

Bio-Matrix Scientific Group, Inc.  
Form 10-K/A  
December 27, 2013

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D. C. 20549**

**FORM 10-K/A**

**Amendment No 5.**

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

**For the Year Ended September 30, 2012**

**File Number: 0-32201**

**BIO-MATRIX SCIENTIFIC GROUP, INC.**

**(Exact name of registrant as specified in its charter)**

**DELAWARE**

(State of jurisdiction of Incorporation)

**33-0824714**

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

**4700 SPRING STREET, SUITE 304, LA MESA, CALIFORNIA,**

(Address of principal executive offices)

**91942**

(Zip Code)

**(619) 702-1404**

(Registrants telephone number, including area code)

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

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

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

**Common Stock, Par Value \$.0001**

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

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

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

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

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

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

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

Yes    No

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

Yes    No

As of March 31, 2012, the aggregate market value of the issued and outstanding common stock held by non-affiliates of the registrant, based upon the closing price of the common stock, under the symbol "BMSN" as quoted on the OTC market of \$0.095., was approximately \$564,979. For purposes of the statement in the preceding statement, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

Number of shares outstanding of each of the issuer's class of common stock as of December 23, 2013:

Common: 2,810,513,321

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

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

forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions due to a number of factors, including:

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

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

**EXPLANATORY NOTE:**

**THIS AMENDMENT NO.5 TO BIO-MATRIX SCIENTIFIC GROUP, INC'S (THE "COMPANY") FORM 10-K FOR THE PERIOD ENDED SEPTEMBER 30, 2012 ("FORM 10-K") IS BEING FILED SOLELY TO AMEND THE FOLLOWING PORTIONS OF AMENDMENT NO 4 TO THE FORM 10K. ("ORIGINAL FILING")**

**PART II ITEM 8**

**PART IV ITEM 15**

**THE COMPANY HAS NOT MODIFIED OR UPDATED DISCLOSURES PRESENTED IN THE ORIGINAL FILING, EXCEPT AS INDICATED ABOVE. ACCORDINGLY, THIS AMENDMENT DOES NOT REFLECT EVENTS OCCURRING AFTER THE DATE OF THE ORIGINAL FILING AND DOES NOT MODIFY OR UPDATE THOSE DISCLOSURES AFFECTED BY SUBSEQUENT EVENTS, EXCEPT AS SPECIFICALLY REFERENCED HEREIN. INFORMATION NOT AFFECTED BY THE ABOVE AMENDMENTS IS UNCHANGED AND REFLECTS THE DISCLOSURES MADE AT THE TIME OF THE ORIGINAL FILING.**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To: The Board of Directors and Stockholders

Bio-Matrix Scientific Group Inc.

I have audited the accompanying consolidated balance sheet of Bio-Matrix Scientific Group Inc. as of September 30, 2011 and the related statements of operations and cash flows for the year ended September 30, 2011. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Bio-Matrix Scientific Group Inc. as of September 30, 2011 and the results of its operations and cash flows for the year ended September 30, 2011 in conformity with accounting principles generally accepted in the United States.

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

/s/ John Kinross-Kennedy

John Kinross-Kennedy

Certified Public Accountant

Irvine, California

December 22,2011 (as amended)

SEALE AND BEERS, CPAs

PCAOB & CPAB REGISTERED AUDITORS

www.sealebeers.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors and Stockholders of**

**Bio-Matrix Scientific Group, Inc.**

(A Development Stage Company)

We have audited the accompanying balance sheets of Bio-Matrix Scientific Group, Inc. as of September 30, 2012, and the related statements of operations, statement of comprehensive income (loss), stockholders' equity (deficit), and cash flows for the year ended September 30, 2012, and from inception on October 6, 1998 through September 30, 2012. Bio-Matrix Scientific Group, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bio-Matrix Scientific Group, Inc. as of September 30, 2012, and the results of operations and cash flows for the

year ended September 30, 2012 and for the period from inception on October 6, 1998 through September 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 5 to the financial statements, the Company has no revenues, has negative working capital at September 30, 2012, has incurred recent losses and recurring negative cash flow from operating activities which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ Seale and Beers, CPAs*

Seale and Beers, CPAs

Las Vegas, Nevada

February 25, 2013

50 S. Jones Blvd. Suite 202 Las Vegas, NV 89107 Phone: (888)727-8251 Fax: (888)782-2351



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

	As of September 30, 2012	As of September 30, 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 75,752	\$ 331
Prepaid Expenses	15,000	39,925
Total Current Assets	90,752	40,256
<b>PROPERTY &amp; EQUIPMENT (Net of Accumulated Depreciation)</b>	0	20,789
<b>OTHER ASSETS</b>		
Deposits	4,200	4,200
Deferred Financing Costs	65,000	0
Investment in Subsidiary		41,735,443
Available for Sale Securities	22,000	0
Total Other Assets	91,200	41,739,643
<b>TOTAL ASSETS</b>	<b>\$ 181,952</b>	<b>\$ 41,800,688</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	133,039	130,507
Notes Payable	817,020	169,575
Accrued Payroll	307,692	627,000
Accrued Payroll Taxes	27,769	23,780
Accrued Interest	210,069	154,930
Accrued Expenses	5,000	5,000
Convertible Note Payable Net of Unamortized Discount	300,509	313,701
Due to Affiliate	39,140	59,500
Current portion, note payable to affiliated party	1,000	1,000
Total Current Liabilities	1,841,238	1,484,993
<b>Total Liabilities</b>	<b>1,841,238</b>	<b>1,484,993</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		

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Preferred Stock (\$.0001 par value) 20,000,000 shares authorized; 20,000,000 shares authorized; 1,963,821 issues and outstanding as of September 30, 2011 and September 30 2012	197	197
Series AA Preferred (\$.0001 par value) 100,000 shares authorized 4,852 and 94,852 issued and outstanding as of September 30, 2011 and September 30, 2012	9	
Series B Preferred Shares (\$.0001 par value) 2,000,000 shares authorized; 725,409 issued and outstanding as of September 30, 2011 and September 30 , 2012	73	73
Common Stock (\$.0001 par value) 500,000,000 shares authorized; 72,189,747 and 323,507,887 issued and outstanding as of September 30, 2011 and September 30 , 2012	32,350	7,219
Non Voting Convertible Preferred Stock (\$1 Par value) 200,000 shares authorized;75,000 and 0 issued and outstanding as of September 30, 2012 and September 30, 2011	75,000	
Additional Paid in capital	12,490,780	11,498,731
Contributed Capital	509,355	509,355
Retained Earnings (Deficit) accumulated during the development stage	26,547,311	28,300,120
Accumulated Other Comprehensive Income (Loss)	(41,314,361)	0
Total Stockholders' Equity (Deficit)	(1,659,286)	40,315,695
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 181,952</b>	<b>\$ 41,800,688</b>

