Bio-Matrix Scientific Group, Inc.
Form 10-Q
February 02, 2016

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934:

For the quarterly period ended December 31, 2015

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934:

For the transition period from ___________ to ___________.

Commission File Number 0-32201

BIO-MATRIX SCIENTIFIC GROUP, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**33-0824714**
(State of Incorporation)	(I.R.S. Employer Identification No.)
4700 Spring Street, Suite 304, La Mesa, California	**91942**
(Address of Principal Executive Offices)	(Zip Code)

(619) 702-1404

(Registrant's telephone number, including area code)

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

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

Yes No

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

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 Securities Exchange Act of 1934) (check one): Yes No

There were 4,889,065,929 shares of Common Stock outstanding as of January 15, 2016.

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PART I - FINANCIAL INFORMATION

Item 1. - Financial Statements

BIOMATRIX SCIENTIFIC GROUP, INC.
CONSOLIDATED BALANCE SHEET

	As of December 31, 2015 (unaudited)	As of September 30, 2015
ASSETS		
CURRENT ASSETS		
Cash	193,386	76,355
Prepaid Expenses	16,000	25,000
Note Receivable	12,051	12,051
Interest Receivable	1,681	1,381
Due from Former Subsidiary Employee	15,000	
Total Current Assets	238,118	114,787
OTHER ASSETS		
Deposits	4,200	4,200
Available for Sale Securities	121,000	159,720
Total Other Assets	125,200	163,920
TOTAL ASSETS	363,318	278,707
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	169,769	167,977
Notes Payable	347,036	400,336
Bank Overdraft	0	0
Accrued Payroll	784,757	738,095
Accrued Payroll Taxes	48,316	44,485
Accrued Interest	337,721	324,750
Accrued Rent	10,000	10,000
Accrued Expenses	5,000	5,000
Convertible Note Payable Net of Unamortized Discount	211,675	231,507
Due to Affiliate	0	0
Due to Subsidiary Shareholder	50,000	0
Current portion, note payable to affiliated party	1,000	1,000
Total Current Liabilities	1,965,274	1,923,150
Total Liabilities	1,965,274	1,923,150

STOCKHOLDERS' EQUITY (DEFICIT)

Preferred Stock ($.0001 par value) 20,000,000 shares authorized; 20,000,000 shares authorized; 2,063,821 issues and outstanding as of September 30 2015 and December 31, 2015	207	207
Series AA Preferred ($0.0001 par value) 100,000 shares authorized 94,852 issued and outstanding as of September 30, 2015 and December 31, 2015	9	9
Series AAA Preferred ($0.0001 par value) 1,000,000 shares authorized 40,000 shares issued and outstanding as of September 30, 2015 and December 31, 2015	4	4
Series B Preferred Shares ($.0001 par value) 2,000,000 shares authorized; 725,409 issued and outstanding as of December 31, 2015 and September 30,2015 respectively	73	73
Common Stock ($.0001 par value) 5,000,000,000 shares authorized and 4,232,931,345 issued and outstanding as of September 30, 2015, 8,000,000,000 shares authorized and4,889,065,929 shares issued and outstanding as of December 31, 2015	488,905	423,292
Non Voting Convertible Preferred Stock ($1 Par value) 200,000 shares authorized; 0 shares issued and outstanding as of September 30, 2015 and December 31, 2015	0	0
Additional Paid in capital	31,059,493	29,004,809
Contributed Capital	509,355	509,355
Retained Earnings (Deficit)	7,552,077	9,704,398
Accumulated Other Comprehensive Income (Loss)	(41,407,361)	(41,368,641)
Total Stockholders' Equity (Deficit) Biomatrix Scientific Group, Inc.	(1,797,238)	(1,726,494)
Noncontrolling Interest in subsidiary	195,283	82,050
Total Stockholders' Equity	(1,601,955)	(1,644,444)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	363,318	278,707

The Accompanying Notes are an Integral Part of These Financial Statements

BIO-MATRIX SCIENTIFIC GROUP, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Quarter Ended December 31, 2015	Quarter Ended December 31, 2014
REVENUES	0	0
COST AND EXPENSES		
Research and Development	105,321	2,237
General and Administrative	520,678	158,444
Consulting and Professional Fees	92,718	82,529
Rent	15,000	11,871
Total Costs and Expenses	733,717	255,081
OPERATING LOSS	(733,717)	(255,081)
OTHER INCOME & (EXPENSES)		
Interest Income	300	260
Interest Expense	(12,971)	(14,571)
Loss on Settlement of Debt through Equity Issuance below Fair value	(169,234)	(587,500)
Loss on Settlement of Debt through Issuance of Common Shares of Regen Biopharma, Inc. below fair value	(1,163,313)	0
Interest Expense attributable to amortization of discount	(73,387)	0
Total Other Income & (Expense)	(1,418,605)	(601,811)
NET INCOME (LOSS)	(2,152,321)	(856,892)
Less:		
(Net Income) Loss attributable to noncontrolling interest Regen Biopharma, Inc.	1,566,831	94,603
NET INCOME (LOSS) available to common shareholders	(585,490)	(762,289)
BASIC AND FULLY DILUTED EARNINGS (LOSS)	$(0.0001)	$(0.0002)
Weighted average number of shares outstanding	4,659,467,826	3,432,648,195

