UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM 10/A

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934

STEM CELL ASSURANCE, INC.
(Exact name of registrant as specified in its charter)

Nevada	**91-1835664**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
555 Heritage Drive, Jupiter, Florida	**33458**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (561) 904-6070

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

Title of each class to be so registered	Name of each exchange on which each class is to be registered
None	Not applicable

Securities to be registered pursuant to Section 12(g) of the Act:

Common Stock, par value $0.001 per share
(Title of Class)

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 "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	X

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EXPLANATORY NOTE

We are filing this General Form for Registration of Securities on Form 10 to register our common stock pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Once this Registration Statement has been deemed effective, we will be subject to the requirements of Section 13(a) of the Exchange Act, including the rules and regulations promulgated thereunder, which will require us, among other things, to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

Unless otherwise noted, references in this Registration Statement to "Stem Cell Assurance," the "Company," "we," "our" or "us" mean Stem Cell Assurance, Inc. and its subsidiaries.

FORWARD-LOOKING STATEMENTS

This Registration Statement contains forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this Registration Statement may not occur. Generally these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of our plans or strategies, projected or anticipated benefits from acquisitions to be made by us, or projections involving anticipated revenues, earnings or other aspects of our operating results. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions, are intended to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Factors that may affect our results include, but are not limited to, the risks and uncertainties discussed in Item 1A of this Registration Statement.

Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

Item 1. Business.

Overview

Every human being has stem cells in his or her body. These cells exist from the early stages of human development until the end of a person's life. Throughout our lives, our body continues to produce stem cells that regenerate to produce differentiated cells that make up various aspects of the body such as skin, blood, muscle and nerves. These are generally referred to as adult stem cells (non-embryonic). These cells are important for the purpose of medical therapies aiming to replace lost or damaged cells or tissues or to otherwise treat disorders.

Our goal is to become a medical center of excellence using cell and tissue protocols, primarily involving a patient's own (autologous) adult stem cells, allowing patients to undergo cellular-based treatments. As more and more cellular-based therapies become standard of care, we intend to focus on the unity of medical and scientific explanations for future clinical procedures and outcomes and the provision of adult stem cells for future personal medical and cosmetic applications. Among the initiatives that we are currently pursuing is one that would involve the use of brown fat in connection with the cell-based treatment of obesity, weight loss, diabetes, hypertension, other metabolic disorders and cardiac deficiencies.

We currently are developing an infrastructure to establish a laboratory for the possible development of cellular-based treatment protocols, stem cell-related intellectual property ("IP") and research applications as well as for stem cell collection and storage services.

We also operate a wholly-owned subsidiary, Stem Pearls™, LLC, which plans to offer and sell facial creams and other skin care products with certain ingredients that may include stem cells and/or other stem cell optimization or regenerative compounds.

We are a development stage enterprise. Our primary activities in the stem cell area have been the development of our business plan, negotiating strategic alliances and other agreements, and raising capital. We have not commenced our principal operations, nor have we generated any revenues from our operations. The implementation of our business plan, as discussed below, will require the receipt of sufficient equity and/or debt financing to fund our operations.

Strategy

We are concentrating our initial efforts with respect to an initiative related to the therapeutic and cosmetic use of brown adipose (fat). Recent studies have demonstrated that brown fat is present in the adult human body and may be correlated with the maintenance and regulation of metabolism, thus potentially being involved in caloric regulation. We intend to initiate research activities in this area in connection with the treatment of obesity, weight loss, diabetes, hypertension, other metabolic disorders and cardiac deficiencies.

We intend to develop a laboratory, currently based in Jupiter, Florida, capable of performing cellular characterization and culturing, therapeutic outcomes analysis, stem cell-related IP, and stem cell collection and storage services.

We are also seeking to establish stem cell therapy facilities which would offer comprehensive, potentially multi-visit, private-pay patient cellular-based treatment programs in selective areas of medicine where the treatment protocol is minimally invasive. As our operations grow, we plan to extend our services to include cellular therapy for the treatment of other diseases, injuries and disorders. We intend that such adult stem cell therapy facilities would be established initially outside the United States. Subject to the relaxation of the strict domestic regulatory restrictions currently in effect, as discussed in "Government Regulation – U.S. Government Regulation", or upon being granted approval by an appropriate regulatory body, we intend to establish additional stem cell therapy facilities within the United States as well.

Brown Adipose (Fat) Program

Brown fat is one of two types of known adipose tissue found in the human body and is involved in homeostasis by creating a metabolic tissue capable of producing heat. Recent studies have demonstrated that brown fat is present in the adult human body and may be correlated with the maintenance and regulation of metabolism, thus potentially being involved in caloric regulation.

In June 2011, we launched a platform technology that involves the use of brown fat cell-based therapeutic/cosmetic program. The brown fat program will focus on treatments for obesity, weight loss, diabetes, hypertension, other metabolic disorders and cardiac deficiencies and will involve the study of stem cells, several genes, proteins and/or mechanisms that are related to these diseases and disorders.

We intend to use autologous cells (i.e., stem cells isolated from individual patients) that may be differentiated into progenitor or fully differentiated brown adipocytes, or a related cell type, that can be used therapeutically or cosmetically in patients. In addition to the brown fat stem cell platform, as the cellular program advances, we will seek to determine whether data from the program can be used in the development of a small molecule drug.

We anticipate that we will require between $750,000 and $1,250,000 in order to develop data and know-how with regard to the extraction of brown fat stem cells, the modification of cellular culturing protocols and the commencement of clinical applications.

Laboratory

We are currently developing a state-of-the-art facility in Jupiter, Florida to be used as a laboratory, and for the possible development of cellular-based treatment protocols and research applications. We anticipate that our laboratory will commence operations by the end of 2011 and that we will require between $500,000 and $1,000,000 for such purposes. Pending the establishment of our laboratory operations, we intend to seek to utilize existing laboratories at medical centers and elsewhere.

