, 2013.

NOTE 12. STOCK TRANSACTIONS

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During the year ended September 30, 2013 the Company:

Issued 1,774,391,341 Common Shares in satisfaction of \$ 1,046,876 of indebtedness.

Issued 40,000 Series AAA Preferred Shares to David Koos in satisfaction of \$10,000 of accrued compensation.

Issued 100,000,000 Common Shares pursuant to a SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE entered into by and between the Company and 18KT.TV LLC.

Issued 26,045,795 Common Shares and agreed to the immediate vesting of 6,000,000 Common Shares issued as a restricted stock award in satisfaction of \$116,452 of compensation accrued but unpaid.

Agreed to the cancellation of 6,000,000 Common Shares previously issued as a restricted stock award.

Issued 12,000,000 Common Shares to employees as compensation valued at \$36,000.

Cancelled at the request of the holder 5,000,000 Common Shares previously issued in satisfaction of \$25,000 in indebtedness.

Issued 6604970 Common Shares in satisfaction of 4640 of accrued interest.

Issued 111,250,000 Common Shares pursuant to contractual obligations to convertible note holders.

Issued 100,000 preferred Shares to a consultant pursuant to that agreement entered into by and between Regen and Dr. Wei Ping Min ("Min") whereby Min assigned to Regen all right, title and interest in US Patent # 8,389,708 as well as all Patent applications from the same family corresponding to numbers PCT/CA2006/000984, CA2612200 and EP1898936.

Issued 35714286 Common Shares in conversion of 75,000 non Voting Convertible Preferred Shares.

Issued 8,512,088 Common Shares to a consultant for services valued at \$25,000

Issued 500,000 Common Shares to a consultant for services valued at \$1,550

During the year ended September 30, 2013, Regen:

Issued 1,500,000 common shares to the holder of one of the Company's convertible notes ("Convertible Note Holder") in satisfaction of \$70,198 owed by the Company to the Convertible Note Holder.

Issued 100,000 of its common shares for consideration consisting of \$100,000.

NOTE 12. SUBSEQUENT EVENTS

On October 14, 2013 the Company Issued 120,000,000 Common Shares in satisfaction of \$ 44,500 of indebtedness.

On October 14, 2013 Regen issued 100,000 of its common shares for consideration consisting of \$100,000.

On December 12, 2013 Regen issued 100,000 of its common shares for consideration consisting of \$100,000.

On December 12, 2013 the Company issued 30,000,000 of its common shares to a vendor in settlement of a dispute over fees owed between the vendor and Regen.

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

(1) On September 27, 2012 the Board of Directors of the Company approved of the dismissal of John Kinross-Kennedy, CPA ("Kennedy") as the Registrant's independent registered public accounting firm

Kennedy's report of the Company's financial statements for the fiscal years ended September 30, 2011 and September 30, 2010 did not contain any adverse opinion or disclaimer of opinion, nor was modified as to uncertainty, audit scope, or accounting principles. The audit reports prepared by Kennedy for the fiscal years ending September 30, 2011 and September 30, 2010 contained a paragraph with respect to the Company's ability to continue as a going concern.

During the Company's two most recent fiscal years and the subsequent interim periods thereto there were no disagreements with Kennedy, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Kennedy's satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its report on the Registrant's financial statements.

(2) On September 27, 2012, the Board of Directors of the Company, acting as the Company's Audit Committee, approved the engagement of Anton and Chia, LLP as its independent auditor. On same date, September 27, 2012, the accounting firm of Anton and Chia, LLP was engaged as the Company's new independent registered public accounting firm.

(3) On December 4, 2012 the Board of Directors of the Company approved of the dismissal of Anton and Chia, LLP ("Anton") as the Company's independent registered public accounting firm.

Since September 27, 2012 (the date on which Anton has been engaged as the Company's independent registered public accounting firm) Anton has neither reviewed nor audited any of the financial statements of the Company. Therefore, no reports of Anton on the Company's financial statements for either of the past two years or subsequent interim period contained an adverse opinion or disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope or accounting principles as no such reports have been prepared.

During the Company's two most recent fiscal years and the subsequent interim periods thereto, there were no disagreements with Anton whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Anton's satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its report on the Company's financial statements.

