Bio-Matrix Scientific Group, Inc.
Form 10QSB
August 07, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

Quarterly Report under Section 13 or 15 (d) of
Securities Exchange Act of 1934

For Period ended June 30, 2008

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.)
8885 Rehco Road, San Diego, California	92121
(Address of Principal Executive Offices)	(Zip Code)

(619) 398-3517
(Registrant's telephone number, including area code)

Check 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 x Noo

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 S

Transitional Small Business Disclosure Format (check one): Yes £ No S

There were 23,830,773 shares of Common Stock outstanding as of June 30, 2008.

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Item 1. Financial Statements.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Bio-Matrix Scientific Group, Inc. and Subsidiary
(A Development Stage Company)

We have reviewed the accompanying consolidated balance sheet of Bio-Matrix Scientific Group, Inc. and Subsidiary (A Development Stage "Company") as of June 30, 2008, and the related consolidated statements of operation, changes in stockholders' equity, and cash flows for the nine months and three months ended June 30, 2008; and for the period from August 2, 2005 (inception) through June 30, 2008. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 5 to the consolidated financial statements, the Company is currently in the development stage. Because of the Company's current status and limited operations there is substantial doubt about its ability to continue as a going concern. Management's plans in regard to its current status are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Chang G. Park
Chang G. Park, CPA

July 28, 2008
San Diego, California

Bio-Matrix Scientific Group Inc. and subsidiary
(A Development Stage Company)
Consolidated Balance Sheet as of June 30, 2008
(Unaudited)

ASSETS		
CURRENT ASSETS		
Cash	$	220,882
Pre-paid Expenses		71,636
Total Current Assets		292,518
PROPERTY & EQUIPMENT		529,263
Total Other Assets		21,307
TOTAL ASSETS	$	843,088
CURRENT LIABILITIES		
Accounts payable	$	58,408
Notes Payable		40,278
Accrued Payroll		117,000
Accrued Payroll taxes		29,568
Accrued Interest		27,276
Accrued expenses		30,000
Total Current Liabilities		302,530
LONG TERM LIABILITIES		
Convertible Note		503,400
TOTAL LIABILITIES		805,930
STOCKHOLDERS' EQUITY		
Preferred Stock ($.0001 par value 20,000,000 shares authorized; 5,566,662 issued and outstanding as of June 30, 2008)		557
Common Stock, ($.0001 par value 80,000,000 shares authorized; 23,830,773 shares issued and outstanding as of June 30, 2008		2,383
Additional paid in Capital		6,794,741
Deficit accumulated during the development stage		(6,760,523)

Total Stockholders' Equity (Deficit)	$	37,158
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$	843,088

The Accompanying Notes are an Integral Part of these financial statements

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Bio-Matrix Scientific Group Inc. and subsidiary

(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	3 Months Ended June 30, 2008 (unaudited)	3 Months Ended June 30 2007 (unaudited)	9 Months Ended June 30, 2008 (unaudited)	9 Months Ended June 30, 2007 (unaudited)	Inception (August 2, 2005) through June 30, 2008 (unaudited)
REVENUES					
Sales	$ 0	0	0	0	0
Total Revenues	0	0	0	0	0
COSTS AND EXPENSES					
Research and Development	57,388	59,337	128,763	228,429	600,680
General and administrative	263,372	421,315	714,023	863,078	3,170,345
Depreciation and amortization		334	453	1,001	2,668
Consulting and professional fees	721,814	223,763	1,000,579	587,924	2,883,445
Impairment of goodwill & intangibles					34,688
Total Costs and Expenses	1,042,574	714,749	1,843,818	1,680,432	6,691,826
OPERATING LOSS	(1,042,574)	(714,749)	(1,843,818)	(1,680,432)	(6,691,826)
OTHER INCOME & (EXPENSES)					
Interest Expense	(20,872)	(4,206)	(42,865)	(20,560)	(69,030)

Interest Income				306	306
Other income			100		100
Other Expense				(73)	(74)
Total Other Income & (Expenses)	(20,872)	(4,206)	(42,765)	(20,327)	(68,698)
NET INCOME (LOSS)	$ (1,063,446)	(718,955)	(1,886,583)	(1,700,759)	(6,760,524)
Loss Attributable to Common Shareholders	(1,063,446)	(718,955)	(1,886,583)	(1,700,759)	(6,760,524)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	(0.04)	(0.04)	(0.08)	(0.10)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	23,696,781	19,330,268	23,525,620	17,178,178	

The Accompanying Notes are an Integral Part of these financial statements

BIO-MATRIX SCIENTIFIC GROUP INC. AND SUBSIDIARY
Consolidated Statement of Stockholders' Equity (Unaudited)
From August 2, 2005 through March 31, 2008

	Preferred Shares	Preferred Amount	Common Shares	Common Amount	Additional Paid-in Capital	Retained Earnings	Total
Shares issued to parent			25,000	35,921	0		35,921
Net Loss August 2, 2005							0
through September 30, 2005						(1,000)	(1,000)
Balance September 30, 2005			25,000	35,921	0	(1,000)	34,921
Net Loss October 1, 2005							0
through December 31, 2005						(366,945)	(366,945)
Balance December 31, 2005			25,000	35,921	0	(367,945)	(332,024)
Recapitalization			9,975,000	(34,921)	34,921		0
Stock issued Tasco merger			2,780,000	278	(278)		0
Stock issued for services			305,000	31	759,719		759,750
Stock issued for Compensation			300,000	30	584,970		585,000
Net Loss January 1, 2006 through September 30, 2006						(2,053,249)	(2,053,249)
Balance September 30, 2006			13,385,000	1,339	1,379,332	(2,421,194)	(1,040,523)
Stock issued for services			100,184	10	112,524		112,534
Stock issued for Compensation			153,700	15	101,465		101,480
			2,854,505	284	1,446,120		1,446,404

Stock issued in exchange for canceling debt					
Net Loss October 1, 2006 through December 31, 2006				(466,179)	(466,179)
Balance December 31, 2006	16,493,389	1,649	3,039,441	(2,887,373)	153,717
Stock issued for cash	500,000	50	124,950		125,000
Stock issued for services	359,310	36	235,042		235,078
Stock issued for Compensation	143,920	14	88,400		88,414
Stock issued in exchange for canceling debt	500,000	50	124,950		125,000
Net Loss January 1, 2007 through March 31, 2007				(515,624)	(515,624)
Balance March 31, 2007	17,996,619	1,800	3,612,783	(3,402,997)	211,585
Stock issued for cash	240,666	24	60,142		60,166
Stock issued for services	406,129	41	222,889		222,930
Stock issued for Compensation	150,000	15	110,435		110,450
Stock issued in exchange for canceling debt	1,316,765	132	329,059		329,191
Net Loss April 1, 2007 through June 30, 2007				(718,955)	(718,955)
Balance June 30, 2007	20,110,179	2,011	4,335,308	(4,121,952)	215,367
Stock issued for cash	1,200,000	120	299,880		300,000
Stock issued for services	1,253,000	125	404,125		404,250
Stock issued for Compensation	100,000	10	24,990		25,000
	566,217	57	143,940		143,997