As operations grow, our plans include the expansion of our laboratory to perform cellular characterization and culturing, stem cell-related IP development, therapeutic outcome analysis, and stem cell collection and storage services. As we develop our business and additional stem cell treatments are approved, we intend to establish ourselves as the provider of adult stem cells for therapies and expand to provide cells in other market areas for stem cell therapy, including with regard to the treatment of orthopedic-related injuries and conditions, diabetes and other metabolic disorders, heart disease and autoimmune disease.

We plan to eventually open additional laboratories that are capable of supplying stem cells to those physicians who use those cells to treat disease. We intend to position ourselves as a source and leader in providing those cells for treatments.

Treatment

Regenerative cell therapy relies on replacing diseased, damaged or dysfunctional cells with healthy, functioning ones or repairing damaged or diseased tissue. A great range of cells can serve in cell therapy, including cells found in peripheral and umbilical cord blood, bone marrow and adipose (fat) tissue. Physicians have been using adult stem cells from bone marrow to treat various blood cancers for over 40 years. Recently, the use of stem cells has begun to be used to treat various other diseases. We intend to use and develop cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic), to allow patients to undergo cellular-based treatments.

We intend to concentrate initially on therapeutic areas where risk to the patient is low, recovery is relatively easy, and where (i) results can be demonstrated through sufficient clinical data; (ii) patients and referring doctors will be comfortable with the procedure; and (iii) recovery, monitoring, patient follow-up and data collection/analysis is far less complicated than more invasive protocols. We believe that there will be readily identifiable groups of patients who will benefit from these procedures.

Accordingly, we plan to focus our initial therapy efforts in offering comprehensive, potentially multi-visit, patient cellular-based treatment programs in selective areas of medicine where the treatment protocol is minimally invasive. Such areas may include the treatment of metabolic-related disorders and orthopedic and sports-related injuries and conditions, as well as for cosmetic and aesthetic purposes. We anticipate that substantially all of our procedures will be private pay (meaning that they will not be subject to reimbursement by governmental and other third party payers). We also anticipate that patients will find it necessary to return for periodic treatments.

Due to current domestic regulatory limitations, in all likelihood, our treatment centers will initially need to be established outside the United States. We are investigating the Caribbean region, including the Cayman Islands, for such purposes. We anticipate that by March 2012 we will open a treatment facility, or license to a third party technology for use at a treatment facility, and that it will require between $1,000,000 and $2,000,000 to establish such center. In the event that domestic regulatory restrictions are relaxed, or we are granted approval by an appropriate regulatory body, and demand for stem cell therapies increases, we intend to establish treatment facilities in the United States.

Following our initial efforts in this regard, we intend to extend our services to cellular therapy for the treatment of diseases and other injuries, that may include heart disease, diabetes, wounds, burns and autoimmune diseases (including rheumatoid arthritis, Type 1 diabetes, Crohn's Disease and multiple sclerosis). The costs of entry into these market places will be higher, in that most procedures would need to be performed in a hospital or hospital-like setting to better assure the well-being of the patient and success of the outcome.

We intend that the majority of our procedures will involve adult stem cells harvested from a patient's own (autologous) cells so that there is no chance of rejection or disease being spread from donor to patient. We intend to focus on developing personalized, patient-specific treatment programs that provide for additional or follow-on therapies, patient outcome monitoring, and the accumulation/analysis of critical medical data. We also intend to carefully monitor patient response and satisfaction.

Biobanking

Storing one's own stem cells, or autologous stem cell banking, is the only way to ensure that there is a genetic stem cell match when stem cells are later needed for a medical procedure. Often, patients are recommended by their physicians for a stem cell transplant as the only option for the treatment of their illness; some, however, never find a match, thereby making the therapy impossible. Even in instances where a donor can be found, patient conditions may have worsened drastically such that the body rejects the cell transplant. By having one's own stem cells already banked – before the onset of disease – this circumstance may be avoided. Autologous stem cell transplants also eliminate the need for immunosuppressant therapy, which is required when a donor is involved; patients often succumb to a lifetime of prescription drugs given to prevent cell transplant rejection. When autologous cells are transplanted, generally, no medications of this kind are needed.

As more patients use stem cells for treatments and therapies, there is an added value to them in having any additional stem cells that were collected for the procedure to be cryopreserved and stored. These cells can potentially be used for future or additional cell-based treatments. We intend to develop medical services to ensure the most effective means of cell storage and intend to bank autologous stem cells at our laboratory and/or other facilities for research and potential future therapeutic use.

Technology

We intend to utilize our laboratory in connection with cellular research activities. We also intend to seek to obtain cellular-based therapeutic technology licenses. We intend to seek to develop potential stem cell delivery systems or devices. The goal of these specialized devices is to deliver cells into specific areas of the body, control the rate, amount and types of cells used in a treatment, and populate these areas of the body with sufficient stem cells so that engraftment occurs.

We also intend to perform research to develop certain stem cell optimization compounds or "recipes" to enhance cellular growth and regeneration for the purpose of improving pre-treatment and post-treatment outcomes.

We plan to commence research operations by September 2011. We anticipate that our initial research activities will require funding of between $1,000,000 and $2,000,000 and that our contemplated initial licensing activities initially will require financing of between $2,000,000 and $3,000,000.

As our laboratory and treatment procedures evolve, we may also seek to develop proprietary diagnostic methods using cellular biomarkers as a source for determining the potential development of disease and to evaluate the efficacy of anti-aging therapeutics and other pharmaceuticals.