(4) On December 4, 2012, the Board of Directors of the Company, acting as the Company's Audit Committee, approved the engagement of Seale and Beers, Certified Public Accountants LLC ("S&B") as its independent auditor. On same date, December 4, 2012, the accounting firm of S&B was engaged as the Company's new independent registered public accounting firm.

During the Company's two most recent fiscal years and the subsequent interim periods thereto, there were no disagreements with S&B whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to S&B's satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its report on the Company's financial

statements.

Item 9A. Controls and Procedures.

a) Evaluation of disclosure controls and procedures.

The principal executive officer and principal financial officer have evaluated the Company's disclosure controls and procedures as of September 30, 2013. Based on this evaluation, they have 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 is the Company's CEO and acting CFO. He functions as 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, 2012 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, 2012, 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, 2013 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.

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. | June 19, 2009 to the present. |
| Chief Financial Officer, Principal Accounting Officer | Entest BioMedical, Inc | June 19, 2009 to March 31, 2010 |
| Acting Chief Financial Officer, Principal Accounting Officer | Entest BioMedical, Inc | August 8, 2011 to the present |
| Chairman, President, CEO and Acting CFO | Bio-Matrix Scientific Group, Inc. | June 14, 2006 (Chairman) to Present |

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| | | |
|--|--|---|
| | | 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 |
| 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 2013, 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 304, 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 | Option | Non Equity | Nonqualified | All | Total |
|-----------------------------------|---|----------------|---------------|----------|--------|------------|--------------|--------------|-----------|
| | | | | Awards | Awards | Incentive | Deferred | Other | |
| | | | | | | Plan | Compensation | Compensation | |
| | | | | | | | Earnings | (\$)** | |
| | | | | | | | | | |
| David Koos Chairman and CEO | From October 1, 2012 to September 30, 2013 | \$290,000 | | \$10,000 | | | | | \$300,000 |
| David Koos Chairman and CEO | From October 1, 2011 to September 30, 2012 | \$300,000 | 9 | | | | | \$5,000 | \$305,009 |

* Does not include Compensation Accrued but Unpaid. As of September 30, 2013 David R. Koos is owed \$460,321 in compensation accrued but unpaid.

*** Includes \$5,000 paid to David Koos as an advance against services to be performed outside the scope of his employment

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 26, 2013 concerning shares of our 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 2,810,513,321 shares issued and outstanding as of December 26, 2013.

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class |
|----------------|---|---------------------------------------|------------------|
| | David R. Koos | | |
| Common | C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA, 91942 All Officers and Directors | 12,718,293 (a) | .45% |
| Common | As a Group(a) | 12,718,293 (a) | .45% |

(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 and 59 shares owned by the BMXP Holdings Shareholder Business Trust. David R. Koos is the Trustee of BMXP Holdings Shareholder Business Trust. .

The following table sets forth information as of the close of business on February 20, 2013, 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 2,063,821 shares issued and outstanding as of December 26, 2013

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| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class |
|----------------|--|---------------------------------------|------------------|
| | David R. Koos (a)(b) | | |
| Preferred | C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA, 91942 | 524,079 | 25% |
| Preferred | Copeland Revocable Trust | 166,907 | 8% |
| Preferred | Ronald Williams | 205,714 | 10% |
| | All Officers and Directors | | |
| Preferred | As a Group(c) | 524,079 | 25% |

(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 December 26,2013 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 725,409 shares issued and outstanding as of December 26, 2013

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class |
|--------------------|--|---------------------------------------|------------------|
| | David R. Koos (a)(b) | | |
| Series B Preferred | C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA, 91942 | 96,012 | 13% |
| Series B | All Officers and Directors | | |
| | | 96,012 | 13% |
| Preferred | As a Group(c) | | |

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(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 26, 2013 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 |
|---------------------|---|---------------------------------------|------------------|
| | David R. Koos | | |
| Series AA Preferred | C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA, 91942 | 94,852 | 100% |
| Series AA Preferred | All Officers and Directors As a Group | 94,852 | 100% |

No shares of our Non Voting Convertible Preferred stock was issued and outstanding as of the close of business on December 26, 2013

The following table sets forth information as of the close of business on December 26, 2013 concerning shares of our Series AAA 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 AAA Preferred stock.