The Accompanying Notes are an Integral Part of These Financial Statements

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

	12 months Ended September 30, 2012	12 months Ended September 30, 2011	From inception through September 30, 2012
REVENUES	\$ -	\$ -	\$ -
COST AND EXPENSES			
Research and Development	17,715	51,286	1,272,886
General and Administrative	564,479	779,482	6,899,014
Depreciation and Amortization			2,668
Consulting and Professional Fees	213,232	63,692	5,023,946
Impairment of Goodwill and Intangibles			34,688
Total Costs and Expenses	795,426	894,460	13,233,202
OPERATING LOSS	(795,426)	(894,460)	(13,233,202)
OTHER INCOME & (EXPENSES)			
Interest Expense	(55,139)	(62,829)	(413,674)
Loss on Early Extinguishment of Debt	(41,688)		(41,688)
Interest Expense attributable to amortization of discount	(374,338)		(374,338)
Interest Income			306
Securities issued pursuant to contractual obligations	(66,372)		(66,372)
Other Income	25	146,791	176,916
Gain on de-consolidation of subsidiary		41,645,688	41,645,688
Loss on sale of Available for Sale Securities			(487,900)
Loss on disposal of Equipment	(20,789)	(510,782)	(531,571)
Other Expense			(166)
Other Losses attributable to subsidiary			
Total Other Income & (Expense)	(558,301)	41,218,868	39,907,201
NET INCOME (LOSS)	(1,353,727)	40,324,408	26,673,999

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(Net Income) Loss attributable to noncontrolling interest		229,845	536,961
NET INCOME (LOSS) before equity in subsidiary losses	(1,353,727)	40,554,253	27,210,960
Equity in Net Income (Loss) of subsidiary	(399,082)	(264,567)	(663,649)
NET INCOME (LOSS) attributable to common shareholders	(1,752,809)	40,289,686	26,547,311
<b>BASIC AND FULLY DILUTED EARNINGS (LOSS)</b>	\$ (0.01)	\$ 0.56	
Weighted average number of shares outstanding	148,749,547	72,071,414	

The Accompanying Notes are an Integral Part of These Financial Statements

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

	Series AA Preferred Shares	Amount	Series B Preferred Shares	Amount	Amount	Preferred Amount	Common Shares
Shares issued to parent Net Loss August 2, 2005 through September 30, 2005							25,
<b>Balance September 30, 2005</b>							<b>25,</b>
Net Loss October 1, 2005 through December 31, 2005							
<b>Balance December 31, 2005</b>							<b>25,</b>

Recapitalization	9,975,0
Stock	
issued	
Tasco	2,780,0
merger	
Stock	
issued	
for	305,0
services	
Stock	
issued	
for	300,0
Compensation	
Net	
Loss	
January	
1,	
2006	
through	
September	
30,	
2006	
<b>Balance</b>	
<b>September</b>	
<b>30,</b>	<b>13,385,0</b>
<b>2006</b>	
Stock	
issued	
for	100,1
services	
Stock	
issued	
for	153,7
Compensation	
Stock	
issued	
in	
exchange	2,854,5
for	
canceling	
debt	
Net	
Loss	
October	
1,	
2006	
through	
December	
31,	

2006	
<b>Balance</b>	
<b>December</b>	
<b>31,</b>	
<b>2006</b>	<b>16,493,3</b>
Stock issued for cash	500,0
Stock issued for services	359,3
Stock issued for Compensation	143,9
Stock issued in exchange for canceling debt	500,0
Net Loss	
January 1, 2007	
through March 31, 2007	
<b>Balance</b>	
<b>March</b>	
<b>31,</b>	
<b>2007</b>	<b>17,996,6</b>
Stock issued for cash	240,6
Stock issued for services	406,1
Stock issued for Compensation	150,0

Stock issued in exchange for canceling debt Net Loss April 1, 2007 through June 30, 2007	1,316,7
<b>Balance June 30, 2007</b>	<b>20,110,1</b>
Stock issued for cash	1,200,0
Stock issued for services	1,253,0
Stock issued for Compensation	100,0
Stock issued in exchange for canceling debt Net Loss July 1, 2007 through September 30, 2007	566,2
<b>Balance September</b>	<b>23,229,3</b>



<b>30,</b>				
<b>2007</b>				
Stock issued for Cash				
Stock issued for services				191,4
Net Loss				
October 1, 2007				
through December 31, 2007				
<b>Balance December 31, 2007</b>				<b>23,420,8</b>
Stock issued for cash	575,000	57		
Stock issued for services	340,000	35	146,7	
Net Loss				
January 1, 2008				
through March 31, 2008				
<b>Balance March 31, 2008</b>	<b>915,000</b>	<b>92</b>	<b>23,567,5</b>	
Stock issued for cash	2,154,850	215		
Stock issued for	1,421,725	142	232,0	

services				
Stock				
issued				31,
for				
accrued				
interest				
Stock				
issued		1,075,087	108	
as				
dividend				
Net				
Loss				
April				
1,2008				
to				
June				
30,				
2008				
<b>Balance</b>				
<b>June</b>				
<b>30,</b>		<b>5,566,662</b>	<b>557</b>	<b>23,830,7</b>
<b>2008</b>				
Series				
AA				
Stock				
issued	4,852			
to				
Officer				
July				
3,				
2008				
Stock				
issued				905,0
for				
services				
July				
8,				
2008				
Stock				
issued				
for				
Cash		11,667	1	
July				
2,				
2008				
Stock		90,000	9	
issued				
for				
Cash				
July				
25,				

2008  
(Warrant  
Exercise)  
Stock  
issued  
for interest  
between  
July  
30,  
2008  
and  
August  
30,  
2008  
Stock  
issued  
for  
services  
September  
3,  
2008  
Stock  
issued  
due to  
rounding  
Net  
Loss  
July  
1,  
2008  
to  
September  
30,  
2008

85,

50,

218

Accumulated  
other  
Comprehensive  
Income  
as of  
September  
30,  
2008

**Balance  
September  
30,  
2008**

**4,852**

**5,668,547**

**567**

**24,870,8**

Stock  
Retired  
in

(1,099,000)

(109)

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

66,670

7

33,330

3

75,000

8

1,099,0

133,1

Contributed capital Net Loss October 1, 2008 to December 31, 2008 Accumulated other Comprehensive Income as of December 31, 2008 <b>Balance December 31, 2008</b>	<b>4,852</b>		<b>4,744,547</b>	<b>476</b>	<b>26,102,9</b>
Stock issued for Services January 7,2009			50,000	5	
Stock issued for Services January 7, 2009					1,400,0
Stock issued for Cash January 7,2009			67,000	7	
Stock issued for Cash January 14,2009			25,000	2	1,300,0

14,2009 Stock issued for Cash January 15,2009				35,
Stock issued for Services January 15, 2009				100,0
Stock issued for Services January 21, 2009				37,
Stock issued for Cash January 21, 2009				35,
Stock Retired in connection with Exchange for Common Shares January 27,2009		(27,450)	(3)	
Stock issued in connection with Exchange for Preferred Shares January 27,2009				27,

Stock issued for Cash January 28, 2009			10,
Stock issued for cash February 3, 2009	63,000	6	
Stock issued for Services January 24, 2009			200,0
Stock issued for cash February 13, 2009	200,000	20	
Stock issued for cash February 25, 2009	66,667	7	
Stock Issued for Debt March 3, 2009			1,000,0
Stock Retired in connection with Exchange for Common Shares March	(214,286)	(21)	

10  
 ,2009  
 Stock  
 issued  
 in  
 connection  
 with  
 Exchange  
 for  
 Preferred  
 Shares  
 march  
 10,  
 2009  
 Stock  
 Retired  
 in  
 connection  
 with  
 Exchange  
 for  
 Common  
 Shares  
 March  
 13  
 ,2009  
 Stock  
 issued  
 in  
 connection  
 with  
 Exchange  
 for  
 Preferred  
 Shares  
 march  
 13,  
 2009  
 Stock  
 issued  
 for  
 Cash  
 March  
 13,  
 2009  
 Stock  
 issued  
 for  
 services  
 March  
 31,