The Accompanying Notes are an Integral Part of These Financial Statements

BIO-MATRIX SCIENTIFIC GROUP, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

	Quarter ended December 31,	
	2014	2015
Net Income (Loss)	$(856,892)	$(2,152,321)
Add:		
Unrealized Gains on Securities		—
Less:		
Unrealized Losses on Securities	(2,000)	(38,720)
Total Other Comprehensive Income (Loss)	(2,000)	(38,720)
Comprehensive Income	$(858,892)	$(2,191,041)

The Accompanying Notes are an Integral Part of These Financial Statements

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BIO-MATRIX SCIENTIFIC GROUP, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	Quarter Ended December 31, 2015	Quarter Ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	(2,152,321)	(856,892)
Adjustments to reconcile net Income to net cash (used in) provided by operating activities:		
Subsidiary Stock issued for services rendered by consultants	40	0
Interest Expense attributable to amortization of discount	73,387	0
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses	9,000	
Increase (Decrease) in Accounts Payable	1,792	(2,085)
Increase (Decrease) in Accrued Expenses	63,464	43,219
Increase (Decrease) in bank Overdraft		(6,137)
(Increase) Decrease in Interest Receivable	(300)	(260)
(Increase) Decrease in Due from Former Employee	(15,000)	
Net Cash Provided by (Used in) Operating Activities	(2,019,938)	(822,155)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional paid in Capital	247,722	72,440
Increase (Decrease) in due to subsidiary shareholder	50,000	20,000
Stock in subsidiary sold for cash	560,001	
Principal borrowings (repayments) on notes and Convertible Debentures	(53,300)	217,321
Principal borrowings (repayments) on Convertible Debentures	0	
(Increase) Decrease in Deferred Financing Costs	0	
Loss on Settlement of Debt through Equity Issuance	1,332,547	587,500
Net Cash Provided by (Used in) Financing Activities	2,136,970	897,261
Net Increase (Decrease) in Cash	117,031	75,106
Cash at Beginning of Period	76,355	502
Cash at End of Period	193,386	75,608
Supplemental Disclosure of Noncash investing and financing activities:		
Common Shares Issued for Debt	$93,220	$117,500

The Accompanying Notes are an Integral Part of These Financial Statements

BIO-MATRIX SCIENTIFIC GROUP, INC.

Notes to consolidated Financial Statements

As of December 31, 2015

The accompanying unaudited interim condensed consolidated financial statements of Bio-Matrix Scientific Group , Inc. (“Bio-Matrix ” or “the Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the United States Securities and Exchange Commission (“SEC”), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s annual report filed with the SEC on Form 10-K for the year ended September 30, 2015. In general, interim disclosures do not repeat those contained in the annual statements. In the opinion of management, all adjustments consisting of normal recurring adjustments necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

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 controlled 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. As of December 31, 2015 The Company holds 15.6% of the equity and 65.7% of the voting power of Regen BioPharma, Inc. ("Regen")

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 controlled 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. CASH EQUIVALENTS

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

E. 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.

F. 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 December 31, 2015 consisted of Securities Available for Sale consisting of 8,066,667 common shares of Entest Biomedical, Inc and a Note Receivable from Entest Biomedical, Inc. for $12,051 . The fair value of Securities Available for sale as of December 31, 2015 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. The fair value of the Note Receivable was valued according to Level 3 input.

G. 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 December 31 , 2015 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.

H. 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.

I. ADVERTISING

Costs associated with advertising are charged to expense as incurred. Advertising expenses were $0 and $0 for the quarters ended December 31, 2015.

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-10, which eliminated certain financial reporting requirements of companies previously identified as "Development Stage Entities" (Topic 915). The amendments in this ASU simplify accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments also reduce data maintenance and, for those entities subject to audit, audit costs by eliminating the requirement for development stage entities to present inception-to-date information in the statements of income, cash flows, and shareholder equity. Early application of each of the amendments is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities). Upon adoption, entities will no longer present or disclose any information required by Topic 915. The Company has adopted this standard.

The following accounting standards updates were recently issued and have not yet been adopted by us. These standards are currently under review to determine their impact on our consolidated financial position, results of operations, or cash flows.

In May 2014, FASB issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. The revenue recognition standard affects all entities that have contracts with customers, except for certain items. The new revenue recognition standard eliminates the transaction-and industry-specific revenue recognition guidance under current GAAP and replaces it with a principle-based approach for determining revenue recognition. Public entities are required to adopt the revenue recognition standard for reporting periods beginning after December 15, 2016, and interim and annual reporting periods thereafter. Early adoption is not permitted for public entities. The Company has reviewed the applicable ASU and has not, at the current time, quantified the effects of this pronouncement, however it believes that there will be no material effect on the consolidated financial statements.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-12 Compensation — Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. A performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition under Accounting Standards Codification (ASC) 718, Compensation — Stock Compensation. As a result, the target is not reflected in the estimation of the award's grant date fair value. Compensation cost would be recognized over the required service period, if it is probable that the performance condition will be achieved. The guidance is effective for annual periods beginning after 15 December 2015 and interim periods within those annual periods. Early adoption is permitted. The Company has reviewed the applicable ASU and has not, at the current time, quantified the effects of this pronouncement, however it believes that there will be no material effect on the consolidated financial statements.