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class |
|----------------------|---|---------------------------------------|------------------|
| | David R. Koos | | |
| Series AAA Preferred | C/o Bio-Matrix Scientific Group, Inc 4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA, 91942 | 40,000 | 100% |
| Series AAA Preferred | All Officers and Directors As a Group | 40,000 | 100% |

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

Related Party Transactions

On June 15, 2009 Entest BioMedical, Inc. ("Entest"), a corporation under common control with the Company, 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 leaving a balance of \$59,500 of rental expenses prepaid to the Company. Between January 25, 2012 and February 14, 2012 the Company became indebted to Entest in the amount of an additional \$240 for expenses paid on behalf of the Company by Entest. Between October 1, 2012 and September 30, 2012 the Company made payments to Entest totaling \$20,600. As of September 30, 2012 the amount due to Entest was \$39,140. Subsequent to September 30, 2012 the following events:

a)

Payment of \$5,000 to Entest by the Company during the quarter ended December 31, 2012 offset by

(b)

Payment of \$755 of expenses on behalf of the Company by Entest. during the quarter ended December 31, 2012.

Reduced the obligation to \$34,895 as of September 30, 2013. This obligation bears no interest and is due and payable on the demand of Entest.

As of September 30, 2013 David Koos, the Company's Chairman and Chief Executive Officer, is owed \$460,321 in compensation accrued but unpaid .

As of September 30, 2013 the Company is indebted to David Koos, the Company's Chairman and Chief Executive Officer, in the amount of \$137,372. These loans and any accrued interest are due and payable at the demand of Mr. Koos and bear simple interest at the rate of 15% per annum.

During the year ended September 30, 2013 the Company issued to David Koos:

40,000 of its Series AAA Preferred stock in satisfaction of \$10,000 of salaries accrued but unpaid.

60,000,000 of its Common Shares in satisfaction of \$120,000 lent by David Koos to the Company.

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 October 1, 2011 and ending September 30, 2012 |
|--------------------|--|
| Audit Fees | \$ — |
| Audit Related Fees | \$ 1,200 |
| Tax Fees | \$ — |
| Total Fees | \$ 1,200 |

The following sets forth the aggregate fees billed by Seale and Beers, CPAs

| | Period beginning October 1, 2012 and ending September 30, 2013 |
|--------------------|--|
| Audit Fees | \$ 22,546 |
| Audit Related Fees | \$ 9000 |
| Tax Fees | \$ — |
| Total Fees | \$ 31,546 |

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 Seale and Beers, 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)
Certificate of
3(1)(5) Amendment dated
November 8, 2011
3(ii)(1) Bylaws(5)
3(ii)(2) Amended Bylaws dated
July 3, 2008(6)
AMENDED AND
RESTATED
3(ii)(3) BY-LAWS OF
BIO-MATRIX
SCIENTIFIC GROUP,
INC(7)
Agreement by and
between David R. Koos
10.1 and Bio-Matrix
Scientific Group,
Inc.(8)
Agreement for Purchase
of Freedom
Environmental Shares
10.2 by and between
Bombardier Pacific
Ventures Inc, and
Bio-Matrix Scientific
Group, Inc, (9)
Modified Promissory
Note by and Between
10.3 Bio-Matrix Scientific
Group, Inc. and
Bombardier Pacific
Ventures Inc. dated
December 21, 2008.(10)
Agreement by and
between Bio-Matrix
10.4 Scientific Group, Inc.
and Dr. Brian Koos(11)
Agreement by and
between Bio-Matrix
10.5 Scientific Group, Inc.,
TherInject LLC and Dr.
Stephen Josephs(12)
Stock purchase
Agreement between JB
10.6 Clothing and Bio
Matrix Scientific
Group, Inc.(13)
10.7 Agreement by and
Between Hazard
Commercial Complex
LLC and the