Stock issued in exchange for canceling debt							
Net Loss July 1, 2007 through September 30, 2007						(751,989)	(751,989)
Balance September 30, 2007			23,229,396	2,323	5,208,244	(4,873,941)	336,626
Stock issued for Cash							
Stock issued for services			191,427	19	62,108		62,127
Net Loss October 1, 2007 through December 31, 2007						(405,812)	(405,812)
Balance December 31, 2007			23,420,823	2,342	5,270,352	(5,279,753)	(7,059)
Stock issued for cash	575,000	57			114,942		114,999
Stock issued for services	340,000	35	146,705	15	106,651		106,701
Net Loss January 1 2008 through March 31, 2008						(417,325)	(417,325)
Balance March 31, 2008	915,000	92	23,567,528	2,357	5,491,945	(5,697,078)	(202,684)
Stock issued for cash	2,154,850	215			672,172		672,387
Stock issued for services	1,421,725	142	232,000	23	613,439		613,604
Stock issued for accrued interest			31,245	3	17,293		17,296
Stock issued as dividend	1,075,087	108			(108)		
Net Loss April 1,2008 to June 30, 2008						(1,063,446)	(1,063,446)
Balance June 30, 2008	5,566,662	557	23,830,773	2,383	6,794,741	(6,760,524)	37,158

The Accompanying Notes are an Integral Part of these financial statements

BIO-MATRIX SCIENTIFIC GROUP, INC. AND SUBSIDIARY
(A Development stage Company)
Unaudited Consolidated Statements of Cash Flows

	3 Months ended June 30, 2008 (unaudited)	3 Months ended June 30, 2007 (unaudited)	9 Months Ended June 30, 2008 (unaudited)	9 Months Ended June 30, 2007 (unaudited)	August 2, 2005 (inception) through June 30, 2008 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss)	$ (1,063,446)	(718,955)	(1,886,583)	(1,700,759)	(6,760,524)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:					
Depreciation expense		333	453	1000	2,667
Stock issued for compensation		110,450		300,344	910,342
Stock issued for services	613,603	222,930	782,432	570,542	2,516,973
Stock issued for interest	17,296		17,296		17,296
Stock issued to cancel debt and accrued interest		329,191		1,900,596	
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	113	3,000	0	0	0
(Increase) decrease in prepaid expenses	27,952	10,571	(60,338)	7,051	-71,636
Increase (Decrease) in Accounts Payable	(65,639)	1,538	49,393	(85,596)	58,408
Increase (Decrease) in Accrued Expenses	34,807	14,565	158,805	24,541	233,791
Net Cash Provided by (Used in) Operating Activities	(435,314)	(26,377)	(938,542)	1,017,719	(3,092,683)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) Decrease in Deposits	1,785	2634	1,785	6,035	(21,307)
Purchases of fixed assets	(33,487)		(164,393)	(24,847)	(531,931)
Net Cash Provided by (Used in) Investing Activities	(31,702)	2634	(162,608)	(18,812)	(553,238)

CASH FLOWS FROM FINANCING ACTIVITIES					
Preferred Stock issued for cash	215		272		272
Common stock issued for cash		24		74	1,472
Additional paid in Capital	672,172	60,142	787,114	185,092	1,306,729
Principal borrowings on notes and Convertible Debentures	(86,679)	(182,716)	(1,330)	(10,106)	859,734
Convertible notes			503,400		503,400
Increase (Decrease) in Bank Overdraft			(11,534)		0
Net borrowings from related parties				(1,195,196)	1,195,196
Net Cash Provided by (Used in) Financing Activities	585,708	(122,550)	1,277,922	(1,020,136)	3,866,803
Net Increase (Decrease) in Cash	118,692	(146,293)	176,772	(21,229)	220,882
Cash at Beginning of Period	102,190	147,705	44,110	22641	0
Cash at End of Period	$ 220,882	1,412	220,882	1,412	220,882
Supplemental Cash Flow Disclosures:					
Significant non-cash activities:					
Stock issued to cancel debt					2,044,592
Preferred stock issued for stock dividend	108		108		108
Total	108		108		2,044,700

The Accompanying Notes are an Integral Part of these financial statements

BIO-MATRIX SCIENTIFIC GROUP, INC. AND SUBSIDIARY
Notes to consolidated Financial Statements
(Unaudited)
As of June 30, 2008

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

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

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

On July 3, 2006 the Company abandoned its efforts in the field of digital media production when it acquired 100% of the share capital of Bio-Matrix Scientific Group, Inc., a Nevada corporation, 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 Bio-Matrix Scientific Group, Inc 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 Bio-Matrix Scientific Group, Inc under the purchase method of accounting, and was treated as a recapitalization with Bio-Matrix Scientific Group, Inc. 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 Bio-Matrix Scientific Group, Inc.

Bio-Matrix Scientific Group, Inc. ("BMSG") is a development stage company in the business of designing, developing, and marketing medical devices, specifically disposable instruments used in stem cell extraction and tissue transfer procedures and operating cryogenic cellular storage facilities, specifically stem cell banking facilities. BMSG is the Company's only subsidiary and operating entity at this time.

On November 1, 2007, the Company was granted a Biologics license ("License") from the Department of Health Services of the State of California. This License permits the Company's current facility to accept and store cord blood (Stem Cells), whole blood, and various blood related specimens for cryogenic short and long term storage and on November 13, 2007, the Company entered into an agreement with Dr. Joao L. Ascensao, M.D., Ph.D., F.A.C.P. whereby Dr. Ascensao, as an independent contractor and not as an employee, has agreed to act as the Company's Medical Director.

On March 4, 2008 the Company entered into a Letter of Intent ("LOI") with the Regents of the University of California ("Regents) whereby the Regents shall negotiate exclusively with the Company for an exclusive license for life of the Patent Rights to a Screening Test for Gestational Diabetes Mellitus UCLA Case Number 2007-523 ("License Agreement") . As consideration for this promise, Company agreed to pay a nonrefundable fee of Five hundred dollars ($500) within ten (10) days of the execution of this Letter of Intent, and to reimburse The Regents for costs incurred in the drafting and filing of a provisional patent application for UCLA Case Number 2007-523 up to a maximum total of Three Thousand Dollars ($3,000).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. Under the accrual 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. USE OF ESTIMATES

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

C. DEVELOPMENT STAGE

The Company is a development stage company that devotes substantially all of its efforts in the development of its plan to operate in the field of the development, manufacture and marketing of medical devices and the operation of cellular storage facilities, specifically stem cell banking facilities.

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.

The Company has depreciated property and equipment by the straight-line method over the useful life.

F. INCOME TAXES

Income taxes are provided in accordance with Statement of Financial accounting Standards No. 109 (SFAS 109), Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

G. BASIC EARNINGS (LOSS) PER SHARE

In February 1997, the FASB issued SFAS No. 128, "Earnings Per Share", which specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. SFAS No. 128 supersedes the provisions of APB No. 15, and requires the presentation of basic earnings (loss) per share and diluted earnings (loss) per share. The Company has adopted the provisions of SFAS No. 128 effective

October 6, 1998 (inception).

Basic net loss per share amounts is computed by dividing the net income by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company.

NOTE 3. Property and equipment

Property and equipment as of June 30, 2008 consists of the following:

Acquisition cost:	Estimate useful life (year)		
Production Equipment	3 to 5	$US	234,904
Production Clean room	10		78,264
Leasehold improvement	10		197,934
Office equipment	3 to 5		7,250
Computer	3		13,579
Subtotal			531,931
Less accumulated depreciation			(2,668)
Total		$US	529,263

Depreciation expenses were $0 and $334 for the three months ended June 30, 2008 and June 30, 2007, respectively. Depreciation expenses were $ 453 and $1,000 for the nine months ended June 30, 2008 and June 30, 2007, respectively. With the exception of one computer which is fully depreciated, no property and equipment has yet to be utilized in production therefore no depreciation shall be recognized until usage commences.