In August 2014, FASB issued Accounting Standards Update (ASU) No. 2014-15 Preparation of Financial Statements – Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. Under generally accepted accounting principles (GAAP), continuation of a reporting entity as a going concern is presumed as the basis for preparing financial statements unless and until the entity's liquidation becomes imminent. Preparation of financial statements under this presumption is commonly referred to as the going concern basis of accounting. If and when an entity's liquidation becomes imminent, financial statements should be prepared under the liquidation basis of accounting in accordance with Subtopic 205-30, Presentation of Financial Statements—Liquidation Basis of Accounting. Even when an entity's liquidation is not imminent, there may be conditions or events that raise substantial doubt about the entity's ability to continue as a going concern. In those situations, financial statements should continue to be prepared under the going concern basis of accounting, but the amendments in this Update should be followed to determine whether to disclose information about the relevant conditions and events. The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company will evaluate the going concern considerations in this ASU, however, at the current period, management does not believe that it has met the conditions which would subject these financial statements for additional disclosure.

On January 31, 2013, the FASB issued Accounting Standards Update [ASU] 2013-01, entitled Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The guidance in ASU 2013-01 amends the requirements in the FASB Accounting Standards Codification [FASB ASC] Topic 210, entitled Balance Sheet. The ASU 2013-01 amendments to FASB ASC 210 clarify that ordinary trade receivables and receivables in general are not within the scope of ASU 2011-11, entitled Disclosure about Offsetting Assets and Liabilities, where that ASU amended the guidance in FASB ASC 210. As those disclosures now are modified with the ASU 2013-01 amendments, the FASB ASC 210 balance sheet offsetting disclosures now clearly are applicable only where reporting entities are involved with bifurcated embedded derivatives, repurchase agreements, reverse repurchase agreements, and securities borrowing and lending transactions that either are offset using the FASB ASC 210 or 815 requirements, or that are subject to enforceable master netting arrangements or similar agreements. ASU 2013-01 is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption of this ASU is not expected to have a material impact on our financial statements.

On February 28, 2013, the FASB issued Accounting Standards Update [ASU] 2013-04, entitled Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date. The ASU 2013-04 amendments add to the guidance in FASB Accounting Standards Codification [FASB ASC] Topic 405, entitled Liabilities and require reporting entities to measure obligations resulting from certain joint and several liability arrangements where the total amount of the obligation is fixed as of the reporting date, as the sum of the following:

The amount the reporting entity agreed to pay on the basis of its arrangement among co-obligors.

Any additional amounts the reporting entity expects to pay on behalf of its co-obligors.

While early adoption of the amended guidance is permitted, for public companies, the guidance is required to be implemented in fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments need to be implemented retrospectively to all prior periods presented for obligations resulting from joint and several liability arrangements that exist at the beginning of the year of adoption. The adoption of ASU 2013-04 is not expected to have a material effect on the Company’s operating results or financial position.

On April 22, 2013, the FASB issued Accounting Standards Update [ASU] 2013-07, entitled Liquidation Basis of Accounting. With ASU 2013-07, the FASB amends the guidance in the FASB Accounting Standards Codification [FASB ASC] Topic 205, entitled Presentation of Financial Statements. The amendments serve to clarify when and how reporting entities should apply the liquidation basis of accounting. The guidance is applicable to all reporting entities, whether they are public or private companies or not-for-profit entities. The guidance also provides principles for the recognition of assets and liabilities and disclosures, as well as related financial statement presentation requirements. The requirements in ASU 2013-07 are effective for annual reporting periods beginning after December 15, 2013, and interim reporting periods within those annual periods. Reporting entities are required to apply the requirements in ASU 2013-07 prospectively from the day that liquidation becomes imminent. Early adoption is permitted. The adoption of ASU 2013-07 is not expected to have a material effect on the Company’s operating results or financial position.

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

As of December 31, 2015 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 $33,429 ,962 (excluding $663,649 of Equity in Net Losses of Entest Biomedical, Inc. recognized) during the period from August 2, 2005 (inception) through December 31, 2015. 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. During the quarter ended December 31, 2015 Regen raised $560,000 through the issuance of equity securities for cash.

NOTE 5. INCOME TAXES

	As of December 31, 2015
Deferred tax assets:	
Net operating tax carry forwards	$11,379,317
Other	-0-
Gross deferred tax assets	11,379,317
Valuation allowance	(11,379,317)
Net deferred tax assets	$-0-

As of December 31, 2015 the Company has a Deferred Tax Asset of $11,379,317 completely attributable to net operating loss carry forwards of approximately $33,468,578 (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) $33,429,962 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 December 31, 2015 the Company is indebted to David Koos, the Company's Chairman and Chief Executive Officer, in the amount of $87,986. 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.