We do not currently have any proprietary technology. We have registered trademark rights with respect to the names Stem Cellutrition™ and Stem Pearls™. Our success will depend in large part on our ability to develop and protect our proprietary technology. We intend to rely on a combination of patent, trade secret and know-how, copyright and trademark laws, as well as confidentiality agreements, licensing agreements and other agreements, to establish and protect our proprietary rights. Our success will also depend upon our ability to avoid infringing upon the proprietary rights of others, for if we are judicially determined to have infringed such rights, we may be required to pay damages, alter our services, products or processes, obtain licenses or cease certain activities.

During the years ended December 31, 2010 and 2009, we spent $11,620 and $-0-, respectively, on research and development activities.

Stem Pearls™

In February 2010, we established Stem Cellutrition™, LLC, a stem cell-based cosmetic skincare company, to offer plant derived stem cell cosmetic products. In July 2011, Stem Cellutrition™, LLC changed its name to Stem Pearls™, LLC. We anticipate that Stem Pearls™ (our first branded product) will be an integral part of our cosmetic/aesthetic treatment program, as it is expected that it will be sold and used as part of the therapy programs developed by us. We also intend to offer the products directly to stores, through web-related sales or through cosmetic distributor companies to retail, spa, or other medical locations. Stem Pearls™, LLC has not yet marketed its products or generated any revenue.

Stem Pearls™ has been formulated to provide a comprehensive personal skincare system that protects the longevity of essential cells. The line includes a plant stem cell serum, apple glycolic cleanser, apple amber scrub and a moisturizing treatment. The products are derived from the stem cells of a rare-variety 18th century Swiss apple known for its storability.

Scientific Advisors; Consultants

We have established a Scientific Advisory Board whose purpose is to provide advice and guidance in connection with scientific matters relating to our business. Our initial two Scientific Advisory Board members are Dr. Naiyer Imam and Dr. Amit Patel. See Item 5 (“Directors and Executive Officers – Scientific Advisory Board”) for a listing of the principal positions for Drs. Imam and Patel.

We have engaged two consultants, TDA Consulting Services, Inc. ("TDA") and Vintage Holidays L.L.C. ("Vintage"), to assist us with the implementation of our business plan. Pursuant to a February 17, 2011 consulting agreement with TDA, which has a term that expires on March 31, 2012, TDA is to provide consultation and assistance with regard to our efforts to establish an offshore stem cell treatment facility, develop business, including with regard to acquisition and joint venture opportunities, develop a physician distribution network for the sale of our stem cell skin care products, comply with regulatory requirements and have our securities listed on the OTC Bulletin Board or a securities exchange. Pursuant to the agreement with TDA, we paid TDA $35,000 in consideration of services rendered to date and a $25,000 retainer for services to be rendered during the term. We also have agreed to pay TDA an aggregate of an additional $130,000 and issue to TDA an aggregate of 10,500,100 shares of common stock.

Pursuant to a February 17, 2011 consulting agreement with Vintage, which has a term that expires on September 30, 2011, Vintage is to provide consultation and assistance with regard to our efforts to market ourselves with respect to medical tourism, establish business relationships with governmental officials, and establish an offshore stem cell treatment facility. Pursuant to the agreement with Vintage, we paid Vintage $20,000 in consideration of services rendered to date and a $10,000 retainer for services to be rendered during the term. We also have agreed to pay Vintage an aggregate of an additional $35,000 and issue to Vintage an aggregate of 5,000,000 shares of common stock.

Competition

We will compete with many pharmaceutical, biotechnology, and medical device companies, as well as other private and public stem cell companies involved in the development and commercialization of cell-based medical technologies and therapies.

Regenerative medicine is rapidly progressing, in large part through the development of cell-based therapies or devices designed to isolate cells from human tissues. Most efforts involve cell sources, such as bone marrow, embryonic and fetal tissue, umbilical cord and peripheral blood and skeletal muscle.

Companies working in the area of regenerative medicine include, among others, Cytori Therapeutics, Osiris, Aastrom Biosciences, Aldagen, BioTime, Baxter International, Celgene, Geron, Harvest Technologies, Mesoblast, Regenexx, NeoStem, Stem Cells, Athersys, and Tissue Genesis.. Many of our competitors and potential competitors have substantially greater financial, technological, research and development, marketing and personnel resources than we do. We cannot with any accuracy forecast when or if these companies are likely to bring cell therapies to market for procedures that we are also pursuing.

Customers

Our treatment services are intended to be marketed to the general public via the Internet, and at trade shows to physicians and other health care professionals, skin care professionals and beauty product distributors. We intend to market our product portfolio for clinical applications and to research institutions and large pharmaceutical companies. Our Stem Pearls™ product line is intended to be sold via the Internet (www.stempearls.com) and to stores either directly or by way of distributors. We anticipate that our e-commerce website will be operational by September 2011 and that we will require approximately $200,000 for such purposes.

Governmental Regulation

U.S. Government Regulation

The health care industry is highly regulated in the United States. The federal government, through various departments and agencies, state and local governments, and private third-party accreditation organizations regulate and monitor the health care industry. The following is a general overview of the laws and regulations pertaining to our business.

Human cells, tissues, and cellular and tissue-based products ("HCT/Ps") Regulation

The U.S. Food and Drug Administration ("FDA") regulates the manufacture of human cells, tissues, and cellular and tissue-based products ("HCT/Ps") under the authority of the Public Health Safety Act ("PHSA") and exercises this authority pursuant to Title 21 of the Code of Federal Regulations. Part 1271 of Title 21 of the Code of Federal Regulations (21 C.F.R. § 1271) establishes a unified registration and listing system for establishments that manufacture HCT/Ps and requires donor eligibility determinations through donor screening and testing, current good tissue practices, and other procedures to prevent the introduction, transmission, and spread of communicable diseases.