NOTE 4. WARRANTS AND OPTIONS

Between March 21st and March 31, 2008, the Company issued warrants expiring 90 days after the execution of their agreement and exercisable into 915,000 preferred shares of the Company at $0.30 per share at any time prior to their expiration. 250,000 of these warrants were subsequently exercised.

On April 9, 2008, the Company issued 225,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $45,000. These Warrants were subsequently exercised in full.

On April 9, 2008, the Company issued 108,373 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $32,512.

On May 20, 2008, the Company issued 142,857 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $50,000.

On May 20, 2008, the Company issued 390, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services amounting to $136,500.

On May 28, 2008, the Company issued 200, 000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $60,000.

Between May 28 and May 30, 2008, 475,000 shares of the Company's Preferred Stock was issued at $0.30 per Preferred Share pursuant to the exercise of issued warrants.

On May 27, 2008, the Company issued 71,429 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

On May 29, 2008, the Company issued 175,125 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of services amounting to $61,294.

On May 30, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

On May 30, 2008, the Company issued 10,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $3,500.

On June 2, 2008, the Company issued 15,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $5,250.

On June 3, 2008, the Company issued 103,334 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $31,000.

On June 3, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

On June 11, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $25,000.

On June 11, 2008, the Company issued 47,034 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $14,110.

On June 11, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,010.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

On June 12, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

On June 13, 2008, the Company issued 285,715 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $100,000.

On June 13, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

On June 16, 2008, the Company issued 45,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $15,750.

On June 18, 2008, the Company issued 27,450 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $8,235.

On June 18, 2008 the Company issued 46, 600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $16,310.

On June 18, 2008, the Company issued 90,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $31,500.

Summary of the Company's warrants as of June 30, 2008 and 2007 and changes during the periods is as follows:

	Quarter ended June 30 2008		2007	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding at Beginning of Period	362,500	0.3	0	0
Granted	2,301,574	0.33	0	0
Exercised	-475,000	0.3		
Expired Unexercised	-112,500	0.3	0	0
Outstanding at End of period	2,076,574	0.34	0	0

The following table summarizes information regarding stock purchase warrants outstanding at June 30, 2008

	Exercise Price	Number Outstanding	Weighted Average Remaining Contract Life (Days)
	0.3	1,124,116	50
	0.45	399,515	58
	0.35	552943	61
Total outstanding as of June 30, 2008		2,076,574	54

NOTE 5. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company generated net losses of $6,760,524 during the period from August 2, 2005 (inception) through June 30, 2008. 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 through debt or equity offerings. While management has raised (a) $503,400 through the issuance of convertible debentures during the nine months ended June 30, 2008 and (b) has raised $787,386 through the sale of 2,729,850 shares of preferred stock during the nine months ended June 30, 2008. Management has yet to decide what type of offering the Company will use or how much capital the Company will raise. There is no guarantee that the Company will be able to raise any capital through any type of offerings.

NOTE 6. INCOME TAXES

	As of June 30 , 2008
Deferred tax assets:	
Net operating tax carry forwards	$ 2,311706
Other	-0-
Gross deferred tax assets	2,311706
Valuation allowance	(2,311,706)
Net deferred tax assets	$ -0-

As of June 30, 2008 the Company has a Deferred Tax Asset of $2,311,706 completely attributable to net operating loss carry forwards of approximately $6,799,140 (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 and

(b) $6,760,524 attributable to BMSG.

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

NOTE 7. RELATED PARTY TRANSACTION

On July 3, 2006, the Company acquired 100% of the share capital of BMSG from BMXP Holdings, Inc., formerly named Bio-matrix Scientific Group, Inc. in a reverse acquisition (See Note 13).

David R. Koos, the Chairman, CEO and President of the Company, is, and at the time of the acquisition was, the Chairman and Chief Executive Officer of BMXP Holdings Inc. as well as beneficial owner of 24% of the share capital of BMXP Holdings, Inc. Brian Pockett, Vice President, COO and Director of the Company, is, and at the time of the acquisition was, Chief Operating Officer, Managing Director and a Director of BMXP Holdings Inc. as well as beneficial owner of 14% of the share capital of BMXP Holdings, Inc.

On October 11, 2006, the Company entered into an Agreement with BMXP Holdings, Inc ("BMXP") ("Agreement") pursuant to which the Company issued to BMXP 1,462,570 common shares of the Company on or prior to October 12, 2006. This issuance will constitute full satisfaction of the amount of $1,191,619 plus any accrued and unpaid interest, owed to BMXP by the Company.

As further consideration to BMXP for entering into this Agreement and abiding by the terms and conditions thereof, at any time within a period of 365 days from the date of the Agreement, BMXP 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 to register under the Securities Act of 1933, as amended, 11,462,570 common shares of the Company (including the shares issued pursuant to this Agreement) owned by BMXP ("Registerable Securities"), in order that the

Registerable Securities may be distributed to BMXP shareholders on a pro rata basis (based on their ownership of common shares of the Company as of a Record Date to be determined by BMXP), and use its reasonable best efforts to cause that registration statement to be declared effective by the SEC. This right may also be exercised by any entity to which BMXP has transferred ownership of the Registerable Securities in trust for the BMXP Record Shareholders.

On April 4, 2007, 985,168 shares of the Company's common stock were issued to Bombardier Pacific Ventures in full satisfaction of $246,292 owed by the Company to Bombardier Pacific Ventures. David R. Koos, the Company's Chairman of the Board of Directors, President, CEO, Secretary, and Acting CFO is the sole beneficial owner of Bombardier Pacific Ventures.

On July 30, 2007, the Company issued 566,217 common shares to Bombardier Pacific Ventures in satisfaction of the principal amount of $141,554 owed by the Company to Bombardier Pacific Ventures. David R. Koos, the Company's Chairman of the Board of Directors, President, CEO, Secretary, and Acting CFO, is the sole beneficial owner of Bombardier Pacific Ventures.

Between October 12, 2007 and December 31, 2007, the Company borrowed $127,009 from Bombardier Pacific Ventures. David R. Koos, the Company's Chairman of the Board of Directors, President, CEO, Secretary, and Acting CFO, is the sole beneficial owner of Bombardier Pacific Ventures. In consideration for this loan, the Company issued Bombardier Pacific Ventures a series of Notes, callable at par plus any accrued and unpaid interest by the company upon five days written notice, bearing simple interest at 15% maturing within one year of issuance.

NOTE 8. 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 January18, 2008, the Company sold $100,000 face value convertible debenture (“Convertible Debenture”) for an aggregate purchase price of $100,000 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 14% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 14% per annum, payable on the maturity Date, which is January 12, 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 9. STOCK TRANSACTIONS

Transactions, other than employees' stock issuance, are in accordance with paragraph 8 of SFAS 123. Thus issuances shall be accounted for based on the fair value of the consideration received. Transactions with employees' stock issuance are in accordance with paragraphs (16-44) of SFAS 123. These issuances shall be accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, or whichever is more readily determinable.

Common Stock

On March 9, 2007 the Company issued 500,000 shares of common stock to Bio-Technology Partners Business Trust which constituted full satisfaction of the amount of $125,000 owed by the Company to Bio-Technology Partners Business Trust.

During the quarter ended March 31, 2007 the Company issued 500,000 shares of common stock for cash consideration of $125,000.

On April 4, 2007, the Company issued 240,666 common shares for cash consideration of $60,166.

On April 4, 2007, the Company issued 27,589 Shares to two purchasers as consideration for services rendered valued at $6,758.