As of December 31, 2015 Regen is indebted to David Koos, the Company's Chairman and Chief Executive Officer, in the amount of $50. 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.

The Company utilizes approximately 2,300 square feet of office space at 4700 Spring Street, Suite 304, La Mesa California, 91941 subleased to Regen by Entest BioMedical, Inc. on a month to month basis beginning October 1, 2014. The Chief Executive Officer of Entest Biomedical Inc. is David R. Koos who also serves as the Chief Executive Officer of the Company. The sublease is on a month to month basis and rent payable to Entest Biomedical, Inc. by Regen Biopharma Inc is equal to $5,000 per month,

As of December 31, 2015 Entest Biomedical, Inc. is indebted to Regen in the amount of $12,051. $12,051 lent by Regen to Entest Biomedical, Inc . is due and payable at the demand of the holder and bear simple interest at a rate of 10% per annum.

On June 23, 2015 Regen Biopharma, Inc. entered into an agreement ("Agreement") with Zander Therapeutics, Inc. ("Zander") whereby Regen Biopharma, Inc. granted to Zander an exclusive worldwide right and license for the development and commercialization of certain intellectual property controlled by Regen Biopharma, Inc. (" License IP") for non-human veterinary therapeutic use for a term of fifteen years. Zander is a wholly owned subsidiary of Entest Biomedical, Inc.

Pursuant to the Agreement, Zander shall pay to Regen Biopharma, Inc. one-time, non-refundable, upfront payment of one hundred thousand US dollars ($100,000) as a license initiation fee which must be paid within 90 days of June 23, 2015 and an annual non-refundable payment of one hundred thousand US dollars ($100,000) on the first anniversary of the effective date of the Agreement and each subsequent anniversary.

The abovementioned payments may be made, at Zander's discretion, in cash or newly issued common stock of Zander or in common stock of Entest BioMedical Inc. valued as of the lowest closing price on the principal exchange upon which said common stock trades publicly within the 14 trading days prior to issuance.

Pursuant to the Agreement, Zander shall pay to Regen Biopharma, Inc. royalties equal to four percent (4%) of the Net Sales , as such term is defined in the Agreement, of any Licensed Products, as such term is defined in the Agreement, in a Quarter.

Pursuant to the Agreement, Zander will pay Regen Biopharma, Inc. ten percent (10%) of all consideration (in the case of in-kind consideration, at fair market value as monetary consideration) received by Zander from sublicensees (excluding royalties from sublicensees based on Net Sales of any Licensed Products for which Regen Biopharma, Inc. receives payment pursuant to the terms and conditions of the Agreement).

Zander is obligated pay to Regen Biopharma, Inc. minimum annual royalties of ten thousand US dollars ($10,000) payable per year on each anniversary of the Effective Date of this Agreement, commencing on the second anniversary of June 23, 2015. This minimum annual royalty is only payable to the extent that royalty payments made during the preceding 12-month period do not exceed ten thousand US dollars ($10,000).

The Agreement may be terminated by Regen Biopharma, Inc.:

If Zander has not sold any Licensed Product by ten years of the effective date of the Agreement or Zander has not sold any Licensed Product for any twelve (12) month period after Zander’s first commercial sale of a Licensed Product.

The Agreement may be terminated by Zander with regard to any of the License IP if by five years from the date of execution of the Agreement a patent has not been granted by the United States patent and Trademark Office to Regen Biopharma, Inc. with regard to that License IP.

The Agreement may be terminated by Zander with regard to any of the License IP if a patent that has been granted by the United States patent and Trademark Office to Regen Biopharma, Inc. with regard to that License IP is terminated.

The Agreement may be terminated by either party in the event of a material breach by the other party.

On September 28, 2015 Zander caused to be issued to Regen Biopharma, Inc. 8,000,000 of the common shares of Entest Biomedical, Inc in satisfaction of one hundred thousand US dollars ($100,000) to be paid to Regen Biopharma, Inc. by Zander as a license initiation fee.

David R. Koos serves as sole officer and director of both Zander and Entest Biomedical, Inc. and also serves as Chairman and Chief Executive Officer of Regen Biopharma, Inc.

NOTE 7. NOTES PAYABLE AND CONVERTIBLE NOTES PAYABLE AND NOTES RECEIVABLE

	December 31, 2015
Bio Technology Partners Business Trust (Company)	$14,000
Bio Technology Partners Business Trust (Regen)	$49,000
David R. Koos (Company)(Note 6)	$87,986
David R. Koos (Regen)(Note 6)	$50
The Sherman family Trust	$2,000
Bostonia Partners (Company)	$75,000
Bostonia Partners (Regen)	$119,000
Total	$347,036

Amounts due to the Biotechnology Partners Business Trust. are due and payable at the demand of the holder and bear simple interest at a rate of 10% per annum.

All loans to the Company and Regen 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.

All amounts due to the Sherman Family Trust bear no interest and are due and payable, in whole or in part, at the option of the holder.