The adult autologous (self-derived) stem cells that will be used in our cellular therapy and for biobanking *may* be defined as HCT/Ps under 21 C.F.R. § 1271. This regulation defines HCT/Ps as articles "containing or consisting of human cells or tissues that are intended for implantation, transplantation, infusion or transfer into a human recipient." This same regulation, however, sets forth definitions that may exclude, and creates exemptions to regulation that may apply to, certain of our stem cell therapy products and services. Moreover, the law is unsettled as to whether the FDA may regulate certain products and services that we may offer, which may fall instead under the rubric of the "practice of medicine." The practice of medicine is explicitly not regulated by the FDA.

We are a development stage enterprise and have not commenced our principal operations. In the event that the FDA does regulate our HCT/P activities in the United States, we will need to expend significant resources to ensure regulatory compliance. Such compliance activities should not, however, adversely affect our ability to carry out our planned domestic operations.

It should be noted that our contemplated foreign cellular therapy activities, described in detail below, are not subject to FDA regulation under 21 C.F.R. § 1271.

Our laboratory in the United States that will process and store stem cells must satisfy the requirements of 21 C.F.R. § 1271. The regulatory requirements of 21 C.F.R. § 1271 include the following:

- registration and listing of HCT/Ps with the FDA;

- donor eligibility determinations, including donor screening and donor testing requirements;
- current good tissue practices, specifically including requirements for the facilities, environmental controls, equipment, supplies and reagents, recovery of HCT/Ps from the patient, processing, storage, labeling and document controls, and distribution and shipment of the HCT/Ps to the laboratory, storage, or other facility;
- tracking and traceability of HCT/Ps and equipment, supplies, and reagents used in the manufacture of HCT/Ps;
- adverse event reporting;
- FDA inspection;
- importation of HCT/Ps; and
- abiding by any FDA order of retention, recall, destruction, and cessation of manufacturing of HCT/Ps.

Non-reproductive HCT/Ps and non-peripheral blood stem/progenitor cells that are offered for import and regulated solely under section 361 of the PHSA must satisfy the requirements under 21 C.F.R. § 1271.420. Section 1271.420 requires that the importer of record of HCT/Ps offered for import must notify the appropriate FDA official prior to, or at the time of, importation and provide sufficient information for the FDA to make an admissibility decision. In addition, the importer must hold the HCT/P intact and under conditions necessary to prevent transmission of communicable disease until an admissibility decision is made by the FDA.

Current Good Manufacturing Practices and other FDA Regulations of Cellular Therapy Products

In addition to the regulations under 12 C.F.R. § 1271, the FDA requires additional requirements for those HCT/Ps in the United States that are regulated as drugs, medical devices, and/or biological products under section 351 of the PHSA and/or the Federal Food, Drug, and Cosmetic Act ("FDCA"). The additional regulatory requirements under the FDCA are current Good Manufacturing Practices ("cGMPs") for drug products, which are found in Parts 210 and 211; General Biological Product Standards for biological products, which are found in Part 610; and Quality System Regulation for medical devices, which are found in Part 820. These cGMPs and quality standards are designed to ensure the products that are processed at a facility that meets the FDA's applicable requirements for identity, strength, quality, sterility, purity, and safety. In the event that our domestic, U.S. operations are subject to the FDA's HCT/P regulations, we intend to comply with these cGMPs.

Good Laboratory Practices

The FDA prescribes good laboratory practices ("GLPs") for conducting nonclinical laboratory studies that support applications for research or marketing permits for products regulated by the FDA under Part 58 of Title 21 of the Code of Federal Regulations. GLPs are intended to assure the quality and integrity of the safety data filed in research and marketing permits. GLPs provide requirements for organization, personnel, facilities, equipment, testing facilities operation, test and control articles, protocol for nonclinical laboratory study, records, reports, and disqualification by the FDA. To the extent that we are required to, or the above regulation applies, we intend that our domestic laboratory activities will comply with GLPs.

Promotion of Foreign-based Cellular Therapy Treatment—"Medical Tourism"

We intend to establish, or license technology to third parties in connection with their establishment of, adult stem cell therapy facilities outside the United States. We also intend to work with hospitals and physicians to make the stem cell-based therapies available for patients who travel outside the United States for treatment. "Medical tourism" is defined as the practice of traveling across international borders to obtain health care. We intend to market our treatment services on the Internet and at trade shows to physicians and other health care professionals, skin care professionals, and beauty product distributors.

The Federal Trade Commission ("FTC") has the authority to regulate and police advertising of medical treatments, procedures, and regimens in the United States under the Federal Trade Commission Act ("FTCA"). Under sections 5(a) and 12 of the FTCA (15 U.S.C. §§45(a) and 52), the FTC has regulatory authority to prevent unfair and deceptive practices and false advertising. Specifically, the FTC requires advertisers and promoters to have a reasonable basis to substantiate and support claims. The FTC has many enforcement powers, one of which is the power to order disgorgement by promoters deemed in violation of the FTCA of any profits made from the promoted business and can order injunctions from further violative promotion. Advertising that we may utilize in connection with our medical tourism operations will be subject to FTC regulatory authority, and we intend to comply with such regulatory régime.

Medical Device Regulation

Newly developed medical devices must receive regulatory clearance or approval from the FDA and, in many instances, from non-U.S. and state governments prior to their sale. The FDA regulates the design/development process, clinical testing, manufacture, safety, labeling, sale, distribution, and promotion of medical devices and drugs under the Federal Food, Drug and Cosmetic Act. Included among these regulations are pre-market clearance and pre-market approval requirements, design control requirements and the Quality System Regulations/Good Manufacturing Practices. Other statutory and regulatory requirements govern, among other things, registration and inspection, medical device listing, prohibitions against misbranding and adulteration, labeling and post-market reporting.