On April 4, 2007, the Company issued 5,000 common shares as consideration for services rendered valued at $1,250.

On April 4, 2007, the Company issued 40,000 common shares to management and employees as compensation pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN.

On April 4, 2007, 985, 168 shares of the Company's common stock were issued to Bombardier Pacific Ventures in full satisfaction of $246,292 owed by the Company to Bombardier Pacific Ventures. David R. Koos, the Company's Chairman of the Board of Directors, President, CEO, Secretary, and Acting CFO, is the sole beneficial owner of Bombardier Pacific Ventures

On April18, 2007, the Company issued 5,000 common shares to an employee as compensation pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN.

On April 18, 2007, the Company issued 5,000 common shares pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered valued at $3,750

On May 22, 2007, the Company issued 15,000 common shares pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered valued at $9,300.

On May 22, 2007 the Company issued 65,000 common shares to management pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN

On June 7, 2007, the Company issued 32,040 common shares pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered valued at $20,185.

On June 7, 2007, the Company issued 5,000 common shares to an employee as compensation pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN.

On June 21, 2007, 331,597 shares of the Company's common stock were issued to Venture Bridge Advisors in full satisfaction of $82,900 owed by the Company to Venture Bridge Advisors.

On June 28, 2007 the Company issued 321,500 common shares pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered valued at $176,825.

On June 28, 2007 the Company issued 35,000 common shares to management pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN

On July 12, 2007, the Company issued 23,000 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On July 30, 2007, the Company issued 500,000 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered

On July 30, 2007, the Company issued 155,000 common shares to management pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN

On July 30, 2007, the Company issued 566,217 common shares to Bombardier Pacific Ventures in satisfaction of the principal amount of $141,554 owed by the Company to Bombardier Pacific Ventures. David R. Koos, the Company's Chairman of the Board of Directors, President, CEO, Secretary, and Acting CFO, is the sole beneficial owner of Bombardier Pacific Ventures.

On July 31, 2007, the Company issued 760,000 common shares for cash consideration of $190,000.

On August 6, 2007, the Company issued 620,000 common shares to consultants as consideration for services rendered.

On August 6, 2007, the Company issued 440,000 common shares for cash consideration of $110,000

On September 10, 2007, the Company issued 55,000 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered

On October 2, 2007, the Company issued 21,429 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered

On October 4, 2007, the Company issued 28,572 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered

On October 29, 2007, the Company issued 20,000 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On November 7, 2007, the Company issued 28,750 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On November 26, 2007, the Company issued 48,510 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On December 6, 2007, the Company issued 25,000 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On December 17, 2007, the Company issued 19,166 common shares to a consultant pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On January 8, 2008 the Company issued 110, 213 common shares to consultants pursuant to the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN as consideration for services rendered.

On January 8, 2008 the Company issued 24,587 common shares to consultants pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK as consideration for services rendered.

On February 22, 2008 the Company issued 11,905 common shares to a consultant pursuant to the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK as consideration for services rendered.

On April 9, 2008 the Company issued 10,000 shares of common stock to a consultant for services rendered valued at $5000.

On April 30, 2008 the Company issued 22,000 shares of common stock to consultants for services rendered valued at $11,000.

On May 12, 2008 the Company issued 200,000 shares of common stock to a consultant for services rendered valued at $100,000.

On June 18, 2008 the Company issued 31,245 shares of common stock holders of the Company’s Convertible Debentures in satisfaction of $17,296 of accrued interest.

Preferred Stock

During the quarter ended March 31, 2008 the Company sold 575,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for the purchase price of $0.20 per Unit for aggregate consideration of $115,000.

During the quarter ended March 31, 2008 the Company issued 340,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services rendered valued at $68,000.

On April 9, 2008, the Company issued 225,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $45,000.

On April 9, 2008, the Company issued 108,373 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $32,511.

On May 20, 2008, the Company issued 142,857 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $50,000.

On May 20, 2008, the Company issued 800,000 shares of the Company’s Preferred Stock for consideration consisting of services amounting to $280,000.

On May 20, 2008, the Company issued 390, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services amounting to $136,500.

On May 28, 2008, the Company issued 200, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $60,000.

Between May 28 and May 30, 2008, 475,000 shares of the Company’s Preferred Stock was issued at $0.30 per Preferred Share pursuant to the exercise of issued warrants.

On May 27, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

On May 29, 2008, the Company issued 175,125 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of services amounting to $61,294.

On May 30, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

On May 30, 2008, the Company issued 10,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $3,500.

On June 2, 2008, the Company issued 15,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $5,250.

On June 3, 2008, the Company issued 103,334 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $31,000.

On June 3, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

On June 10, 2008, 952,200 Preferred Shares were paid out as a dividend to common shareholders of record as of May 28, 2008.

On June 11, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $25,000.

On June 11, 2008, the Company issued 47,034 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $14,110.

On June 11, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,010.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

On June 12, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

On June 13, 2008, the Company issued 285,715 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $100,000.

On June 13, 2008, the Company issued 28,600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

On June 16, 2008, the Company issued 45,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $15,750.

On June 18, 2008, the Company issued 27,450 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $8,235.

On June 18, 2008 the Company issued 46, 600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $16,310.

On June 18, 2008, the Company issued 90,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $31,500.

NOTE 10. DIVIDEND OF PREFERRED SHARES TO COMMON AND PREFERRED SHAREHOLDERS

On May, 12, 2008 the Board of Directors of Bio-Matrix Scientific Group, Inc. (“Company”) authorized

(a) a dividend to Common shareholders of record as of May 28, 2008 (“Record Date”) to be paid to Common shareholders on or about June 10, 2008, such dividend to be payable in shares of the company’s authorized but unissued preferred stock .0001 par value and to consist of one share of preferred stock for every twenty five shares of Bio-Matrix Scientific Group, Inc. Common Stock owned as of the Record Date. The Preferred Share dividends will only be issued in the name of the beneficial owner of the Bio-Matrix Scientific Group Common Stock and no dividend shares will be issued in the name of a broker dealer to disseminate to its clients. Broker Dealers holding Common shares on behalf of clients shall be required to produce lists of Common shareholders designated by such Broker-Dealers as beneficial owners of the Company’s Common stock as of the Record Date. Any lists provided by Broker Dealers must reconcile with records on file with the Depository Trust and Clearance Corporation before the dividend may be paid by the Company

(b) a dividend to Preferred shareholders of record as of May 28, 2008 (“Record Date”) to be paid to Preferred shareholders on or about June 10, 2008, such dividend to be payable in shares of the company’s authorized but unissued preferred stock ..0001 par value and to consist of one share of preferred stock for every twenty five shares of Bio-Matrix Scientific Group, Inc. Preferred Stock owned as of the Record Date. The Preferred Share dividends will only be issued in the name of the beneficial owner of the Bio-Matrix Scientific Group Preferred Stock and no dividend shares will be issued in the name of a broker dealer to disseminate to its clients. The Preferred Share dividends will only be issued in the name of the beneficial owner of the Bio-Matrix Scientific Group Preferred Stock and no dividend shares will be issued in the name of a broker dealer to disseminate to its clients. Broker Dealers holding Preferred shares on behalf of clients shall be required to produce lists of Preferred shareholders designated by such Broker-Dealers as beneficial owners of the Company’s Preferred stock as of the Record Date. Any lists provided by Broker Dealers must reconcile with records on file with the Depository Trust and Clearance Corporation before the dividend may be paid by the Company. To the knowledge of the Company, currently no Preferred Shares are being held by Broker Dealers on behalf of clients.
On June 10, 2008, 952,200 Preferred Shares were paid out to common shareholders of record as of the Record Date. The Company anticipates paying out the remainder 122,726 shares of the dividend due shortly.

