

Stem Cell Therapy International, Inc.  
Form 10-Q  
February 17, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended December 31, 2008

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

For the transition period from , 200 , to , 200 .

Commission File Number

0-51931

**Stem Cell Therapy International, Inc.**

(Exact Name of Registrant as Specified in Charter)

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**Nevada**  
(State or Other Jurisdiction of

**88-0374180**  
(I.R.S. Employer

Incorporation or Organization)

Identification Number)

**2203 N. Lois Avenue, 9<sup>th</sup> Floor, Tampa, Florida 33607**

(Address of Principal Executive Offices)

**(813) 600-4088**

(Registrant's Telephone Number)

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 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

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

There were 47,134,258 shares of the Registrant's \$0.001 par value common stock outstanding as of December 31, 2008.

State the number of shares outstanding of each of the issuer's classes of common equity, as of the last practicable date: 47,134,258 as of February 13, 2009.

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**Stem Cell Therapy International, Inc.**

**(a development stage enterprise)**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three and nine month periods ended December 31, 2008 are not necessarily indicative of the results that may be expected for the year ending March 31, 2009. For further information refer to the consolidated financial statements and footnotes thereto included in the Company's Form 10-KSB for the year ended March 31, 2008, as filed with the Securities and Exchange Commission on July 15, 2008.

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Stem Cell Therapy International, Inc.

(a development stage enterprise)

Condensed Consolidated Balance Sheets

	December 31, 2008 (unaudited)	March 31, 2008
<b>Assets</b>		
Current assets:		
Cash	\$ 312	\$ 2,387
Prepaid expenses	110,000	358,363
<b>Total current assets</b>	<b>110,312</b>	<b>360,750</b>
Deposits		2,169
Prepaid expenses and other assets		10,792
<b>Total assets</b>	<b>\$ 110,312</b>	<b>\$ 373,711</b>
<b>Liabilities and Stockholders Deficit</b>		
Current liabilities:		
Accounts payable	\$ 171,256	\$ 126,670
Accrued expenses	149,824	99,000
Accrued payroll	632,836	358,831
Notes payable	20,000	
Due to related party	231,140	207,200
<b>Total current liabilities</b>	<b>1,205,056</b>	<b>791,701</b>
Commitments and contingencies (Note 9)		
Stockholders deficit:		
Preferred stock; \$.001 par value; 10,000,000 shares authorized; 0 and 500,000 issued and outstanding as of December 31, 2008 and March 31, 2008, respectively		500
Common stock; \$.001 par value; 100,000,000 shares authorized; 47,134,258 and 40,920,369 issued and outstanding as of December 31, 2008 and March 31, 2008, respectively	47,134	40,920
Additional paid-in capital	2,689,063	2,310,130
Stock subscriptions receivable	(200)	(375)
Deficit accumulated during development stage	(3,830,741)	(2,769,165)
<b>Total stockholders deficit</b>	<b>(1,094,744)</b>	<b>(417,990)</b>
<b>Total liabilities and stockholders deficit</b>	<b>\$ 110,312</b>	<b>\$ 373,711</b>

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

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Stem Cell Therapy International, Inc.

(a development stage enterprise)

Condensed Consolidated Statements of Operations

*(Unaudited)*

	Three Months Ended		Nine Months Ended		December 2, 2004 (Date of Inception) Through December 31, 2008
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	
Revenue	\$	\$ 30,000	\$	\$ 132,960	\$ 559,404
Cost of goods sold:					
General		13,000		52,268	278,361
Loss on firm purchase commitment					116,000
 Gross margin		17,000		80,692	165,043
Operating expenses:					
Legal expenses	63,879	144,840	233,725	205,021	695,057
Consulting expenses	40,225	109,064	346,611	251,355	1,247,356
Accounting expenses	6,383	10,900	62,060	55,457	247,105
Payroll expenses	86,250	67,853	275,455	149,499	714,055
Stock based compensation	8,777		26,331	505,716	598,751
Settlement expense	(90,000)		98,850		98,850
Selling, general and administrative	921	29,423	16,999	75,312	395,211
	116,435	362,080	1,060,031	1,242,360	3,996,385
Loss from operations	(116,435)	(345,080)	(1,060,031)	(1,161,668)	(3,831,342)
Interest (expense) income, net	(353)	(73)	(1,545)	(1,634)	601
Net loss before taxes	(116,788)	(345,153)	(1,061,576)	(1,163,302)	(3,830,741)
Income tax expense					
Net loss	(116,788)	(345,153)	(1,061,576)	(1,163,302)	(3,830,741)
Less: Dividends on preferred stock					(10,000)
Loss attributable to common shareholders	\$ (116,788)	\$ (345,153)	\$ (1,061,576)	\$ (1,163,302)	\$ (3,840,741)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.11)
Weighted average number of common shares outstanding, basic and diluted	47,134,258	37,196,468	44,293,179	36,222,833	33,601,290

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*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**Table of Contents****Stem Cell Therapy International, Inc.****(A Development Stage Enterprise)****Condensed Consolidated Statements of Changes in Stockholders Deficit****From December 2, 2004 (Date of Inception) through December 31, 2008 (unaudited)**

	Common Stock		Preferred Stock		Additional	Stock	Deficit	
	Shares	Amount	Shares	Amount	Paid-In	Subscriptions	Accumulated	Total
					Capital	receivable	During	
							Development	
							Stage	
Issuance of common stock for cash (December 2004)	11,600,000	\$ 11,600		\$	\$	\$	\$	\$ 11,600
Exercise of stock options for services (December 2004)	500,000	500						500
Issuance of common stock and options for acquisition deposit (December 2004)	5,000,000	5,000			2,749			7,749
Stock options issued for services					906			906
Issuance of common stock for services (January 2005)	2,170,000	2,170						2,170
Issuance of common stock for cash (January 2005)	200,000	200						200
Issuance of common stock for cash (February 2005)	1,100,000	1,100						1,100
Issuance of common stock for cash (March 2005)	650,000	650						650
Net loss for the period							(26,241)	(26,241)
Balance, March 31, 2005	21,220,000	\$ 21,220		\$	\$ 3,655	\$	\$	