The regulatory process can be lengthy, expensive and uncertain. Before any new medical device may be introduced to the U.S. market, the manufacturer generally must obtain FDA clearance or approval through either the 510(k) pre-market notification process or the lengthier pre-market approval, or PMA, application process. It generally takes three to 12 months from submission to obtain 510(k) pre-market clearance, although it may take longer. Approval of a PMA could take four or more years from the time the process is initiated. The 510(k) and PMA processes can be expensive, uncertain, and lengthy, and there is no guarantee of ultimate clearance or approval. Securing FDA clearances and approvals may require the submission of extensive clinical data and supporting information to the FDA, and there can be no guarantee of ultimate clearance or approval. Failure to comply with applicable requirements can result in application integrity proceedings, fines, recalls or seizures of products, injunctions, civil penalties, total or partial suspensions of production, withdrawals of existing product approvals or clearances, refusals to approve or clear new applications or notifications, and criminal prosecution.

Medical devices are also subject to post-market reporting requirements for deaths or serious injuries when the device may have caused or contributed to the death or serious injury, and for certain device malfunctions that would be likely to cause or contribute to a death or serious injury if the malfunction were to recur. If safety or effectiveness problems occur after the product reaches the market, the FDA may take steps to prevent or limit further marketing of the product. Additionally, the FDA actively enforces regulations prohibiting marketing and promotion of devices for indications or uses that have not been cleared or approved by the FDA. In addition, modifications or enhancements of products that could affect the safety or effectiveness or effect a major change in the intended use of a device that was either cleared through the 510(k) process or approved through the PMA process may require further FDA review through new 510(k) or PMA submissions.

We do not currently plan to develop any medical devices that would be subject to FDA regulation. However, to the extent that we eventually develop processes, products or services which qualify as medical devices subject to FDA regulation, we intend to comply with such regulations.

Cosmetic and Skin Care Regulation

We have established Stem Pearls™, LLC, a stem cell-based cosmetic skincare company, to offer plant derived stem cell cosmetic products. The FDA has authority to regulate cosmetics marketed in the United States under the FDCA and the Fair Packaging and Labeling Act ("FPLA").

The FDCA prohibits the marketing of adulterated and misbranded cosmetics. Cosmetic products are adulterated when the product's composition violates the FDCA. The adulteration can be the result of ingredients, contaminants, processing, packaging, or shipping and handling violation. Under the FDCA, a cosmetic is adulterated if:

- it bears or contains any poisonous or deleterious substance that would make it injurious or unsafe for users under conditions of use provided on the label;
- it consists of any filthy, putrid, or decomposed substance;
- it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated or injurious to health; or
- its container is composed of any poisonous or deleterious substance that would make it injurious or unsafe for users.

A cosmetic is misbranded if it is improperly labeled or deceptively packaged. Under the FDCA, a cosmetic is misbranded if:

- its labeling is false or misleading;
- its label does not include all required information;
- the required information is not adequately prominent and conspicuous as required by the regulations;
- the container is so made, formed, or filled as to be misleading; or
- its packaging or labeling is in violation of other applicable regulations issued under the Poison Prevention Packaging Act of 1970.

In addition to the FDCA, under the authority of the FPLA, the FDA requires an ingredient declaration to enable consumers to make informed decisions. If the cosmetic fails to comply with FPLA, it is misbranded under the FDCA.

Cosmetic products and ingredients, with the exception of color additives, are not required to have FDA premarket approval. Manufacturers of cosmetics are also not required to register their establishments, file data on ingredients, or report cosmetic-related injuries to the FDA. Stem Pearls™, LLC, our cosmetics subsidiary, is responsible for substantiating the safety of the products and ingredients before marketing. The FDA may pursue enforcement action against violative products or against firms or individuals who violate the law. Specifically, the FDA can pursue action through the Department of Justice in the federal court system to remove the violative product from the market, obtain a restraining order to prevent further shipment of the product, and seize any violative product. The FDA may also initiate a criminal action against a person violating the law.

Some products are both cosmetics and drugs under the FDCA because the products meet the definitions of both cosmetics and drugs. Products that are both cosmetics and drugs because of ingredients or intended use must satisfy the regulatory requirements for both cosmetics and drugs. Drugs are subject to FDA approval, generally by receiving premarket approval by the FDA or conform to final regulations specifying conditions that must be met for a drug to be generally recognized as safe and effective. While none of our current Stem Pearls™ products are considered both a cosmetic and a drug, if any such products are developed in the future, we intend to comply with all FDA regulations applicable to such combination products.

Over-the-counter (“OTC”) drugs are non-prescription drugs, which must either be approved through the New Drug Application (“NDA”) process or comply with the appropriate OTC Monograph. An NDA is the process whereby a drug sponsor formally proposes that the FDA approve a new pharmaceutical for sale and marketing in the United States. The FDA will evaluate the new pharmaceutical for safety and effectiveness for its intended use and ensures that the benefits outweigh the risks. The OTC Monographs are rules that are published in the Federal Register and state requirements for some non-prescription drugs, such as what types of ingredients and intended uses may be used. In addition, OTC drug manufacturers must also register with the FDA, follow cGMPs pursuant to 21 C.F.R. Parts 210 and 211, and label the drug products in accordance with the applicable regulations, such as the “Drug Facts” labeling promulgated in 21 C.F.R. § 201.63.

At present, none of our Stem Pearls™ products qualify as an OTC drug; however, if we introduce or reformulate any of our products in the future such that they may be considered OTC drugs, we intend to comply with the applicable FDA regulatory régime.