NOTE 11. STOCKHOLDERS' EQUITY

The stockholders' equity section of the Company contains the following classes of capital stock as of June 30, 2008:

* Preferred stock, $ 0.0001 par value; 20,000,000 shares authorized: 5,566,662 shares issued and outstanding.

* Common stock, $ 0.0001 par value; 80,000,000 shares authorized: 23,830,773 shares issued and outstanding.

NOTE 12. COMMITMENTS AND CONTINGENCIES

On August 3, 2005, BMSG entered into an agreement to lease a 14,562 square foot facility for use as a cellular storage facility at a rate of $18,931 per month. The lease is for a period of five years commencing on December 1, 2005 and expiring on November 30, 2010. The lease contains a renewal option enabling the Company to renew the lease for an additional five years. There are no contingent payments which the Company is required to make.

Lease Commitments

Ending September 30	Amounts
2008	$ 241,611
2009	248,864
2010	234,377
2011	42,614
Total	$ 767,466

Since the signing of this lease, BMSG has been improving this facility and has made substantial progress toward creating a cGMP (Good Manufacturing Practices) and cGTP (Good Tissue Practices) compliant facility specifically designed for the cryogenic storage of stem cells, medical device engineering, stem cell research and stem cell specimen processing laboratories.
Concurrently, the Company has been developing the policies and procedures needed for processing stem cells for cryogenic storage.

NOTE 13. ACQUISITION OF BIO-MATRIX SCIENTIFIC GROUP (NEVADA).

On June 14, 2006, the Company and Bio-Matrix Scientific Group, Inc., a Delaware corporation (the “Seller”) entered into a Stock Purchase Agreement (the “Acquisition Agreement”).

Under the terms of the Acquisition Agreement and pursuant to a separate Escrow Agreement between the Company and the Seller, The Company delivered to the Escrow Agent the sum of 10,000,000 shares of the Company's common stock and other corporate and financial records and the Seller delivered to the Escrow Agent 25,000 shares of the common stock of BSMG., a Nevada corporation (the “Subsidiary”). As a part of the transaction and pursuant to the terms of the Acquisition Agreement and Stock Cancellation Agreement between the parties and John Lauring, the Company's former Chairman and Chief Executive Officer, John Lauring returned 10,000,000 shares of the Company held and owned by him for cancellation.

On June 14, 2006, the Company's officers and directors resigned their positions and elected Dr. David R. Koos and Mr. Brian Pockett as in-coming Directors of the Registrant. Following their election and the reconstruction of the Board of Directors, the Registrant's Board of Directors elected Dr. David R. Koos as Chief Executive Officer and President and Mr. Brian Pockett as Chief Operating Officer and Vice President on June 19, 2006.

On July 3, 2006, the Acquisition Agreement closed and Company acquired the twenty-five thousand (25,000) shares of the Common Stock of the Subsidiary from the Seller in exchange for the payment of the purchase price of 10,000,000 shares of the common stock of the Company and the 10,000,000 shares of the Company owned and held by John Lauring were returned to the Company for cancellation. At that time, the Escrow Agent released all stock certificates and certain other corporate and financial books and records held pursuant to the Escrow Agreement.

As a result of the Acquisition Agreement, the Subsidiary became a wholly owned subsidiary of the Company and the Seller became the holder of approximately 78.24% of the outstanding common stock of the Registrant. For financial accounting purposes, this acquisition was a reverse acquisition of the Company by Bio-Matrix Scientific Group, Inc under the purchase method of accounting, and was treated as a recapitalization with Bio-Matrix Scientific Group, Inc. as the acquirer.

NOTE 14. TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN

On July 25, 2006 the Company adopted the TASCO HOLDINGS INTERNATIONAL, INC. 2006 EMPLOYEE AND CONSULTANTS STOCK COMPENSATIONPLAN (“the Plan”) which provides for the issuance of up to 1,500,000 authorized but unissued shares of Common Stock to eligible employees and consultants for services rendered (“Award Shares” or “Awards”). These Award Shares were registered with the Securities and Exchange Commission (“Commission”) on Form S-8 filed with the Commission on August 8, 2006. This Plan shall terminate on July 15, 2016.
Award Shares may be issued to Eligible Persons (The term "Eligible Person" means any natural person who, at a particular time, is an employee, officer, director, consultant, or advisor of the Company or any Parent or Subsidiary of the Company; provided that, in the case of consultants or advisors such services are not in connection with the offer and sale of securities in a capital-raising transaction and /or such services are not intended to directly or indirectly promote or maintain a market for the Company 's securities) in any of the following instances:
(i) as a bonus for services previously rendered and compensated, in which case the recipient of the Award Shares shall not be required to pay any consideration for such Award Shares, and the value of such Award Shares shall be the Fair Market Value of such Award Shares on the date of grant; or

(ii) as compensation for the previous performance or future performance of services or attainment of goals, in which case the recipient of the Award Shares shall not be required to pay any consideration for such Award Shares (other than the prior performance of his services or the assumption of the obligation of future performance of services).

The Plan is currently administered by the Plan Committee, which currently consists of the entire Board of Directors of the Company, and which has sole and absolute discretion to interpret and determine the effect of all matters and questions relating to this Plan.

The Plan Committee has the full and final authority in its sole discretion, at any time and from time-to-time, subject only to the express terms, conditions and other provisions of the Articles of Incorporation of the Company and this Plan, and the specific limitations on such discretion set forth herein, to:

(i) Designate the Eligible Persons or classes of Eligible Persons eligible to receive Awards from among the Eligible Persons;

(ii) Grant Awards to such selected Eligible Persons or classes of Eligible Persons in such form and amount (subject to the terms of the Plan) as the Plan Committee shall determine;

(iii) Interpret the Plan, adopt, amend and rescind rules and regulations relating to the Plan, and make all other determinations and take all other action necessary or advisable for the implementation and administration of the Plan; and

(iv) Delegate all or a portion of its authority to one or more directors of the Company who are executive officers of the Company, subject to such restrictions and limitations (such as the aggregate number of shares of Common Stock that may be awarded) as the Plan Committee may decide to impose on such delegate directors.

As of June 30, 2008 -- 1,494,342 shares have been issued pursuant to the Plan

As of June 30, 2008	Number of Shares
Granted	1,494,342 *
Remaining shares available for issuance under the Plan as of June 30, 2008.	5,658

*Does not include 300,000 shares which were issued erroneously and subsequently cancelled

NOTE 15. BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN

On June 3, 2007 the Company adopted the BIO-MATRIX SCIENTIFIC GROUP, INC. 2007 EMPLOYEE AND CONSULTANTS STOCK COMPENSATION PLAN (“the Bio Plan”) which provides for the issuance of up to 1,500,000 authorized but unissued shares of Common Stock to eligible employees and consultants for services rendered (“Award Shares” or “Awards”). These Award Shares were registered with the Securities and Exchange Commission (“Commission”) on Form S-8 filed with the Commission on June 5, 2007. This Bio Plan shall terminate on June 3, 2017.