(250,000)

(25)

214,2

250,0

200,0

250,0



2009 Accumulated Other Comprehensive Income as of March 31, 2009 Net Loss January 1, 2009 to march 31, 2009 <b>Balance March 31, 2009</b>	<b>4,852</b>		<b>4,724,478</b>	<b>474</b>	<b>31,162,6</b>
Stock Retired in Connection with Exchange for Common Shares April 21, 2009 Stock issued in Exchange for Preferred Shares April 21, 2009 Stock issued for Services April 21,			(800,000)	(80)	800,0  325,0

2009 Stock issued for interest April 24,2009					53,
Stock issued to satisfy amounts due as a result of Notes Payable Stock Retired in Connection with Exchange for Common Shares May 15, 2009					2,869,8
Stock issued in Exchange for Preferred Shares May 15,2009					780,0
Stock issued as dividend May 15, 2009	725,409	73			
Stock Retired in Connection with			(780,000)	(78)	
			(94,000)	(9)	

Exchange for Common Shares June 8, 2009 Stock issued in Exchange for Preferred Shares June 8, 2009 Stock issued for Services June 22, 2009 Stock issued in satisfaction of accrued salary Net Loss April 1, 2009 to June 30, 2009						94,
<b>Balance</b>						
<b>June 30, 2009</b>	<b>4,852</b>	<b>725,409</b>	<b>73</b>	<b>3,050,478</b>	<b>307</b>	<b>40,284,9</b>
Stock issued for interest July 20,						68,

2009  
 Stock  
 Retired  
 in  
 Connection  
 with  
 Exchange  
 for  
 Common  
 Shares  
 July  
 29,  
 2009  
 Common  
 Shares  
 issued  
 by  
 subsidiary  
 August  
 3,  
 2009  
 Stock  
 issued  
 in  
 Exchange  
 for  
 Preferred  
 Shares  
 July  
 29,  
 2009  
 Stock  
 issued  
 to  
 prepay  
 expenses  
 August  
 20,2009  
 Stock  
 issued  
 for  
 services  
 August  
 20,2009  
 Stock  
 issued  
 by  
 Subsidiary  
 for  
 Services  
 August

(75,000)

(7)

75,

2,500,0

700,0

31, 2009 Stock issued for services September 8,2009 Stock issued by Subsidiary September 10, 2009 Restricted Stock Award compensation expense (Stock of Subsidiary) for the year ended September 30, 2009 Net Loss July 1, 2009 to September 30, 2009 Loss attributable to non controlling interest in subsidiary						100,0
<b>Balance September 30, 2009</b>	<b>4,852</b>	<b>725,409</b>	<b>73</b>	<b>2,975,478</b>	<b>300</b>	<b>43,728,3</b>

50,

Shares  
issued  
for  
services  
October  
19,  
2009  
Stock  
issued  
for  
debt  
November  
16  
2009  
Stock  
issued  
as  
contingent  
payment  
for  
services  
previously  
rendered  
December  
31  
2009  
Stock  
issued  
by  
Subsidiary  
for  
cash  
Restricted  
Stock  
Award  
compensation  
expense  
(Stock  
of  
Subsidiary)  
for 3  
months  
ended  
November  
30,  
2009  
Common  
Stock  
of  
subsidiary  
issued

3,273,3

40,

as  
 compensation  
 Net  
 Loss  
 October  
 1,  
 2009  
 to  
 December  
 31  
 2009  
 Loss  
 attributable  
 to non  
 controlling  
 interest  
 in  
 subsidiary  
**Balance**  
**December**  
**31,**  
**2009**  
 Shares  
 issued  
 for  
 interest  
 January  
 19,  
 2010  
 Shares  
 issued  
 for  
 Convertible  
 Debenture  
 Stock  
 retired  
 in  
 connection  
 with  
 exchange  
 for  
 Common  
 Shares  
 February  
 5,  
 2010  
 Common  
 Stock  
 issued  
 for  
 Preferred

4,852

725,409

73

2,975,478

300

47,091,7

229,6

1,433,3

(109,735)

(13)

109,7

Shares February 5 2010 Shares issued for Convertible Debenture February 10,2010	3,000,0
Shares issued for rental expenses March 31, 2010	2,511,5
Shares issued for debt March 31, 2010	6,777,9
Shares issued for debt March 31, 2010	3,593,2
Shares issued for accrued salary March 31, 2010	4,454,9
Restricted Stock Award compensation expense (Stock of Subsidiary) for 3 months	



ended February 28,2010 Shares issued for services						300,0
March 19 2010 Net Loss January 1,2010 to March 31, 2010 Loss attributable to non controlling interest in subsidiary						
<b>Balance</b>						
<b>March 31, 2010</b>	<b>4,852</b>	<b>725,409</b>	<b>73</b>	<b>2,865,743</b>	<b>287</b>	<b>69,502,1</b>
<b>Stock retired in connection with exchange for Common Shares Stock issued for Preferred shares</b>				<b>(901,922)</b>	<b>(90)</b>	<b>901,9</b>
Net Loss June 30, 2010 Loss attributable to non						

controlling  
interest  
in  
subsidiary  
**Balance**

**June 30, 2010**

	<b>4,852</b>		<b>725,409</b>		<b>73</b>		<b>1,963,821</b>		<b>197</b>		<b>70,404,000</b>
--	--------------	--	----------------	--	-----------	--	------------------	--	------------	--	-------------------

Increase  
in  
Contributed  
Capital  
Net  
Loss  
July 1  
to  
September  
30, 2010  
Loss  
attributable  
to non  
controlling  
interest  
in  
subsidiary

**Balance**  
**September 30, 2010**

	<b>4,852</b>		<b>725,409</b>		<b>73</b>		<b>1,963,821</b>		<b>197</b>		<b>70,404,000</b>
--	--------------	--	----------------	--	-----------	--	------------------	--	------------	--	-------------------

Stock  
issued  
by  
Subsidiary  
for  
cash  
October  
7,  
2010  
Stock  
issued  
by  
Subsidiary  
for  
services  
November  
17  
and  
November 30,  
2010  
Net  
Loss

October  
1,  
2010  
to  
December  
31  
2010  
Net  
Loss  
attributable  
to non  
controlling  
interest  
in  
subsidiary

**Balance  
December  
31,  
2010**

4,852

725,409

73

1,963,821

197

70,404,0

Common  
Stock  
of  
Subsidiary  
issued  
for  
cash

January  
26,  
2011

Common  
Stock  
of  
Subsidiary  
issued  
for  
debt

January  
3,  
2011

Common  
Stock  
issued  
for  
debt

February  
17,  
2011

Common  
Stock  
of  
Subsidiary

1,785,7

issued  
to  
employees  
January  
3,  
2011  
Common  
Stock  
of  
Subsidiary  
issued  
to  
consultant  
january  
4,  
2011  
Common Stock of  
Subsidiary issued in  
connection with  
Asset Purchase  
Agreement January  
4, 2011  
Intecompany  
Liability  
recognized  
on  
deconsolidation  
of  
Entest  
Biomedical,  
Inc.  
Net  
Income  
January  
1,2011  
to  
March  
31,  
2011  
Net  
Loss  
attributable  
to non  
controlling  
interest  
in  
subsidiary  
Deconsolidation  
of  
Entest  
Biomedical

Equity  
in Net  
Income  
(Losses)  
of  
Entest  
Biomedical,  
Inc.