State and Local Government Regulation

Some states and local governments regulate stem cell collection, processing, and administration facilities and require these facilities to obtain specific licenses. Our Florida laboratory will be required to comply with Florida law, including becoming licensed as a clinical laboratory and being subject to inspection. Some states, such as New York and Maryland, require licensure of out-of-state facilities that process cell, tissue and/or blood samples of residents of those states. To the extent we are required to seek other state licensure, we will obtain the applicable state licensures for our laboratory and treatment centers and comply with the current and any new licensing laws that become applicable in the future.

Federal Regulation of Clinical Laboratories

Congress passed the Clinical Laboratory Improvement Amendments ("CLIA") in 1988, which provided the Centers for Medicare and Medicaid Services ("CMS") authority over all laboratory testing, except research, that are performed on humans in the United States. The Division of Laboratory Services, within the Survey and Certification Group, under the Center for Medicaid and State Operations ("CMSO") has the responsibility for implementing the CLIA program.

The CLIA program is designed to establish quality laboratory testing by ensuring the accuracy, reliability, and timeliness of patient test results. Under CLIA, a laboratory is a facility that does laboratory testing on specimens derived from humans and used to provide information for the diagnosis, prevention, treatment of disease, or impairment of, or assessment of health. Laboratories that handle stem cells and other biologic matter are, therefore, included under the CLIA program. Under the CLIA program, laboratories must be certified by the government, satisfy governmental quality and personnel standards, undergo proficiency testing, be subject to inspections, and pay fees. The failure to comply with CLIA standards could result in suspension, revocation, or limitation of a laboratory's CLIA certificate. In addition, fines or criminal penalties could also be levied. To the extent that our business activities require CLIA certification, we intend to obtain and maintain such certification.

Health Insurance Portability and Accountability Act—Protection of Patient Health Information

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") included the *Administrative Simplification* provisions that require the Secretary of the Department of Health and Human Services ("HHS") to publicize standards for the electronic exchange, privacy, and security of health information. HHS published the *Standards for Privacy of Individually Identifiable Health Information* ("Privacy Rule") and the *Security Standards for the Protection of Electronic Protected Health Information* ("Security Rule") to protect the privacy and security of certain health information. The Privacy Rule addresses the use and disclosure of an individual's protected health information by covered entities and applies to health plans, health care clearinghouses, and any health care provider who transmits health information in electronic format. In addition to these entities, the Privacy Rule also applies to business associates and requires certain requirements to be placed in contracts between business associates and covered entities.

The Security Rule establishes a national security standard for protecting certain health information that is held or transferred in electronic form. The Security Rule implements the protections in the Privacy Rule by addressing the technical and non-technical safeguards that covered entities must put in place to secure individuals' electronic protected health information.

Companies failing to comply with the HIPAA standards may be subject to civil money penalties or criminal prosecution. To the extent that our business requires compliance with HIPAA, or other privacy protection safeguards, we intend to comply with all requirements.

Other Applicable U.S. Laws

In addition to the above-described regulation by United States federal and state government, the following are other federal and state laws and regulations that could directly or indirectly affect our ability to operate the business:

- state and local licensure, registration, and regulation of the development of pharmaceuticals and biologics;
- state and local licensure of medical professionals;
- state statutes and regulations related to the corporate practice of medicine;
- laws and regulations administered by U.S. Customs and Border Protection ("CBP") related to the importation of biological material into the United States;
- other laws and regulations administered by the U.S. Food and Drug Administration;
- other laws and regulations administered by the U. S. Department of Health and Human Services;
- state and local laws and regulations governing human subject research and clinical trials;
- the federal physician self-referral prohibition, also known as Stark Law, and any state equivalents to Stark Law;

- the Medicare and Medicaid Anti-Kickback Law and any state equivalent statutes and regulations;
- Federal and state coverage and reimbursement laws and regulations;
- state and local laws and regulations for the disposal and handling of medical waste and biohazardous material;
- Occupational Safety and Health ("OSHA") regulations and requirements; and
- the Intermediate Sanctions rules of the IRS providing for potential financial sanctions with respect to "Excess Benefit Transactions" with HUMC or other tax-exempt organizations.

Foreign Government Regulation

In general, we will need to comply with the government regulations of each individual country in which our therapy centers are located and products are to be distributed and sold. These regulations vary in complexity and can be as stringent, and on occasion even more stringent, than FDA regulations in the United States. Due to the fact that there are new and emerging cell therapy and cell banking regulations that have recently been drafted and/or implemented in various countries around the world, the application and subsequent implementation of these new and emerging regulations have little to no precedence. Therefore, the level of complexity and stringency is not always precisely understood today for each country, creating greater uncertainty for the international regulatory process. Furthermore, government regulations can change with little to no notice and may result in up-regulation of our product(s), thereby creating a greater regulatory burden for our cell processing and cell banking technology products.

On February 1, 2011, we formed Stem Cell Cayman, Ltd., as a wholly-owned subsidiary in the Cayman Islands. We plan to operate a stem cell therapy clinic in the Cayman Islands or license technology to a third party in connection with its establishment of such a clinic. We believe that, in the Cayman Islands, research, the development of stem cell-based therapies, and the creation of intellectual property positions in the stem cell field can be accelerated because of the Cayman Islands' regulatory environment and its culture, which are more readily accepting of novel medical therapies. Additionally, the Cayman Islands offers a platform for medical tourism.

We anticipate that any Cayman Islands' stem cell-based initiatives that we undertake would be led by U.S. researchers and physicians in collaboration with experts in the Cayman Islands for each clinical application to be pursued. We believe that this collaborative approach, and our expansion into the Cayman Islands, would create commercial, financial and scientific opportunities that, ultimately, would generate increased revenues for us.

We do not have any definitive agreements or arrangements in place with respect to the establishment by us of stem cell therapy clinics in any country, including the Cayman Islands, or with respect to the license of technology in connection with the establishment of such a clinic by a third party.