Award Shares may be issued to Eligible Persons (The term "Eligible Person" means any natural person who, at a particular time, is an employee, officer, director, consultant, or advisor of the Company or any Parent or Subsidiary of the Company; provided that, in the case of consultants or advisors such services are not in connection with the offer and sale of securities in a capital-raising transaction and /or such services are not intended to directly or indirectly promote or maintain a market for the Company ’s securities) in any of the following instances:

(i) as a bonus for services previously rendered and compensated, in which case the recipient of the Award Shares shall not be required to pay any consideration for such Award Shares, and the value of such Award Shares shall be the Fair Market Value of such Award Shares on the date of grant; or

(ii) as compensation for the previous performance or future performance of services or attainment of goals, in which case the recipient of the Award Shares shall not be required to pay any consideration for such Award Shares (other than the prior performance of his services or the assumption of the obligation of future performance of services).

The Bio Plan is currently administered by a Plan Committee, which currently consists of the entire Board of Directors of the Company, and which has sole and absolute discretion to interpret and determine the effect of all matters and questions relating to this Bio Plan.

The Plan Committee has the full and final authority in its sole discretion, at any time and from time-to-time, subject only to the express terms, conditions and other provisions of the Articles of Incorporation of the Company and this Bio Plan, and the specific limitations on such discretion set forth herein, to:

(i) Designate the Eligible Persons or classes of Eligible Persons eligible to receive Awards from among the Eligible Persons;

(ii) Grant Awards to such selected Eligible Persons or classes of Eligible Persons in such form and amount (subject to the terms of the Plan) as the Plan Committee shall determine;

(iii) Interpret the Plan, adopt, amend and rescind rules and regulations relating to the Plan, and make all other determinations and take all other action necessary or advisable for the implementation and administration of the Plan;

and

(iv) Delegate all or a portion of its authority to one or more directors of the Company who are executive officers of the Company, subject to such restrictions and limitations (such as the aggregate number of shares of Common Stock that may be awarded) as the Plan Committee may decide to impose on such delegate directors.

As of June 30, 2008, 1,500,000 shares have been issued pursuant to the Plan

	Number of Shares
As of June 30, 2008:	
Granted	1.500,000
Remaining shares available for issuance under the Plan as of June 30, 2008	0

NOTE 16. PREFERRED STOCK OFFERINGS

During the quarter ended March 31, 2008 the Company sold 575,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for the purchase price of $0.20 per Unit for aggregate consideration of $115,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock, the Company entered into agreements with each purchaser of the Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

During the quarter ended March 31, 2008 the Company issued 340,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services rendered amounting to $68,000.

The Company has also entered into agreements with each of the abovementioned recipients of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock. The above mentioned agreements constitute agreements solely between the Company and the other parties and do not represent any intrinsic characteristic, right or designation of the Preferred Stock,

On April 9, 2008, the Company issued 225,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $45,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On April 9, 2008, the Company issued 108,373 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $32,511.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 20, 2008, the Company issued 142,857 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $50,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 20, 2008, the Company issued 800,000 shares of the Company’s Preferred Stock for consideration consisting of services valued at $280,000.

As an additional incentive to purchase the securities and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, 800,000 Preferred shares owned by that purchaser into an equivalent number of shares of the company’s common stock.

On May 20, 2008, the Company issued 390, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services valued at $136,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 28, 2008, the Company issued 200, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $60,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

Between May 28 and May 30, 2008, 475,000 shares of the Company’s Preferred Stock was issued at $0.30 per Preferred Share pursuant to the exercise of issued warrants.

On May 27, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 29, 2008, the Company issued 175,125 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of services valued at $61,294.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 30, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 30, 2008, the Company issued 10,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services valued at $3,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 2, 2008, the Company issued 15,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $5,250.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 3, 2008, the Company issued 103,334 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $31,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 3, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 11, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $25,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 11, 2008, the Company issued 47,034 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $14,110.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

\On June 11, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,010.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 11, 2008, the Company issued 28,600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 12, 2008, the Company issued 30,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 13, 2008, the Company issued 285,715 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $100,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 13, 2008, the Company issued 28,600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 16, 2008, the Company issued 45,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $15,750.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 18, 2008, the Company issued 27,450 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $8,235.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 18, 2008 the Company issued 46, 600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of services valued at $16,310.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 18, 2008, the Company issued 90,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $31,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

NOTE 17. SUBSEQUENT EVENTS

On July 1, 2008 the Certificate of Incorporation of the Company was amended to permit the following actions:

A. To grant the full authority permitted by law to the Board of Directors of the Company to issue, from time to time, multiple series of Preferred Stock and the number of shares constituting each such series and to fix by resolution full or limited, multiple or fractional, or no voting rights, and such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights of any series of the Preferred Stock that may be desired. And, subject to the limitation on the total number of shares of Preferred Stock which the Corporation has authority to issue, the Board of Directors is also authorized to increase or decrease the number of shares of any series, subsequent to the issue of that series, but not below the number of shares of such series then outstanding.

B. To grant the full authority permitted by law to the Board of Directors of the Company to issue, from time to time, multiple series of Common Stock and the number of shares constituting each such series and to fix by resolution full or limited, multiple or fractional, or no voting rights, and such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights of any series of the Common Stock that may be desired. And, subject to the limitation on the total number of shares of Common Stock which the Corporation has authority to issue, the Board of Directors is also authorized to increase or decrease the number of shares of any series, subsequent to the issue of that series, but not below the number of shares of such series then outstanding.

On July 2, 2008 the Company filed a CERTIFICATE OF DESIGNATION OF PREFERENCES, RIGHTS AND LIMITATIONS OF SERIES AA PREFERRED STOCK (“Certificate of Designations”) with the Delaware Secretary of State setting forth the preferences rights and limitations of a newly authorized series of preferred stock designated and known as “Series AA Preferred Stock” (hereinafter referred to as “Series AA Preferred Stock”).

The Board of Directors of the Company has authorized 100,000 shares of the Series AA Preferred Stock. 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). Except as otherwise required by law, holders of Common Stock, other series of Preferred issued by the Corporation, and Series AA Preferred Stock shall vote as a single class on all matters submitted to the stockholders.

On July 3, 2008, the Company issued 4,852 shares of Series AA Preferred Stock (“AA Stock”) to David R. Koos, the Company’s Chairman, President and CEO pursuant to the following terms and conditions:

A) In the event that Koos voluntarily resigns as either President or CEO of the Company prior to July 3, 2018 the AA Stock shall be returned to the Company.

B) In the event of the death of Koos prior to July 3, 2018 the AA Stock shall be returned to the Company.

C) Upon the expiration of a continuous period of two hundred forty (240) calendar days during which Koos is unable to perform his material duties as President or CEO due to physical or mental incapacity the AA Stock shall be returned to the Company.

D) Upon Koos’ conviction in a court of competent jurisdiction for a felony or any crime involving fraud or misrepresentation the AA Stock shall be returned to the Company.

The AA Stock issued to Koos are the only shares of Series AA Preferred Stock outstanding as of July 15, 2008.

On July 14, 2008 the Company issued 11,667 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $3,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to six months from issuance at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

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 10QSB 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 concerning 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 10KSB for the year ended September 30, 2007. All references to" We", "Us", "Company" or the "Company" refer to Bio-Matrix Scientific Group, Inc.

CONDITION AND RESULTS OF OPERATIONS THREE MONTHS ENDED JUNE 30, 2008 AND THE NINE MONTHS ENDED JUNE 30, 2008.

Revenues were -0- for the quarter ending June 30, 2008 and -0- for the same quarter ending June 30, 2007. Net losses were $ 1,063,446 for the three months ended June 30, 2008 and $718,995 for the same period ended June 30, 2007. Revenues were -0- for the nine months ending June 30, 2008 and -0- for the nine months ending June 30, 2007. Net losses were $1,886,583 for the nine months ended June 30, 2008 and $ 1,700,759 for the same period ended June 30, 2007.