**Balance  
March  
31,  
2011**

4,852

725,409

73

1,963,821

197

72,189,7

Net  
Loss  
April  
1,  
2011  
to  
June  
30,  
2011

Equity  
in Net  
Income  
(Losses)  
of  
Entest  
Biomedical,  
Inc.

**Balance  
June  
30,  
2011**

4,852

725,409

73

1,963,821

197

72,189,7

Net  
Loss  
July1  
to  
September  
30,2011

Equity  
in Net  
Income  
(Losses)  
of  
Entest  
Biomedical,  
Inc.

**Balance  
September  
30,  
2011**

4,852

725,409

73

1,963,821

197

72,189,7

Shares issued for indebtedness April 23, 2012	6,944,4
Shares issued for indebtedness April 23, 2012	2,777,7
Shares issued for indebtedness April 24, 2012	3,333,3
Shares issued for indebtedness April 30, 2012	835,6
Shares issued for indebtedness May 2, 2012	3,000,0
Shares issued for indebtedness May 11, 2012	2,564,1
Shares issued for indebtedness May 11, 2012	2,564,1
Shares issued	5,769,2

for indebtedness May 11, 2012 Shares issued for indebtedness	3,428,5
May 14, 2012 Shares issued for indebtedness	3,448,2
May 16, 2012 Shares issued for indebtedness	5,454,5
May 21, 2012 Shares issued for indebtedness	3,000,0
May 24, 2012 Shares issued for indebtedness	9,920,6
May 30, 2012 Shares issued for indebtedness	11,900,0
June 6, 2012 Shares issued for indebtedness	2,633,3

June 8, 2012 Shares issued for indebtedness	6,000,0
June 8, 2012 Shares issued for indebtedness	6,000,0
June 8, 2012 Shares issued for indebtedness	7,783,3
June 12, 2012 Shares issued for indebtedness	6,000,0
June 12, 2012 Shares issued for indebtedness	333,3
June 12, 2012 Shares issued for indebtedness	5,333,3
June 19, 2012 Shares issued for indebtedness	3,425,0
June 12,	



2012 Shares issued for indebtedness July 2, 2012	6,208,3
Shares issued for indebtedness July 2, 2012	4,892,4
Shares issued for indebtedness July 13, 2012	3,250,4
Shares issued for indebtedness July 16, 2012	8,884,4
Shares issued for indebtedness July 16, 2012	2,696,2
Shares issued for indebtedness August 17, 2012	10,317,4
Shares issued for indebtedness August 17, 2012	6,983,3
	4,064,5

Shares issued for indebtedness August 17, 2012	
Shares issued for indebtedness September 7, 2012	9,370,4
Shares issued for indebtedness September 10, 2012	5,000,0
Shares issued for indebtedness September 12, 2012	6,626,5
Shares issued for indebtedness September 12, 2012	5,633,0
Shares issued for indebtedness September 28, 2012	7,284,3
Shares issued for indebtedness August 17, 2012	10,161,2
Shares issued	6,000,0

for indebtedness June 8, 2012 Shares issued for indebtedness	6,000,0
June 8, 2012 Shares issued pursuant to contractual obligations	2,040,0
May 18, 2012 Shares issued pursuant to contractual obligations	5,370,0
May 25, 2012 Shares issued pursuant to contractual obligations	3,970,0
June 6, 2012 Shares issued pursuant to contractual obligations	1,920,0
June 25, 2012 Shares issued pursuant	204,3

to  
 contractual  
 obligations  
 July  
 9,  
 2012  
 Shares  
 issued  
 pursuant  
 to  
 contractual  
 obligations  
 July  
 16,  
 2012  
 Shares  
 issued  
 pursuant  
 to  
 contractual  
 obligations  
 August  
 17,  
 2012  
 Shares  
 issued  
 pursuant  
 to  
 contractual  
 obligations  
 August  
 17,  
 2012  
 Shares  
 issued  
 for  
 Investment  
 Banking  
 Services  
 May  
 2,2012  
 Restricted  
 Stock  
 Award  
 issued  
 to  
 Employee  
 May  
 14,  
 2012

503,3

1,708,5

780,1

5,000,0

12,000,0

12,000,0

Restricted  
 Stock  
 Award  
 issued  
 to  
 Employee  
 July  
 5,  
 2012  
 Shares  
 issued  
 to  
 Employees 90,000 9  
 May  
 14,  
 2012  
 Nonvoting  
 Convertible  
 preferred  
 Shares  
 Issued  
 for  
 Services  
 August  
 30,  
 2012  
 Net  
 Loss  
 Equity  
 in Net  
 Income  
 (Losses)  
 of  
 Entest  
 Biomedical,  
 Inc.  
 Accumulated  
 Other  
 Comprehensive  
 Income  
 (Loss)  
 Recognition  
 of  
 Beneficial  
 Conversion  
 Feature  
 ,  
 Convertible  
 Notes  
 Recognition  
 of

Beneficial Conversion Feature , Nonvoting Convertible Preferred Beneficial Conversion feature deemed dividend Restricted Stock Award Compensation Expense recognized <b>Balance</b> <b>September</b> <b>30,</b> <b>2012</b>	<b>94,852</b>	<b>9</b>	<b>725,409</b>	<b>73</b>	<b>1,963,821</b>	<b>197</b>	<b>323,507,8</b>
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The Accompanying Notes are an Integral Part of These Financial Statements

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

	Year ended September 30 2012  (restated)	Year ended September 30 2011	From inception to September 30 2012  (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income (loss)	\$(1,752,809)	\$40,289,686	\$26,547,311
Adjustments to reconcile net Income to net cash (used in) provided by operating activities:			
Depreciation expense			2,667
Stock issued for compensation to employees	40,809	71,387	1,227,151
Stock issued for services rendered by consultants	140,000	62,396	4,223,130
Stock issued for prepaid expenses			313,665
Stock issued for interest		6,821	138,547
Gain recognized on deconsolidation of Subsidiary		(42,000,000)	(42,000,000)
Derecognition of noncontrolling Interest due to deconsolidation		536,961	
Changes in operating assets and liabilities:			
(Increase) decrease in prepaid expenses	24,925	500	(15,000 )
Increase (Decrease) in Accounts Payable	2,532	(121,021 )	133,040
Increase (Decrease) in Accrued Expenses	(260,180 )	188,481	580,466
(Increase) Decrease in Employee Receivable		1,396	
Increase (Decrease) in Due to Affiliate	(20,360 )	59,500	39,140
Loss attributable to Non Controlling interest in subsidiary		(229,845 )	
Equity in Loss of Entest	399,082	264,567	663,649
Net Cash Provided by (Used in) Operating Activities	(1,426,001)	(869,171 )	(8,146,234 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase) Decrease in Other Assets		22,366	(4,200 )
Purchases of fixed assets			(541,536 )

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Disposal of Fixed Assets		7,300	7,300
Loss on Disposal of Equipment	20,789	510,780	531,569
Net Cash Provided by (Used in) Investing Activities	20,789	540,466	(6,867 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Preferred Stock issued for Cash			874,985
Common Stock issued for Cash			621,164
Common Stock issued for Accrued Salaries			424,500
Common Stock issued pursuant to Contractual Obligations	66,372		66,372
Additional paid in Capital	439,708	336,498	962,945
Principal borrowings on Convertible Debentures	392,108	70,326	705,809
Principal borrowings (repayments) on notes and Convertible Debentures	647,445	(78,094 )	2,932,529
Net Borrowings From Related Parties			1,195,196
Contributed Capital			509,353
Increase (Decrease) in Notes from Affiliated party			1,000
(Increase) Decrease in Deferred Financing Costs	(65,000 )		(65,000 )
Net Cash Provided by (Used in) Financing Activities	1,480,633	328,730	8,228,853
Net Increase (Decrease) in Cash	75,421	25	75,752
Cash at Beginning of Period	331	306	0
Cash at End of Period	\$75,752	\$331	\$75,752
<b>Supplemental Disclosure of Noncash investing and financing activities:</b>			
Stock Issued for Debt	\$405,300	\$89,992	\$1,701,353
Noncash Increase in Investment in Entest		\$41,735,443	

The Accompanying Notes are an Integral Part of These Financial Statements



BIO-MATRIX SCIENTIFIC GROUP, INC.