$60,000 lent to Regen Biopharma, Inc. by Bostonia Partners is due and payable September 16, 2016 and bear simple interest at a rate of 10% per annum

$59,000 lent to Regen Biopharma, Inc. by Bostonia Partners is due and payable September 22, 2016 and bear simple interest at a rate of 10% per annum.

$40,000 lent to the Company by Bostonia Partners is due and payable September 2, 2016 and bear simple interest at a rate of 10% per annum.

$35,000 lent to the Company by Bostonia Partners is due and payable December 14, 2016 and bear simple interest at a rate of 10% per annum.

Convertible Notes	**December 31, 2015**
Scott Levine	50,000
Mike and Ofie Weiner	10,000
Mike and Ofie Weiner	18,400
Bio Technology Partners Business Trust	2,301
Star City Capital, LLC	206,780
Total	$287,481

$206,780 due and payable to Starcity Capital LLC (“Note”) bears no interest, is payable on April 1, 2016 and permits conversion at the Holder’s option into common shares of the Company under the following terms and conditions:

The Holder of the Note is entitled, at its option, at any time after 180 days after March 27, 2015 to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock (the "Common Stock") at a price ("Conversion Price") for each share of Common Stock equal to the greater of

(iii) fifty five percent (55%) (the "Discount") of the lowest closing bid price for the Company's common stock during the five (5) trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price") ("Initial Conversion Price") or

(iv) $0.0001.

Upon :

(i) a transfer of all or substantially all of the assets of the Company to any person in a single transaction or series of related transactions,

(ii) a reclassification, capital reorganization or other change or exchange of outstanding shares of the Common Stock, or

(iii) any consolidation or merger of the Company with or into another person or entity in which the Company is not the surviving entity (other than a merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock solely into shares of Common Stock) then, in each case, Holder may convert the unpaid principal amount of this Note into shares of Common Stock immediately prior to such event at the Conversion Price.

other than as provided in (i), (ii) and(ii) above, the Holder shall not have the right to convert its debt into shares which, when added to such Holder's other holdings in the Company stock, shall have caused such Holder to hold more than 9.99% of the Company's outstanding common stock.

The issuance of the Note amounted in a beneficial conversion feature of $300,000 which is amortized under the Interest Method over the life of the Note.

The amount by which the instrument's as converted value exceeds the principal amount as of December 31, 2015 is $357,165.

$50,000 due and payable to Scott Levine bears simple interest at 12% per annum and is convertible into common shares of the company at $0.15 per share. The instrument became due and payable on November 14, 2009. No demand for payment has been made.

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$10,000 due and payable to Mike and Ofie Weiner bears simple interest at 12% per annum and is convertible into common shares of the company at $0.15 per share. The instrument became due and payable on March 3, 2010. No demand for payment has been made.

$18,400 due and payable to Mike and Ofie Weiner bears simple interest at 12% per annum and is convertible into common shares of the company at $0.15 per share. The instrument became due and payable on December 28, 2009. No demand for payment has been made.

$2,301 due and payable to Bio Technology Partners Business Trust bears simple interest at 12% per annum and is convertible into common shares of the company at $0.15 per share. The instrument became due and payable on November 26, 2009. No demand for payment has been made.

As of December 31, 2015 the unamortized discount on convertible notes outstanding is $ 75,815.

NOTES RECEIVABLE

	December 31, 2015
Entest Biomedical, Inc. (Note 6)	$ 12,051
Notes Receivable	$ 12,051

$12,051 lent by Regen Biopharma, Inc. to Entest Biomedical, Inc. is due and payable at the demand of the holder and bear simple interest at a rate of 10% per annum.

NOTE 8. STOCKHOLDERS' EQUITY

The stockholders' equity section of the Company contains the following classes of capital stock as of December 31, 2015:

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 (10,0000).

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.

40,000 Series AAA 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 one hundred thousand (100,0000).

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; 8,000,000,000 shares authorized: 4,889,065,929 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).

NOTE 9. 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 was 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.

On February 2, 2015 Plaintiff and the Company entered into a Settlement Agreement and Mutual General Release to fully and finally resolve the aforementioned legal action pursuant to the following terms and conditions:

(a) Within seven business days of the Company's transfer agent's receipt of an appropriate opinion of counsel, the Company shall deliver to Starcity or its designee or assignee (which designation or assignment shall be provided in writing) via DWAC, 103,030,303 of the common shares of the Company , it being the agreement of the parties that such issuance shall constitute full and complete satisfaction of $17,000 due to Starcity by the Company.

(b) The Company shall deliver to Starcity a non interest bearing Convertible Note in the face amount of $300,000 ("Note") due and payable April 1, 2016.

The Holder of this Note is entitled, at its option, at any time after 180 days after the date that consideration of $52,500 is paid to the Company to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock (the "Common Stock") at a price ("Conversion Price") for each share of Common Stock equal to the greater of

(i) fifty five percent (55%) (the "Discount") of the lowest closing bid price for the Company's common stock during the five (5) trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price") ("Initial Conversion Price") or

(ii) $0.0001.