PLAN OF OPERATION

As of June 30, 2008 the Company has $220,882 cash on hand and current liabilities of $302,530 such liabilities consisting of Accounts Payable, Notes Payable,, Accrued Payroll Taxes, Accrued Interest and other Accrued Expenses.

The Company feels it will not be able to satisfy its cash requirements over the next twelve months and shall be required to seek additional financing.

At this time, the Company plans to fund its financial needs through operating revenues (which cannot be assured) and, if required, through equity private placements of common stock. (No plans, terms, offers or candidates have yet been established and there can be no assurance that the company will be able to raise funds on terms favorable to the Company or at all.)

During the quarter ended March 31, 2008 the Company sold 575,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for the purchase price of $0.20 per Unit for aggregate consideration of $115,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock, the Company entered into agreements with each purchaser of the Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

During the quarter ended March 31, 2008 the Company issued 340,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services rendered amounting to $68,000.

The Company has also entered into agreements with each of the abovementioned recipients of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock. The above mentioned agreements constitute agreements solely between the Company and the other parties and do not represent any intrinsic characteristic, right or designation of the Preferred Stock, On April 9, 2008, the Company issued 225,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $45,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On April 9, 2008, the Company issued 108,373 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $32,511.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 20, 2008, the Company issued 142,857 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $50,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 20, 2008, the Company issued 800,000 shares of the Company’s Preferred Stock for consideration consisting of services amounting to $280,000.

As an additional incentive to purchase the securities and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, 800,000 Preferred shares owned by that purchaser into an equivalent number of shares of the company’s common stock.

On May 20, 2008, the Company issued 390, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of services amounting to $136,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On May 28, 2008, the Company issued 200, 000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $60,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

Between May 28 and May 30, 2008, 475,000 shares of the Company's Preferred Stock was issued at $0.30 per Preferred Share pursuant to the exercise of issued warrants.

On May 27, 2008, the Company issued 71,429 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On May 29, 2008, the Company issued 175,125 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of services amounting to $61,294.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On May 30, 2008, the Company issued 71,429 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $25,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the

Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On May 30, 2008, the Company issued 10,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $3,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 2, 2008, the Company issued 15,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $5,250.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 3, 2008, the Company issued 103,334 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $31,000.
As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 3, 2008, the Company issued 30,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $10,500.
As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 11, 2008, the Company issued 71,429 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $25,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the

Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 11, 2008, the Company issued 47,034 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $14,110.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 11, 2008, the Company issued 30,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 11, 2008, the Company issued 28,600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $10,010.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 12, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 13, 2008, the Company issued 285,715 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $100,000.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 13, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $10,010.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 16, 2008, the Company issued 45,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $15,750.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 18, 2008, the Company issued 27,450 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $8,235.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

On June 18, 2008 the Company issued 46, 600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $16,310.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On June 18, 2008, the Company issued 90,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $31,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

On July 14, 2008 the Company issued 11,667 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $3,500.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to six months from issuance at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

Over the next 12 months and if the Company is successful in obtaining necessary licenses (as described below), the Company anticipates opening its stem cell bank and marketing its disposable stem cell / tissue management instruments.

On November 1, 2007, the Company was granted a Biologics license ("License") from the Department of Health Services of the State of California. This License permits the Company's current facility to accept and store cord blood (Stem Cells), whole blood, and various blood related specimens for cryogenic short and long term storage and on November 13, 2007, the Company entered into an agreement with Dr. Joao L. Ascensao, M.D., Ph.D., F.A.C.P. whereby Dr. Ascensao, as an independent contractor and not as an employee, has agreed to act as the Company's Medical Director.

On February 13, 2008, the Company became registered with the US Food and Drug Administration ("FDA") under the Public Health Service Act to satisfy the regulatory requirements involving the storage of stem cells and other tissue. These regulatory requirements apply to all establishments engaged in the recovery, processing, storage, labeling, packaging, or distribution of any Human Cells, Tissues, and Cellular and Tissue-Based Products (HCT/Ps) or the screening or testing of a cell or tissue donor.

The Company is currently endeavoring to obtain a Tissue Bank License to be granted by Department of Health Services of the State of California. The Company believes it has acquired all equipment necessary in order that it may operate a Tissue Bank within the State of California.

On March 4, 2008 the Company entered into a Letter of Intent (“LOI”) with the Regents of the University of California (“Regents) whereby the Regents shall negotiate exclusively with the Company for an exclusive license for life of the Patent Rights to a Screening Test for Gestational Diabetes Mellitus UCLA Case Number 2007-523 (“License Agreement”) . As consideration for this promise, Company agreed to pay a nonrefundable fee of Five hundred dollars ($500) within ten (10) days of the execution of this Letter of Intent, and to reimburse The Regents for costs incurred in the drafting and filing of a provisional patent application for UCLA Case Number 2007-523 up to a maximum total of Three Thousand Dollars ($3,000).

The Company is currently in discussion with the Regents to extend the May 1, 2008 deadline. The Company is currently in the process of evaluating what, if any, additional equipment may be required to be acquired in the event the License Agreement is granted, of which no assurance can be given.

On April 3, 2008 the Company entered into a non binding Letter of Intent with VIBRAGENE, an anti-aging and genetic analysis company. Pursuant to the Letter of Intent, it is proposed that the Company will perform human DNA genetic testing for biomarkers that may play important roles in disease development and supply DNA testing kits to VIBRAGENE for the collection of DNA specimens. Completion of the proposed agreement is subject to a number of conditions, including but not limited to, the establishment of pricing acceptable to the parties. The Company is currently in the process of evaluating what, if any, additional equipment may be required to be acquired in the event that the abovementioned proposed agreement is executed, of which no assurance can be given.

In the event that we are successful in obtaining the amount of the additional financing that we require on acceptable terms, we currently anticipate that we will need to add the following additional employees during the twelve month period thereafter:

Title	Estimated Annual Compensation	
Director of Labs	$	120,000
Director of Quality & Assurance	$	75,000
Adm. Director	$	75,000
Dir. Of Engineering / Production	$	85,000
Lab Tech	$	65,000
Lab Tech	$	65,000
Customer Service Representative.	$	45,000
Director of Market & Sales	$	100,000
Facility Manager / Receiving & Shipping	$	60,000
Support Staff	$	50,000
Total	$	740,000

The Company cannot assure that it will be successful in obtaining additional financing necessary to implement its business plan. The Company has not received any commitment or expression of interest from any financing source that has given it any assurance that it will obtain the amount of additional financing in the future that it currently anticipates. For these and other reasons, the Company is not able to assure that it will obtain any additional financing or, if it is successful, that it can obtain any such financing on terms that may be reasonable in light of its current circumstances.

Item 3. CONTROLS AND PROCEDURES

(A) 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.

(B) Changes in Internal Controls over Financial Reporting

In connection with the evaluation of the Company's internal controls during the period commencing on April 1, 2008 and ending June 30, 2008, 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.