Employees

We currently have three employees all of whom are full-time employees. We believe that our employee relations are good.

Former Business Operations and Corporate Information

We were incorporated in Nevada on June 13, 1997 under the name "Columbia River Resources Inc." We changed our name to "Traxxec Inc." on August 11, 2008 and later changed our name to "Stem Cell Assurance, Inc." on June 29, 2009.

Upon our incorporation in June 1997, we engaged in the acquisition, exploration, and development of mining properties worldwide. We acquired and subsequently abandoned several mining properties in pursuit of other business opportunities. In November 2007, we acquired Medify Solutions Limited ("Medify"), a corporation incorporated in the United Kingdom that developed and provided mobile health applications and services. We intended to focus our efforts on Medify's business, but soon discovered that there was no market for such services. In February 2008, we acquired Traxxec Limited, a United Kingdom company that was formed to sell radio frequency enabled products and systems; in April 2009, we transferred Traxxec Limited back to its former stockholders. In April 2009, we acquired Stem Cell Assurance, LLC, a Florida limited liability company seeking to provide stem cell services to adults, which business has since been our focus.

Our executive offices are located at 555 Heritage Drive, Jupiter, Florida 33458, and our telephone number is (561) 904-6070.

We currently have three subsidiaries, Stem Pearls™, LLC, Lipo Rejuvenation Centers, Inc. (an inactive entity) and Stem Cell Cayman Ltd.

Financings

Between June 2009 and July 2011, we raised an aggregate of $1,982,584 in debt financing, including $1,050,000 through our Cayman Islands subsidiary. The promissory notes issued pursuant to the financings are payable on various dates between August 2011 and January 2012 and provide for interest ranging between 10% and 15% per annum. See Item 2 ("Financial Information - Liquidity and Capital Resources – Availability of Additional Funds").

Item 1A. Risk Factors.

The risk factors listed in this section provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Readers should be aware that the occurrence of any of the events described in these risk factors could have a material adverse effect on our business, results of operations and financial condition. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

We have a very limited operating history; we have incurred substantial losses since inception; we expect to continue to incur losses for the near term; we have a substantial working capital deficiency and a stockholders' deficiency; the report of our independent registered public accounting firm contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a going concern.

We have a very limited operating history. Since our inception, we have incurred net losses. As of March 31, 2011, we had a working capital deficiency of $1,728,198 and stockholders' deficiency of $1,443,954. The report of our independent registered public accounting firm with respect to our financial statements as of December 31, 2009 and 2010 and for the years then ended indicates that our financial statements have been prepared assuming that we will continue as a going concern. The report states that, since we are in the development stage, we have incurred net losses since inception and we need to raise additional funds to meet our obligations, there is substantial doubt about our ability to continue as a going concern. Our plans in regard to these matters are described in footnote 2 to our audited financial statements as of December 31, 2010 and 2009 and for the years then ended, and for the period from December 30, 2008 (inception) to December 31, 2010, which are included following Item 15 ("Financial Statements and Exhibits"). Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We will need to obtain additional financing to satisfy debt obligations and continue our operations.

As described in Item 2 ("Financial Information – Liquidity and Capital Resources – Availability of Additional Funds"), between June 2009 and July 2011, we raised an aggregate of $1,982,584 in debt financing. Such debt, together with accrued interest, will become due and payable between August 2011 and January 2012. In addition, pursuant to a promissory note issued to an equipment vendor, as of March 31, 2011, we were obligated to pay an aggregate of $249,867, together with accrued interest, in equal monthly installments through February 2014. Unless we obtain additional financing or, upon our request, the debtholders agree to convert their debt into equity or extend the maturity dates of the debt, we will not be able to repay such debt. Even if we are able to satisfy our debt obligations, our cash balance and the revenues for the foreseeable future from our anticipated operations will not be sufficient to fund the development of our business plan. Accordingly, we will be required to raise capital from one or more sources. There is no guarantee that adequate funds will be available when needed from additional debt or equity financing, or from other sources, or on terms attractive to us. Our inability to obtain sufficient funds in the future would, at a minimum, require us to delay, scale back, or eliminate some or all of our contemplated activities, which could have a substantial negative effect on our results of operations and financial condition.

Our business strategy is high-risk.

We are focusing our resources and efforts primarily on the development of cellular-based services and products which will require extensive cash for research, development and commercialization activities. This is a high-risk strategy because there is no assurance that our services and products, including with respect to our recently launched brown fat initiative, will ever become commercially viable (commercial risk), that we will prevent other companies from depriving us of market share and profit margins by offering services and products based on our inventions and developments (legal risk), that we will successfully manage a company in a new area of business, regenerative medicine, and on a different scale than we have operated in the past (operational risk), that we will be able to achieve the desired therapeutic results using stem and regenerative cells (scientific risk), or that our cash resources will be adequate to develop our services and products until we become profitable, if ever (financial risk). We are using our cash in one of the riskiest industries in the economy (strategic risk). This may make our stock an unsuitable investment for many investors.

We do not have any agreements or understandings in place with respect to the implementation of our business strategy.

We do not have any agreements or understandings in place with respect to the implementation of our business strategy. No assurances can be given that we will be able to enter into any necessary agreements with respect to the development of our business. Our inability to enter into any such agreements would have a material adverse effect on our results of operations and financial condition.

We do not have any agreements, understandings or governmental approvals in place with respect to the establishment of treatment facilities.

Due to current stringent regulatory restrictions in the United States, we anticipate that any stem cell therapy facilities that we establish would be outside the United States. We do not have any agreements, understandings or governmental approvals in place with respect to the establishment of any such facilities in any country. No assurances can be given that we will be able to obtain any required approvals, or enter into necessary agreements, for the establishment and operation of therapy centers.