Other than as provided in 5(p) of the Note), the Holder shall not have the right to convert its debt into shares which, when added to such Holder's other holdings in the Company stock, shall have caused such Holder to hold more than to hold more than 9.99% of the Company's outstanding common stock. Section 5(p) of the Note states that:

Upon :

(i) a transfer of all or substantially all of the assets of the Company to any person in a single transaction or series of related transactions,

(ii) a reclassification, capital reorganization or other change or exchange of outstanding shares of the Common Stock, or

(iii) any consolidation or merger of the Company with or into another person or entity in which the Company is not the surviving entity (other than a merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock solely into shares of Common Stock)

then, in each case, Holder may convert the unpaid principal amount of this Note into shares of Common Stock immediately prior to such event at the Conversion Price.

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In the event that Starcity fails to fund the Note by making a payment of $52,500 to the Company on or before April 1, 2015, the Company's obligations under this Note shall be terminated, cancelled and relinquished.

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.

The Company utilizes approximately 2,300 square feet of office space at 4700 Spring Street, Suite 304, La Mesa California, 91941 subleased to Regen Biopharma, Inc. by Entest BioMedical, Inc. on a month to month basis beginning October 1, 2014. The Chief Executive Officer of Entest Biomedical Inc. is David R. Koos who also serves as the Chief Executive Officer of Regen and the Company. The sublease is on a month to month basis and rent payable to Entest Biomedical, Inc. by Regen Biopharma Inc is equal to $5,000 per month.

NOTE 10. INVESTMENT SECURITIES

As of the quarter ending September 30, 2012 the Company reclassified 66,667 (retroactively adjusted for reverse stock split.) common shares of Entest Biomedical, Inc. as Securities Available for Sale from Securities Accounted for under the Equity Method.

On September 28, 2015 Zander Theraputics, Inc. caused to be issued to Regen Biopharma, Inc. 8,000,000 of the common shares of Entest Biomedical, Inc in satisfaction of one hundred thousand US dollars ($100,000) to be paid to Regen Biopharma, Inc. by Zander Theraputics, Inc as a license initiation fee.

The common shares of Entest Biomedical, Inc described above constitute the Company's sole investment securities as of December 31, 2015.

NOTE 11. STOCK TRANSACTIONS

BIO- MATRIX SCIENTIFIC GROUP, INC.:

On October 2, 2015 the Company issued 382,657,778 of its Common Shares in satisfaction of $63,138 of convertible indebtedness.

On December 15, 2015 the Company issued 273,476,806 of its Common Shares in satisfaction of $30,082 of convertible indebtedness.

REGEN BIOPHARMA, INC.

Common Stock

On October 28, 2015 Regen issued 3,333,334 of its Common Shares for cash consideration of $166,667.

On November 20, 2015 Regen issued 2,200,000 of its Common Shares for cash consideration of $55,000.

On December 29, 2015 Regen issued 4,000,000 of its Common Shares for cash consideration of $100,000.

Series A Preferred Stock

On October 28, 2015 Regen issued 1,666,667 shares of its Series A Preferred stock for cash consideration of $83,333.

On October 28, 2015 Regen issued 11,000,000 shares of its Series A Preferred stock to Dr. Harry Lander, Regen's President and Chief Scientific Officer, pursuant to the terms and conditions of that employment agreement entered into by and between Dr. Lander and Regen dated October 9, 2015.

On November 20, 2015 Regen issued 2,200,000 shares of its Series A Preferred stock for cash consideration of $55,000.

On November 20, 2015 Regen issued 400,000 shares of its Series A Preferred stock as consideration for nonemployee services.

On December 29, 2015 Regen issued 4,000,000 shares of its Series A Preferred stock for cash consideration of $100,000.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

CERTAIN FORWARD-LOOKING INFORMATION

Information provided in this Quarterly report on Form 10Q may contain forward-looking statements within the meaning of Section 21E or Securities Exchange Act of 1934 that are not historical facts and information. These statements represent the Company's expectations or beliefs, including, but not limited to, statements concerning future and operating results, statements concern industry performance, the Company's operations, economic performance, financial conditions, margins and growth in sales of the Company's products, capital expenditures, financing needs, as well assumptions related to the forgoing. For this purpose, any statements contained in this Quarterly Report that are not statement of historical fact may be deemed to be forward-looking statements. These forward-looking statements are based on current expectations and involve various risks and uncertainties that could cause actual results and outcomes for future periods to differ materially from any forward-looking statement or views expressed herein. The Company's financial performance and the forward-looking statements contained herein are further qualified by other risks including those set forth from time to time in the documents filed by the Company with the Securities and Exchange Commission, including the Company's most recent Form 10Kfor the year ended September 30, 2015. All references to” We”, “Us”, “Company” or the “Company” refer to Bio-Matrix Scientific Group, Inc.. All references to “Regen” refers to the Company’s controlled subsidiary Regen Biopharma, Inc.

Material Changes in Financial Condition:

As of December 31, 2015 we had Cash of $193,386 and as of September 30, 2015 we had Cash of $76,355.