(A Development Stage Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	Year Ended September 30, 2012	Year Ended September 30, 2011
Net Income	(1,752,809 )	40,289,686
Less:		
Unrealized Losses on Securities	(41,314,361 )	0
Total Other Comprehensive Income (Loss)	(41,314,361 )	0
Comprehensive Income	(43,067,170 )	40,289,686

The Accompanying Notes are an Integral Part of These Financial Statements

**BIO-MATRIX SCIENTIFIC GROUP, INC.**

**Notes to consolidated Financial Statements**

**As of September 30, 2012**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

#### A. BASIS OF ACCOUNTING

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

#### B. PRINCIPLES OF CONSOLIDATION

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

#### C. USE OF ESTIMATES

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

#### D. DEVELOPMENT STAGE

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

#### E. CASH EQUIVALENTS

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

#### F. PROPERTY AND EQUIPMENT

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

#### G. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The Company's financial instruments as of September 30, 2012 consisted of Securities Available for Sale consisting of 10,000,000 shares of Entest BioMedical, inc.. The fair value of all of the Company's financial instruments as of June 30, 2012 were valued according to the Level 1 input. The carrying amount of the financial instruments is equal to the fair value as determined by the Company

## H. INCOME TAXES

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

The Company applied the provisions of ASC 740-10-50, "Accounting For Uncertainty In Income Taxes", which provides clarification related to the process associated with accounting for uncertain tax positions recognized in our financial statements. Audit periods remain open for review until the statute of limitations has passed. The completion of review or the expiration of the statute of limitations for a given audit period could result in an adjustment to the Company's liability for income taxes. Any such adjustment could be material to the Company's results of operations for any given quarterly or annual period based, in part, upon the results of operations for the given period. As of September 30, 2012 the Company had no uncertain tax positions, and will continue to evaluate for uncertain positions in the future.

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

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

## I. BASIC EARNINGS (LOSS) PER SHARE

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

Basic net loss per share amounts is computed by dividing the net income by the weighted average number of common shares outstanding. All options and convertible debt outstanding has an anti-dilutive effect on the EPS, therefore Diluted Earnings per Share are the same as basic earnings per share.

## J. ADVERTISING

Costs associated with advertising are charged to expense as incurred. Advertising expenses were \$0 and \$0 for the twelve months ended September 30, 2012 and September 30, 2011 respectively.

## NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

In December 2011, the FASB issued ASU No. 2011-11, "Disclosures about Offsetting Assets and Liabilities." The amendments in this update require enhanced disclosures around financial instruments and derivative instruments that are either (1) offset in accordance with either ASC 210-20-45 or ASC 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either ASC 210-20-45 or ASC 815-10-45. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. The amendments are effective during interim and annual periods

beginning on or after January 1, 2013. The Company does not expect this guidance to have any impact on its consolidated financial position, results of operations or cash flows.

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

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

### NOTE 3. PROPERTY AND EQUIPMENT

Property and Equipment as of September 30, 2012 consists of the following:

	Estimate useful life (year)	Acquisition Cost:
Office equipment		0
Computer		0
Subtotal		0
Less accumulated depreciation		
Total		\$US 0

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

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

Depreciation expenses were \$0 and \$ 0 for the years ended September 30, 2011 and 2012 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. During the quarter ended September 30, 2012

the Company abandoned \$20,789 of Computer Equipment and Office Equipment .

**NOTE 4. OPTIONS AND WARRANTS**

On August 20, 2012 the Company issued to the holder of a \$165,000 convertible promissory note a warrant, exercisable for three years from August 20, 2012, to purchase up to 16,500,000 of the common shares of the Company at an exercise price of \$0.01 per share. As of September 30, 2012 the Company had the following warrants and options outstanding:

Shares issuable through Exercise of Warrant	Exercise Price	Shares Exercised	Expiration date
16,500,000	\$0.01	0	August 20,2015

**NOTE 5. GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Exclusive of a one time non-cash gain of \$41,645,688 recognized upon the deconsolidation of Entest BioMedical, Inc. , the Company generated net losses of \$ 14,434,728 (excluding \$663,649 of Equity in Net Losses of Entest BioMedical, inc. recognized) during the period from August 2, 2005 (inception) through September 30, 2012. This condition raises substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management plans to raise additional funds by offering securities for cash.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

## NOTE 6. INCOME TAXES

### As of September 30, 2012

Deferred tax assets:	
Net operating tax carry forwards	\$5,329,144
Other	-0-
Gross deferred tax assets	5,329,144
Valuation allowance	(5,329,144)
Net deferred tax assets	\$-0-

As of June 30, 2012 the Company has a Deferred Tax Asset of \$5,329,144 completely attributable to net operating loss carry forwards of approximately \$15,673,954 (which expire 20 years from the date the loss was incurred) consisting of

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

(b) \$15,635,338 attributable to Bio-Matrix Scientific Group, Inc. a Delaware corporation, BMSG, Regen and Entest

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

#### **NOTE 7. RELATED PARTY TRANSACTIONS**

As of September 30, 2012 the Company is indebted to David Koos, the Company's Chairman and Chief Executive Officer, in the amount of \$520. These loans are due and payable at the demand of Bombardier Pacific Ventures and bear simple interest at a rate of 15% per annum..

These loans and any accrued interest are due and payable at the demand of Mr. Koos and bear simple interest at the rate of 15% per annum. As of June 30, 2012 no monies are due to Bombardier Pacific ventures, a company controlled by David Koos.

On June 15, 2009 Entest entered into an agreement with the Company whereby Entest has agreed to sublease approximately 3,000 square feet of office space from the Company for a term of 3 years for consideration consisting of monthly rental payments of \$4,100 per month. Beginning October 2010 Entest has been paying rental expenses directly to the owner of the subleased space leaving a balance of \$59,500 of rental expenses prepaid to the Company. Between January 25, 2012 and February 14, 2012 the Company became indebted to Entest in the amount of an additional \$240 for expenses paid on behalf of the Company by Entest. Between October 1, 2011 and September 30, 2012 the Company made payments to Entest totaling \$20,600. As of September 30, 2012 the amount due to Entest is \$39,140. This obligation bears no interest and is due and payable on the demand of Entest. Entest is considered a related party due to the fact that the Chairman and CEO of the Company also serves as the Chairman and CEO of Entest.