| | |
|---------|-------------------------|
| | Company(14) |
| | Asset Purchase |
| 10.8 | 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) |
| | Employment |
| 10.11 | Agreement Gregory |
| | McDonald (19) |
| 14.1 | Code of Ethics(15) |
| 10.12 | Convertible Note dated |
| | 12/15/2011 (20) |
| 10.13 | Convertible Note dated |
| | 2/28/2012 (21) |
| | Equity Purchase |
| 10.14 | Agreement by and |
| | between the Company |
| | and Southridge Partners |
| | (22) |
| | Employment |
| 10.15 | Agreement J. |
| | Christopher Mizer (23) |
| | Option Agreement |
| 10.16 | Oregon Health & |
| | Science University (24) |
| | Employment |
| 10.17 | Agreement Thomas |
| | Ichim (25) |
| 3(1)(6) | Text of Amendment to |
| | Certificate of |
| | Incorporation effective |
| | August 13, 2012. |
| 10.17 | Convertible Note dated |
| | 6/25/2012 (26) |
| | Text of Amendment to |
| 3(1)(7) | Certificate of |
| | Incorporation effective |
| | November 27, 2012 |
| | Convertible Promissory |
| 10.18 | Note dated August 20, |
| | 2012 (27) |
| 10.19 | Warrant Agreement |
| | dated August 20, 2012 |
| | (28) |

- 10.20 Settlement Agreement and Mutual Release (29)
- 3(1)(6) Certificate of Designation Series AAA Preferred Stock (30)
- 10.21 Worldwide Property Assignment Agreement (31)
- 10.22 License Agreement (32)
- 10.23 Benitec License (33)
- Termination letter Oregon health and Science University (34)
- 10.24

- 99.1 Letter from BAUMGARTNER PATENT LAW (35)
- 10.25 Agreement with Caven Investments LLC (36)
- 10.26 Independent Contractor Agreement between Dr. Eei Ping Min and Regen (37)
- 10.27 Letter Agreement by and between Wei Ping Min and Bio-Matrix Scientific Group Inc dated May 18, 2012
- 10.28 Letter Agreement by and between James White and Bio-Matrix Scientific Group Inc dated May 16, 2012
- 10.29 Letter Agreement by and between David Suhly and Regen dated September 11 2013

- (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
- 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
- (9)

- 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.
- (10)
- (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
- (20) incorporated by reference to Exhibit 10.1 of Form 10-Q dated February 6, 2012
- (21) incorporated by reference to Exhibit 10.1 of Form 10-Q dated April 23, 2012
- (22) incorporated by reference to Exhibit 10.1 of Form 8-K dated May 7, 2012

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- (23) incorporated by reference to Exhibit 10.3 of Form 8-K dated May 7, 2012
- (24) incorporated by reference to Exhibit 10.1 of Form 8-K dated June 6, 2012
- (25) incorporated by reference to Exhibit 10.1 of Form 8-K dated June 25, 2012
- (26) incorporated by reference to Exhibit 10.1 of Form 10-Q dated August 14, 2012
- (27) incorporated by reference to Exhibit 10.1 of Form 8-K dated August 22, 2012
- (28) incorporated by reference to Exhibit 10.2 of Form 8-K dated August 22, 2012
- (29) incorporated by reference to Exhibit 10.1 of Form 10-Q filed March 12, 2013
- (30) incorporated by reference to Exhibit 3(1) of Form 8-K dated April 30, 2013
- (31) incorporated by reference to Exhibit 10.1 of Form 8-K dated June 11, 2013
- (32) incorporated by reference to Exhibit 10.2 of Form 8-K dated June 11, 2013
- (33) incorporated by reference to Exhibit 10.1 of Form 8-K dated August 5, 2013
- (34) incorporated by reference to Exhibit 10.1 of Form 8-K dated August 9, 2013
- (35) incorporated by reference to Exhibit 99.1 of Form 8-K dated August 9, 2013
- (36) incorporated by reference to Exhibit 10.1 of Form 8-K dated September 3, 2013
- (37) incorporated by reference to Exhibit 10.1 of Form 8-K dated September 23, 2013

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: President, Chairman, Chief Executive Officer

Date: December 31, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on December 30, 2013.

Bio-Matrix Scientific Group, Inc.

By: */s/ David R. Koos*

Name: David R. Koos

Title: President, Chairman, Chief Executive Officer, Acting Chief Financial Officer

Date: December 31, 2013