Item 1: LEGAL PROCEEDINGS

None

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a)
Common Shares

On May 12, 2008 the Company issued 200,000 shares of common stock to a consultant for services rendered. The offer and sale of the shares was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

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

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

On June 18, 2008 the Company issued 31,245 shares of common stock holders of the Company's Convertible Debentures in satisfaction of $17,296 of accrued interest. The offer and sale of the shares was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

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

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

Preferred Shares

On April 9, 2008, the Company issued 225,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $45,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $45,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On April 9, 2008, the Company issued 108,373 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $32,511. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the

Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $32,511, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On May 20, 2008, the Company issued 142,857 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $50,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $50,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On May 20, 2008, the Company issued 800,000 shares of the Company's Preferred Stock for consideration consisting of services amounting to $280,000. The offer and sale of the shares was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof. The offer and sale of the shares was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the securities and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, 800,000 Preferred shares owned by that purchaser into an equivalent number of shares of the company's common stock.

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

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

On May 20, 2008, the Company issued 390, 000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of services amounting to $136,500. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

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

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

On May 28, 2008, the Company issued 200, 000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $60,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The Units 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.

The net proceeds, which are $60,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

Between May 28 and May 30, 2008, 475,000 shares of the Company's Preferred Stock was issued at $0.30 per Preferred Share pursuant to the exercise of issued warrants. The offer and sale of the shares was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

The shares were offered directly through the management. No underwriters were retained to serve as placement agents. No commission or other consideration was paid in connection with the exercise of the warrants. There was no advertisement or general solicitation made in connection with this exercise of warrants and restrictive legends were placed on the shares issued pursuant to the exercise of the warrants. The exercise was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of Units which included the warrants as a component thereof, including the representations and warranties made by the purchaser The net proceeds, which are $142,500, will be utilized general working capital purposes.

On May 27, 2008, the Company issued 71,429 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $25,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $25,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On May 29, 2008, the Company issued 175,125 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of services amounting to $61,294. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The Units 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 30, 2008, the Company issued 71,429 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of $25,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $25,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On May 30, 2008, the Company issued 10,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $3,500. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The Units 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 2, 2008, the Company issued 15,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $5,250. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $5,250, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 3, 2008, the Company issued 103,334 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $31,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $31,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 3, 2008, the Company issued 30,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,500. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $10,500, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $10,010. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $10,010, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 11, 2008, the Company issued 28,600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of

$10,010. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $10,010, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 12, 2008, the Company issued 30,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $10,500. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $10,500, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 13, 2008, the Company issued 285,715 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $100,000. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $100,000, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 13, 2008, the Company issued 28,600 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.45 per share, for consideration consisting of $10,010. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $10,010, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 16, 2008, the Company issued 45,000 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.30 per share, for consideration consisting of $15,750. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $15,750, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 18, 2008, the Company issued 27,450 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.35 per share, for consideration consisting of $8,235. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $8,235, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On June 18, 2008 the Company issued 46, 600 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.45 per share, for consideration consisting of services amounting to $46,600. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The Units 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 18, 2008, the Company issued 90,000 units (“Units”), each unit consisting of one share of the Company’s Preferred Stock and one Preferred Stock Purchase Warrant (“Warrant”) exercisable for a period of three months from the date of issuance into one share of the Company’s Preferred Stock at $0.30 per share, for consideration consisting of $31,500. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to September 3, 2008 at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company’s common stock.

The net proceeds, which are $31,500, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

On July 14, 2008 the Company issued 11,667 units ("Units"), each unit consisting of one share of the Company's Preferred Stock and one Preferred Stock Purchase Warrant ("Warrant") exercisable for a period of three months from the date of issuance into one share of the Company's Preferred Stock at $0.35 per share, for consideration consisting of $3,500. The offer and sale of the Units was exempt from the registration provisions of the Securities Act of 1933, as amended, by reason of Section 4(2) thereof.

As an additional incentive to purchase the Units and not as a characteristic, right or designation of the Preferred Stock. The Company has also entered into agreements with the abovementioned recipient of Units whereby the Company has agreed to exchange, at any time subsequent to six months from issuance at the demand of the purchaser, any and all Preferred Shares owned by that purchaser through either the purchase of the Units or exercise of the Warrants into an equivalent number of shares of the company's common stock.

The net proceeds, which are $3,500, will be utilized general working capital purposes. No underwriters were retained to serve as placement agents for the sale. These Units were sold directly through our management. No commission or other consideration was paid in connection with the sale of the Units. There was no advertisement or general solicitation made in connection with this offer and sale of the Units. The offer and sale of the Units was exempt from the registration provisions of the Securities Act by reason of Section 4(2) thereof. Management made its determination of the availability of such exemption based upon the facts and circumstances surrounding the offer and sale of the Units, including the representations and warranties made by the purchaser and the fact that a restrictive legend was placed on the securities comprising the Units and restrictive legends will be placed on, and stop transfer orders placed against, the certificates for any Common Shares which may be issued in accordance with the abovementioned agreements with the Unit holder.

(b)

Material Modification to Rights of Security Holders.

On July 2, 2008   Bio Matrix Scientific Group, Inc. ("Company") filed a CERTIFICATE OF DESIGNATION OF PREFERENCES, RIGHTS AND LIMITATIONS OF SERIES AA PREFERRED STOCK ("Certificate of Designations") with the Delaware Secretary of State setting forth the preferences rights and limitations of a newly authorized series of preferred stock designated and known as "Series AA Preferred Stock" (hereinafter referred to as "Series AA Preferred Stock").

The Board of Directors of the Company have authorized 100,000 shares of the Series AA Preferred Stock. 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). Except as otherwise required by law, holders of Common Stock, other series of Preferred issued by the Corporation, and Series AA Preferred Stock shall vote as a single class on all matters submitted to the stockholders.

On July 3, 2008, the Company issued 4,852 shares of Series AA Preferred Stock ("AA Stock") to David R. Koos, the Company's Chairman, President and CEO pursuant to the following terms and conditions:

A) In the event that Koos voluntarily resigns as either President or CEO of the Company prior to July 3, 2018 the AA Stock shall be returned to the Company.

B) In the event of the death of Koos prior to July 3, 2018 the AA Stock shall be returned to the Company.

C) Upon the expiration of a continuous period of two hundred forty (240) calendar days during which Koos is unable to perform his material duties as President or CEO due to physical or mental incapacity the AA Stock shall be returned to the Company.

D) Upon Koos' conviction in a court of competent jurisdiction for a felony or any crime involving fraud or misrepresentation the AA Stock shall be returned to the Company.

The AA Stock issued to Koos are currently the only shares of Series AA Preferred Stock outstanding.

The issuance of the AA Stock, with disproportionately high voting rights generally, will adversely affect the voting power of holders of common stock and other currently outstanding series of preferred stock of the Company.

To the extent that the AA Stock may have anti-takeover effects, the Company believes that concentrating such voting power with the Chairman of the Company will encourage persons seeking to acquire the Company to negotiate directly with the Board of Directors enabling the Board of Directors to consider the proposed transaction in a manner that best serves the stockholders' interests.

The description of the Certificate of Designations is qualified in its entirety by reference to the full text of the Certificate of Designations, which is attached to the Company's Current report on Form 8-k dated July 3, 2008 as Exhibit 3(i) and incorporated herein by reference.

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.
3(i)	Certificate of Designations (incorporated by reference Filed as Exhibit 3(i) of our Form 8K dated July 3, 2008.
10	Agreement by and between David R. Koos and Bio-Matrix Scientific Group, Inc. dated July 3, 2008(incorporated by reference Filed as Exhibit 10 of our Form 8K dated July 3, 2008.)

SIGNATURES

In accordance with the requirements of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bio- Matrix Scientific Group, Inc.
a Delaware corporation

By: /s/ David R. Koos
David R. Koos
Chief Executive Officer
Date: August 5, 2008