**NOTE 8. NOTES PAYABLE**

	September 30,	September 30,
	2012	2011
Bio Technology Partners Business Trust	45,000	24,100
Bombardier Pacific Ventures		36,281
Venture Bridge Advisors	72,000	109,294
David Koos (Note 7)	520	--
Sherman Family Trust	700,000	
Notes payable	\$ 817,020	\$ 169,575

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

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

\$700,000 due to Sherman Family Trust consists of all rights to and interest in \$700,000 of salaries accrued and unpaid due to David Koos. \$700,000 due to Sherman Family Trust bears no interest and is payable in whole or in part at the demand of the Holder.

**NOTE 9. STOCKHOLDERS' EQUITY**

The stockholders' equity section of the Company contains the following classes of capital stock as September 30, 2012:

Preferred stock, \$ 0.0001 par value; 20,000,000 shares authorized, following series issued and outstanding:

1,963,821 Preferred Shares issued and outstanding.

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

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

94,852 Series AA Preferred Shares issued and outstanding.

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

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

725,409 Series B Preferred Shares issued and outstanding.

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

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

Common stock, \$ 0.0001 par value; 1,000,000,000 shares authorized: 323,507,887 shares issued and outstanding.

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

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

Non Voting Convertible Preferred Stock , \$1.00 Par value, 200,000 shares authorized , 75000 shares issued and outstanding

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

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

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

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

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

#### **NOTE 10. CONVERTIBLE DEBENTURES**

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

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

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

- (i) that Registration Statement, as amended, filed with the SEC on Form SB-2 relating to the sale of an aggregate of 17,195,263 shares of the common stock of the Company by certain selling shareholders (the “Selling Shareholders Registration Statement”) has been declared effective by the SEC or
- (ii) the Selling Shareholder Registration Statement has been withdrawn by the Company, the holder may convert the Convertible Debenture, in whole but not in part, into the Company’s common shares at the conversion rate of \$0.15 per Share.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



On January 18, 2008, the Company sold \$100,000 face value convertible debenture (“Convertible Debenture”) for an aggregate purchase price of \$100,000 to one purchaser. Interest on the Convertible Debenture shall accrue at a rate of 14% per annum based on a 365 day year. The Company shall pay simple interest to the holder on the aggregate unconverted and then outstanding principal amount of this Convertible Debenture at the rate of 14% per annum, payable on the maturity Date, which is January 12, 2010.

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

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

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

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

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

Flow Cytometer (4 Color) (BD Facscanto)  
Laboratory computer system/also for enrollments/storage tracking  
Hematology Analyzer (celldyne 1800)(ABBOTT)  
Laminar Flow Hood 4 ft ( Clean hood) (2)  
Bench top centrifuges (2) refrigerated  
Small equipment (lab set-up)

Microscope  
Tube heat sealers (2 ea)  
Barcode printer and labeling device

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On December 19, 2011, the Company issued a convertible promissory note in the amount of \$50,000 which was funded on December 22, 2011. The note bears an interest rate of eight percent (8%), matures on September 19, 2012 and may be converted after 180 days from execution of this note for shares of the Company’s common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date. The issuance of the note amounted in a beneficial conversion feature of \$40,909 which is amortized under the Interest Method. This convertible promissory note was satisfied in its entirety by the Company as a result of payment to the Holder of \$76,884 on June 11, 2012 in accordance with the prepayment conditions of the note. A Loss on Early Extinguishment of Debt of \$29,106 was recognized by the Company as a result of this prepayment.

On February 28, 2012, the Company issued a convertible promissory note in the amount of \$27,500 which was funded on March 6, 2012. The note bears an interest rate of eight percent (8%), matures on November 30, 2012 and

may be converted after 180 days from execution of this note for shares of the Company's common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date. This convertible promissory note was satisfied in its entirety by the Company as a result of payment to the Holder of \$42,305 on August 29, 2012 in accordance with the prepayment conditions of the note. A Loss on Early Extinguishment of Debt of \$14,804 was recognized by the Company as a result of this prepayment.

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

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

On April 23, 2012, for no additional consideration, the Company agreed to amend the terms of \$15,000 of outstanding convertible debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares ( Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$10,000 which has been fully amortized. During the quarter ended June 30, 2012 the Company issued 4,168,541 common shares in full satisfaction of this \$15,000 in

indebtedness.

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

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

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

On May 7, 2012, the Company issued a convertible promissory note in the amount of \$53,000. The note bears an interest rate of eight percent (8%), matures on February 4, 2013 and may be converted after 180 days from execution of this note for shares of the Company's common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date. The issuance of the note amounted in a beneficial conversion feature of \$53,000 which is amortized under the Interest Method.

On May 10, 2012, for no additional consideration, the Company agreed to amend the terms of \$40,000 of existing indebtedness to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 51% the average of the lowest 3 closing bid prices of the common stock during the 10 trading days

prior to the conversion date. The reclassification of this debt resulted in the recognition of a beneficial conversion feature of \$28,000 which has been fully amortized. During the quarter ended June 30, 2012 the Company issued 15,331,392 common shares in full satisfaction of this \$40,000 in indebtedness.

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

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

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$31,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price ("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$31,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 22,787,766 common shares in satisfaction of \$30,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$15,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price ("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$15,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 9,250,494 common shares in satisfaction of \$15,000 of this indebtedness.

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

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$10,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price ("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$10,000 which has been fully amortized. During the year ended June 30, 2012 the Company issued 6,333,333 common shares in satisfaction of \$10,000 of this indebtedness.

On June 7, 2012, for no additional consideration, the Company agreed to amend the terms of \$21,000 of outstanding debt to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion

shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price (“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$14,000 which has been fully amortized. During the year ended September 30, 2012 the Company issued 11,633,000 common shares in satisfaction of \$15,000 of this indebtedness.

On June 22, 2012, for no additional consideration, the Company agreed to amend the terms of \$22,300 of outstanding debt to allow conversion at the Holder’s option into common shares of the Company at a conversion price per share equal to 60% (the “Discount”) of the lowest closing bid price for the Company’s common stock during the 7 trading days immediately preceding a conversion date, as reported by Bloomberg (the “Closing Bid Price”); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder’s brokerage account and confirmation has been received that Holder may execute trades of the conversion shares (Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price (“Reset”). The Company has agreed on a limitation on conversion equal to 9.99% of the Company’s outstanding common stock. The issuance of the note amounted in a beneficial conversion feature of \$7,433 which has been fully amortized. During the year ended September 30, 2012 the Company issued 19,351,068 common shares in satisfaction of \$22,300 of this indebtedness.

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

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



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

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

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

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

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

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

The "Conversion Price" means the weighted average of the Trading Prices (as defined below) for the Common Stock during the ten (10) Trading Day (as defined below) period ending on the latest complete Trading Day prior to the Conversion Date weighted by the daily Trading Volume. "Trading Price" means the closing bid price on the applicable trading market or, if no closing bid price of such security is available, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" by the National Quotation Bureau, Inc. If the Trading Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Company and the Holder. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the principal securities exchange or other securities market on which the Common Stock is then being traded. "Trading Volume" shall mean the number of shares traded on such Trading Day as reported. The Conversion Price shall be equitably adjusted for stock splits, stock dividends, rights offerings, combinations, recapitalization, reclassifications, extraordinary distributions and similar events by the Company relating to the Lender's securities. The Minimum Conversion Price is \$0.0035 per share. The issuance of the note amounted in a beneficial conversion feature of \$61,285 which is amortized under the interest method. During the year ended September 30, 2012 \$25,000 of the principal portion of this note was converted into 5,000,000 common shares of the issuer's common stock.