The increase in Cash of approximately 153.27% is primarily attributable to:

The sale of $560,000 of equity securities by Regen

The deposit with Regen of $50,000 by an investor in anticipation of purchasing the equity securities of Regen

Borrowing by the Company of $35,000 from a third party lender

Offset by:

Payment by Regen of $35,000 of principal indebtedness owed by Regen to an unaffiliated third party lender.

Payment by the Company of $53,300 of principal indebtedness owed by the Company to the Company’s Chief Executive Officer

Cash expended in the operation of the Company and Regen’s business.

As of December 31, 2015 we had Prepaid Expenses of $16,000 and as of September 30, 2015 we had Prepaid Expenses of $25,000.

The decrease in Prepaid Expenses of approximately 36% is primarily attributable to:

$10,000 of salary prepaid to Regen's former Chief Scientific Officer having been reclassified during the quarter ended December 31, 2015 as amounts Due from Former Employee as a result of the resignation of Regen's former Chief Scientific Officer during the quarter ended December 31, 2015

Offset by:

$1,000 in salary having been prepaid to an employee during the quarter ended December 31, 2015

As of December 31, 2015 we had Accrued Interest Receivable of $1,681 and as of September 30, 2015 we had Accrued Interest Receivable of $1,381

The increase in of Accrued Interest Receivable of approximately 21.7% is attributable to interest accrued but unpaid during the three months ended December 31 , 2015 resulting from amounts due Regen by Entest Bio-Medical, Inc. David R. Koos serves as Chairman of the Board and Chief Executive Officer of the Company, Regen and Entest Bio-Medical, Inc.

As of December 31, 2015 we had Amounts Due from Former Employee of $15,000 and as of September 30, 2015 we had Amounts Due from Former Employee of $0.

The increase in Amounts Due from Former Employee is attributable to:

$10,000 of salary prepaid to Regen's former Chief Scientific Officer having been reclassified during the quarter ended December 31, 2015 as amounts Due from Former Employee as a result of the resignation of Regen's former Chief Scientific Officer during the quarter ended December 31, 2015.

$5,000 overpayment of salary due to Regen's former Chief Scientific Officer during the quarter ended December 31, 2015.

As of December 31, 2015 we had Available for Sale Securities of $121,000 and as of September 30, 2015 we had Available for Sale Securities of $159,720

The decrease in Available for Sale Securities of 24.2% is attributable to unrealized losses recognized during the quarter ended December 31, 2015 on 8,000,000 common shares of Entest Biomedical, Inc. owned by Regen and 66,667 common shares of Entest Biomedical, Inc owned by the Company.

As of December 31,2015 we had Notes Payable of $347,036 and as of September 30, 2015 we had Notes Payable of $ 400,336.

The decrease in Notes Payable of approximately 13.31% is attributable to:

Payment by Regen of $35,000 of principal indebtedness owed by the Company to an unaffiliated third party lender.

Payment by the Company of $53,300 of principal indebtedness owed by the Company to the Company's Chief Executive Officer

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Offset by:

Borrowing by the Company of $35,000 from a third party lender

As of December 31, 2015 we had Accrued Payroll of $784,757 and as of September 30, 2015 we had Accrued Payroll of $738,095.

The increase in Accrued Payroll of approximately 6.3% is attributable to :

$45,162 in salary expense due to Regen's President incurred but unpaid during the quarter ended December 31, 2015

$15,000 of salary expense due to David R. Koos, the Company's sole officer, incurred but unpaid during the quarter ended December 31, 2015

Offset by:

the payment by Regen during the quarter ended December 31, 2015 of $13,500 of salary accrued but unpaid due to Regen's Chief Financial Officer.

As of December 31, 2015 we had Accrued Payroll Taxes of $ 48,316 and as of September 30, 2015 we had Accrued Payroll Taxes of $ 44,485 ..

The increase in Accrued Payroll Taxes of approximately 8.6% is primarily attributable to employer tax obligations incurred but unpaid during the three months ended December 31, 2015.

As of December 31, 2015 we had Amounts Due to Shareholder of $50,000 and as of September 30, 2015 we had Amounts Due to Shareholder of $0.

The increase in Amounts Due to Shareholder is attributable to the deposit with Regen of $50,000 by an investor in anticipation of purchasing the equity securities of Regen.

Material Changes in Results of Operations

Revenues were -0- for the quarter ending December 31, 2015 and -0- for the same quarter ending 2014. Net Losses were $ 2,152,321 for the three months ended December 31, 2015. Net Losses were $ 856,892 for the same quarter ending 2014.

The increase in Net Losses of approximately 151% is primarily attributable to:

the recognition of $1,163,313 of expenses recognized during the quarter ended December 31, 2015 resulting from the issuance for less than fair value of common shares of Regen sold by Regen for cash

an increase in expenses related to General and Administrative, Research and Development, Rent and Consulting and professional Fees incurred during the quarter ended December 31, 2015 as compared to the same quarter ended 2014

The recognition by the Company of $73,387 of Interest Expense attributable to amortization of discount of beneficial conversion feature recognized on a convertible note

Offset by:

lower interest expenses incurred during the quarter ended December 31, 2015 as compared to the same quarter ended 2014

higher interest income earned during the quarter ended December 31, 2015 as compared to the same quarter ended 2014.

lower expenses recognized during the quarter ended December 31, 2015 resulting from the issuance for less than fair value of common shares of the Company as compared to the same quarter ended 2014.