At September 30, 2012, the following convertible debentures remain outstanding:

(a) \$5,000 in aggregate convertible debt bearing simple interest at 10% per annum convertible into the Company's common stock at share and convertible into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg.

(b) \$24,179 in aggregate convertible debt bearing simple interest at 10% per annum convertible into the Company's common stock at share and convertible into common shares of the Company at a conversion price per share equal to 60% (the "Discount") of the lowest closing bid price for the Company's common stock during the seven days immediately preceding a conversion date, as reported by Bloomberg.

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

(d) \$116,000 bearing simple interest at 8% per annum of which:

\$53,000, which matures on February 4, 2013 and may be converted after 180 days from execution of this note for shares of the Company's common stock. The note may be converted at a forty five percent (45%) discount to the average of the lowest 3 closing bid prices of the common stock during the 10 trading days prior to the conversion date.

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

(e) \$140,000 bearing an annual interest rate of six percent (6%) of which the unconverted principal amount of the note and any accrued but unpaid interest is payable at the demand of the Holder at any time after August 20, 2013.

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

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

As of September 30, 2011 the Aggregate Amount of Convertible Debentures outstanding was \$313,701 and the Aggregate Amount of Unamortized discount was \$0.

#### **NOTE 11. COMMITMENTS AND CONTINGENCIES**

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

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

#### **NOTE 12. INVESTMENT SECURITIES**

As of the quarter ending June 30, 2012 the Company reclassified 10,000,000 common shares of Entest as Securities Available for Sale from Securities Accounted for under the Equity Method.

#### **NOTE 13. STOCK TRANSACTIONS**

During the year ended September 30, 2012 the Company:

Issued 5,000,000 Common Shares to the order of a broker dealer in consideration for services rendered as Placement Agent and valued at \$65,000.

Issued 12,000,000 shares to an employee for services rendered valued at \$86,400 subject to a vesting schedule

Issued 12,000,000 shares to an employee for services rendered valued at \$48,000 subject to a vesting schedule

Issued 205,821,802 Common Shares in satisfaction of \$405,300 of Convertible Notes Payable

Issued 90,000 shares of Series AA Preferred Stock to the Company's CEO

Issued 16,496,338 common shares pursuant to contractual obligations to debt holders resulting in the Company recognizing expenses of \$66,372 in connection with such issuances.

issued 75,000 of its Non Voting Convertible Preferred Stock in accordance with the terms and conditions of that Equity Purchase Agreement (the "Purchase Agreement") entered into by and between the Company and Southridge Partners II, LP (See Note 5)

#### **NOTE 14. SUBSEQUENT EVENTS**

On October 24, 2011 a Complaint ("Complaint") was filed in the Superior Court of the State of California, County of San Diego Central Division against the Company, the Company's Chairman, and American Stock Transfer and Trust Company LLC by Rick Plote. The Complaint seeks damages from the defendants jointly and severally of no less than \$615,000 and alleges breach of written agreement, breach of written guarantee and fraud in connection with the defendant's failure to transfer 4,000,000 common shares of the Company beneficially owned by the company's Chairman and CEO and pledged by the Company's Chairman to secure payment of a promissory note issued by an unaffiliated third party (Note 11).

On October 24, 2012 a settlement agreement was executed the terms of which require the litigation being dismissed with prejudice by Rick Plote, the grant to both of the Company and the Company's Chairman of a waiver and release of and from all claims by Plote and certain third parties, the grant to Plote and certain third parties of a waiver and release of and from all claims by the Company and the Company's Chairman. The grant of waiver and release by the Company to Plote and certain third parties is the sole obligation imposed on the Company by the settlement agreement.

Between October 19, 2012 and December 12, 2012 the Company:

(a) Amended the terms and conditions of \$60,000 of existing indebtedness to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 5 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares ( Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

(b) Amended the terms and conditions of \$80,000 of existing indebtedness to allow conversion at the Holder's option into common shares of the Company at a conversion price per share equal to 55% (the "Discount") of the lowest closing bid price for the Company's common stock during the 20 trading days immediately preceding a conversion date, as reported by Bloomberg (the "Closing Bid Price"); provided that if the closing bid price for the common stock on the date in which the conversion shares are deposited into Holder's brokerage account and confirmation has been received that Holder may execute trades of the conversion shares ( Clearing Date) is lower than the Closing Bid Price, then the purchase price for the conversion shares would be adjusted such that the Discount shall be taken from the closing bid price on the Clearing Date, and the Company shall issue additional shares to Purchaser to reflect such adjusted Purchase Price("Reset"). The Company has agreed on a limitation on conversion equal to 9.99% of the Company's outstanding common stock.

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

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

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

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

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

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

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

On November 19, 2012 the Company issued 16,000,000 Common Shares in satisfaction of \$5,600 of outstanding convertible indebtedness

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

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

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

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

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

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

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

On November 27, 2012 the Company amended its certificate of incorporation by amending Article 4 to be and read as follows:

"FOURTH. The total number of shares of stock which this corporation is authorized to issue is:

Two Billion (2,000,000,000) shares of Common Stock with a par value of \$0.0001 each; and Twenty Million (20,000,000) shares of Preferred Stock with a par value of \$0.0001 each, Two Hundred Thousand (200,000) shares of Non Voting Preferred Stock with a par value of \$1.00 each Non Voting Convertible Preferred Stock shall convert at the option of the holder into shares of the corporation's common stock at a conversion price equal to seventy percent (70%) of the lowest Closing Price for the five (5) trading days immediately preceding written receipt by the corporation of the holder's intent to convert.

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

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

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

The Common Stock authorized by this Certificate of Incorporation may be issued from time to time in one or more series. The Board of Directors of the Corporation shall have the full authority permitted by law to establish one or

more series 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. Subject to the limitation on the total number of shares of Common Stock which the Corporation has authority to issue hereunder, 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. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

The Preferred Stock authorized by this Certificate of Incorporation may be issued from time to time in one or more series. The Board of Directors of the Corporation shall have the full authority permitted by law to establish one or more series 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. Subject to the limitation on the total number of shares of Preferred Stock which the Corporation has authority to issue hereunder, 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. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.”

**NOTE 15. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

On September 9, 2013 the Company determined that certain items included within the Company’s Consolidated Statement of Cash Flows for the year ended September 30, 2012 and for the period from inception to September 30 2012 constituted noncash activities which do not affect Net Income and these items have been eliminated from the Company’s Statements of Cash Flows for the periods below indicated.