Liquidity and Capital Resources

As of December 31, 2015 we had $193,386 cash on hand and current liabilities of $1,965,274 such liabilities consisting of Accounts Payable, Notes Payable, Convertible Notes Payable, Amounts due to Shareholder and Accrued Expenses. 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.

The Company plans to meet cash needs through applying for governmental and non-governmental grants as well as selling its securities for cash. Management has yet to decide what type of offering the Company will use or how much capital the Company will raise. There is no guarantee that the Company will be able to raise any capital through any type of offerings. Management can give no assurance that any governmental or non-governmental grant will be obtained by the Company despite the Company’s best efforts. As of February 19, 2014 Regen has identified the National Heart Lung and Blood Institute Clinical Trial Pilot Studies (R34) grant which provides up to $450,000 in funding over a period of three years as well as the Omnibus Solicitation of the NIH for Small Business Technology Transfer Grant Applications administered by the Small Business Innovation Research (SBIR) program of the National Institute of Health as grants for which Regen intends to apply. 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. During the quarter ended December 31, 2015 Regen raised $560,000 through the sale of equity securities and the Company borrowed $35,000 from an unaffiliated third party lender.

As of December 31, 2015 the Company was not party to any binding agreements which would commit us to any material capital expenditures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, as defined by Rule 229.10(f) (1) of Regulation S-K, we are not required to provide the information required by this Item. We have chosen to disclose, however, that we have not engaged in any transactions, issued or bought any financial instruments or entered into any contracts that are required to be disclosed in response to this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of David Koos, who is the Company's Principal Executive Officer/Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. The Company's disclosure controls and procedures are designed to provide a reasonable level of assurance of achieving the Company's disclosure control objectives. The Company's Principal Executive Officer/Principal Financial Officer has concluded that the Company's disclosure controls and procedures are, in fact, effective at this reasonable assurance level as of the period covered.

Changes in Internal Controls over Financial Reporting

In connection with the evaluation of the Company's internal controls during the period commencing on October 1, 2015 and ending December 31, 2015, David Koos, who is both the Company's Principal Executive Officer and Principal Financial Officer has determined that there were no changes to the Company's internal controls over financial reporting that have been materially affected, or is reasonably likely to materially effect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

BIO- MATRIX SCIENTIFIC GROUP, INC.:

On October 2, 2016 the Company issued 382,657,778 of its Common Shares ("Shares") in satisfaction of $63,138 of convertible indebtedness.

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

On December 15, 2015 the Company issued 273,476,806 of its Common Shares ("Shares") in satisfaction of $30,082 of convertible indebtedness.

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

REGEN BIOPHARMA, INC.

Common Shares

On October 28, 2015 Regen issued 3,333,334 of its Common Shares (“Shares”) for cash consideration of $166,667.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares. Cash proceeds received from sale will be utilized by Regen for general corporate purposes.

On November 20, 2015 Regen issued 2,200,000 of its Common Shares (“Shares”) for cash consideration of $55,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares. Cash proceeds received from sale will be utilized by Regen for general corporate purposes.

On December 29, 2015 Regen issued 4,000,000 of its Common Shares (“Shares”) for cash consideration of $100,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares. Cash proceeds received from sale will be utilized by Regen for general corporate purposes.

Series A Preferred Stock

On October 28, 2015 Regen issued 1,666,667 shares of its Series A Preferred stock (“Shares”) for cash consideration of $83,333.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares. Cash proceeds received from sale will be utilized by Regen for general corporate purposes

On October 28, 2015 Regen issued 11,000,000 shares of its Series A Preferred stock (“Shares”) to Dr. Harry Lander, Regen’s President and Chief Scientific Officer, pursuant to the terms and conditions of that employment agreement entered into by and between Dr. Lander and Regen dated October 9, 2015.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares.

On November 20, 2015 Regen issued 2,200,000 shares of its Series A Preferred stock ("Shares") for cash consideration of $55,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the "Act"). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares. Cash proceeds received from sale will be utilized by Regen for general corporate purposes.

On November 20, 2015 Regen issued 400,000 shares of its Series A Preferred stock ("Shares") as consideration for nonemployee services.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares.

On December 29, 2015 Regen issued 4,000,000 shares of its Series A Preferred stock (“Shares”) for cash consideration of $100,000.

The Shares were issued pursuant to Section 4(a) (2) of the Securities Act of 1933, as amended (the “Act”). 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. A legend was placed on the certificate that evidences the Shares stating that the Shares have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the Shares. Cash proceeds received from sale will be utilized by Regen for general corporate purposes.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS

31.1 Certification of Chief Executive Officer
31.2 Certification of Acting Chief Financial Officer
32.1 Certification of Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 Certification of Acting Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Bio-Matrix Scientific Group, Inc.

Date: January 28, 2016 By: */s/ David R. Koos*
David R. Koos
Chief Executive Officer