Consolidated Statement of Cash Flows for the year ended September 30 2012		Elimination	
	As originally presented	(41,314,361)	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES	(42,740,362)	Increase (Decrease) in Other Comprehensive Income	(1,426,001)
Consolidated Statement of Cash Flows from inception to September 30 2012		Elimination	
	As originally presented	(41,364,361)	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES	(49,510,595)	Increase (Decrease) in Other Comprehensive Income	(8,146,234)

		Elimination:	
		41,336,361	
Consolidated Statement of Cash Flows for the year ended September 30 2012	As originally presented	(Increase) Decrease in Investment in Subsidiary	As Restated
CASH FLOWS FROM FINANCING ACTIVITIES	42,794,994	Elimination:	1,480,633
		(22,000)	
		(Increase) Decrease in Securities available for Sale	
		Elimination	
		41,336,361	
		Increase (Decrease) in Investment in Subsidiary	
Consolidated Statement of Cash Flows from inception to September 30 2012	As originally presented		As Restated
CASH FLOWS FROM FINANCING ACTIVITIES	49,593,214	Elimination:	8,228,853
		28,000	
		(Increase) Decrease in Securities available for Sale	

## PART IV

### Item 15. Exhibit Index

#### EXHIBIT INDEX



EXHIBIT NUMBER	DESCRIPTION
31.1	CERTIFICATION BY CEO PURSUANT TO SECTION 302 OF SARBANES OXLEY ACT
32.1	CERTIFICATION BY CEO PURSUANT TO SECTION 906 OF SARBANES OXLEY ACT
31.2	CERTIFICATION BY CEO PURSUANT TO SECTION 302 OF SARBANES OXLEY ACT
32.2	CERTIFICATION BY CFO PURSUANT TO SECTION 906 OF SARBANES OXLEY ACT
3(i)(1)	Certificate of Incorporation (1)
3(i)(2)	Certificate of amendment dated August 22, 2006(2)
3(1)(3)	Certificate of Designations (Series AA Preferred)(3)
3(1)(4)	Certificate of Designations (Series B Preferred)(4)
3(1)(5)	Certificate of Amendment dated November 8, 2011
3(ii)(1)	Bylaws(5)
3(ii)(2)	Amended Bylaws dated July 3, 2008(6)
3(ii)(3)	AMENDED AND RESTATED BY-LAWS OF BIO-MATRIX SCIENTIFIC GROUP, INC(7)
10.1	

- Agreement by and  
between David R. Koos  
and Bio-Matrix  
Scientific Group, Inc.(8)  
Agreement for Purchase  
of Freedom  
Environmental Shares  
by and between  
10.2 Bombardier Pacific  
Ventures Inc, and  
Bio-Matrix Scientific  
Group, Inc, (9)  
Modified Promissory  
Note by and Between  
10.3 Bio-Matrix Scientific  
Group, Inc. and  
Bombardier Pacific  
Ventures Inc. dated  
December 21, 2008.(10)  
Agreement by and  
10.4 between Bio-Matrix  
Scientific Group, Inc.  
and Dr. Brian Koos(11)  
Agreement by and  
10.5 between Bio-Matrix  
Scientific Group, Inc.,  
TherInject LLC and Dr.  
Stephen Josephs(12)  
Stock purchase  
10.6 Agreement between JB  
Clothing and Bio Matrix  
Scientific Group,  
Inc.(13)  
Agreement by and  
10.7 Between Hazard  
Commercial Complex  
LLC and the  
Company(14)  
Asset Purchase  
10.8 Agreement between  
Entest CA and Pet  
Pointers (16)  
10.9 Exhibit A to Asset  
Purchase Agreement  
(17)  
10.10 Exhibit B to Asset  
Purchase Agreement  
(18)  
10.11 Employment Agreement  
Gregory McDonald (19)  
14.1 Code of Ethics(15)

- 10.12 Convertible Note dated  
12/15/2011 (20)
- 10.13 Convertible Note dated  
2/28/2012 (21)  
Equity Purchase  
Agreement by and
- 10.14 between the Company  
and Southridge Partners  
(22)  
Employment Agreement
- 10.15 J. Christopher Mizer  
(23)  
Option Agreement
- 10.16 Oregon Health &  
Science University (24)
- 10.17 Employment Agreement  
Thomas Ichim (25)  
Text of Amendment to  
Certificate of  
Incorporation effective  
August 13,
- 3(1)(6) 2012.(incorporated by  
reference to exhibit  
391)(6) of the  
Company's Form 10-K  
filed March 6, 2013)
- 10.17 Convertible Note dated  
6/25/2012 (26)  
Text of Amendment to  
Certificate of  
Incorporation effective  
November 27,
- 3(1)(7) 2012.(incorporated by  
reference to exhibit  
391)(6) of the  
Company's Form 10-K  
filed March 6, 2013)
- 10.18 Convertible Promissory  
Note dated August 20,  
2012 (27)
- 10.19 Warrant Agreement  
dated August 20, 2012  
(28)

- (1) Incorporated by reference to Form 10SB dated January 2, 2001  
(2) Incorporated by reference to Form SB-2 dated July 31, 2007  
(3) Incorporated by reference to Exhibit 3(i) of Form 8-K dated July 3, 2008  
(4) Incorporated by reference to Exhibit 3(i) of Form 8-K dated August 28, 2009  
(5) Bylaws incorporated by reference to Form 10-SB filed on January 2, 2001

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

- Modified Promissory Note by and Between Bio-Matrix Scientific Group, Inc. and Bombardier Pacific Ventures
- (10) Inc. dated December 21, 2008 , incorporated by reference to Exhibit 10(1) of Form 8-K dated December 21, 2008.
- (11) Agreement by and between Bio-Matrix Scientific Group, Inc. and Dr. Brian Koos incorporated by reference to Exhibit 3(i) of Form 8-K dated April 28, 2009
- (12) Agreement by and between Bio-Matrix Scientific Group, Inc., TherInject LLC and Dr. Stephen Josephs incorporated by reference to Exhibit 10.1 of form 8-K dated August 24,2009
- (13) Stock purchase Agreement between JB Clothing and Bio Matrix Scientific Group, Inc. incorporated by reference to Exhibit 10.1 of Form 8-K dated June 22, 2009
- (14) Agreement by and Between Hazard Commercial Complex LLC and the Company incorporated by reference to Exhibit 10.1 of Form 8-K dated April 19, 2010
- (15) Code of Ethics Incorporated by reference to Exhibit A of Form Pre 14C filed July 25, 2006
- (16) incorporated by reference to Exhibit 10.1 of Form 8-K dated January 6, 2011
- (17) incorporated by reference to Exhibit 10.2 of Form 8-K dated January 6, 2011
- (18) incorporated by reference to Exhibit 10.3 of Form 8-K dated January 6, 2011
- (19) incorporated by reference to Exhibit 10.4 of Form 8-K dated January 6, 2011
- (20) incorporated by reference to Exhibit 10.1 of Form 10-Q dated February 6, 2012
- (21) incorporated by reference to Exhibit 10.1 of Form 10-Q dated April 23, 2012
- (22) incorporated by reference to Exhibit 10.1 of Form 8-K dated May 7, 2012
- (23) incorporated by reference to Exhibit 10.3 of Form 8-K dated May 7, 2012
- (24) incorporated by reference to Exhibit 10.1 of Form 8-K dated June 6, 2012
- (25) incorporated by reference to Exhibit 10.1 of Form 8-K dated June 25, 2012
- (26) incorporated by reference to Exhibit 10.1 of Form 10-Q dated August 14, 2012
- (27) incorporated by reference to Exhibit 10.1 of Form 8-K dated August 22, 2012
- (28) incorporated by reference to Exhibit 10.2 of Form 8-K dated August 22, 2012

## SIGNATURES

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

**Bio-Matrix Scientific Group, Inc.**

By: */s/ David R. Koos*

Name: David R. Koos

Title: President, Chairman, Chief Executive Officer

Date: December 23, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on September 9, 2013.

**Bio-Matrix Scientific Group, Inc.**

*/s/ David R. Koos*

By: Name: David R. Koos

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

Date: December 23, 2013