We depend on our executive officers and on our ability to attract and retain additional qualified personnel. A pending action against our Vice President of Research and Development may limit our ability to utilize fully his capabilities. We do not currently have a Chief Financial Officer.

Our performance is substantially dependent on the performance of Mark Weinreb, our Chief Executive Officer. We rely upon him for strategic business decisions and guidance. Mr. Weinreb is subject to an employment agreement with us that is scheduled to expire in October 2013. We are also dependent on the performance of Francisco Silva, our Vice President of Research and Development, in establishing and developing our laboratory business. Mr. Silva is also subject to an employment agreement with us. In May 2011, Mr. Silva's former employer, DaVinci BioSciences, LLC (of which Mr. Silva is a member), obtained a preliminary injunction against Mr. Silva. Such injunction restrains and enjoins Mr. Silva from using or disseminating information he obtained from his former employer, including using such information to solicit his former employee's customers. A ruling on a permanent injunction motion is pending. Such motion also seeks to restrain and enjoin Mr. Silva from violating certain provisions of the operating agreement of his former employer that provide, among other things, that Mr. Silva shall not, while he is a member of his former employer and for a period of two years thereafter, engage in, or have any interest in, any entity that engages in the business of stem cell research tools and therapeutic applications or otherwise in a business that competes with his former employer's business in the geographic area in which his former employer conducts business. We are not a party to the action. We have been advised by Mr. Silva and his counsel that the enforceability of the noncompetition provision has been and will be challenged. The court has not yet further ruled on the permanent injunctive relief sought by the former employer and, pending resolution of this matter, Mr. Silva's ability to provide services to us that relate to the business of stem cell research tools and/or therapeutic applications, or otherwise in a business that competes with his former employer's business in the geographic area in which his former employer conducts business, may be limited. In addition, we do not currently have a Chief Financial Officer. Pending the hiring of a Chief Financial Officer, we are utilizing financial consultants with regard to the preparation of our interim financial statements. We believe that our future success in developing marketable services and products and achieving a competitive position will depend in large part upon whether we can attract and retain additional qualified management and scientific personnel, including a Chief Financial Officer. Competition for such personnel is intense, and there can be no assurance that we will be able to attract and retain such personnel. The loss of the services of Mr. Weinreb and/or Mr. Silva (or, in the case of Mr. Silva, any significant limitation on his ability to provide services to us) or the inability to attract and retain additional personnel, including a Chief Financial Officer, and develop expertise as needed would have a substantial negative effect on our results of operations and financial condition. In addition, if we are named as a defendant in the action against Mr. Silva, we may incur substantial costs and our efforts and attention to the development of our business could be diverted.

We may not be able to protect our proprietary rights.

Our commercial success will depend in large part upon our ability to protect our proprietary rights. There is no assurance, for example, that any patents issued to us will not become the subject of a re-examination, will provide us with competitive advantages, will not be challenged by any third parties, or that the patents of others will not prevent the commercialization of services and products incorporating our technology. Furthermore, there can be no guarantee that others will not independently develop similar services and products, duplicate any of our services and products, or design around our patents.

Our commercial success will also depend upon our ability to avoid infringing patents issued to others. If we were judicially determined to be infringing on any third-party patent, we could be required to pay damages, alter our services, products or processes, obtain licenses, or cease certain activities. If we are required in the future to obtain any licenses from third parties for some of our services and/or products, there can be no guarantee that we would be able to do so on commercially favorable terms, if at all. U.S. patent applications are not immediately made public, so we might be surprised by the grant to someone else of a patent on a technology we are actively using.

Litigation, which would result in substantial costs to us and the diversion of effort on our part, may be necessary to enforce or confirm the ownership of any patents issued or licensed to us, or to determine the scope and validity of third-party proprietary rights. If our competitors claim technology also claimed by us and prepare and file patent applications in the United States, we may have to participate in interference proceedings declared by the U.S. Patent and Trademark Office or a foreign patent office to determine priority of invention, which could result in substantial costs to and diversion of effort, even if the eventual outcome is favorable to us. Any such litigation or interference proceeding, regardless of outcome, could be expensive and time-consuming.

Successful challenges to our patents through oppositions, re-examination proceedings or interference proceedings could result in a loss of patent rights in the relevant jurisdiction. If we are unsuccessful in actions we bring against the patents of other parties, and it is determined that we infringe upon the patents of third-parties, we may be subject to litigation, or otherwise prevented from commercializing potential services and/or products in the relevant jurisdiction, or may be required to obtain licenses to those patents or develop or obtain alternative technologies, any of which could harm our business. Furthermore, if such challenges to our patent rights are not resolved in our favor, we could be delayed or prevented from entering into new collaborations or from commercializing certain services and/or products, which could adversely affect our business and results of operations.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. In addition, during the course of litigation there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

In addition to patents, we intend to also rely on unpatented trade secrets and proprietary technological expertise. Some of our intended future cell-related therapeutic services and/or products may fit into this category. We intend to rely, in part, on confidentiality agreements with our partners, employees, advisors, vendors, and consultants to protect our trade secrets and proprietary technological expertise. There can be no guarantee that these agreements will not be breached, or that we will have adequate remedies for any breach, or that our unpatented trade secrets and proprietary technological expertise will not otherwise become known or be independently discovered by competitors.

Failure to obtain or maintain patent protection, failure to protect trade secrets, third-party claims against our patents, trade secrets, or proprietary rights or our involvement in disputes over our patents, trade secrets, or proprietary rights, including involvement in litigation, could divert our efforts and attention from other aspects of our business and have a substantial negative effect on our results of operations and financial condition.

We may not be able to protect our intellectual property in countries outside of the United States.

Intellectual property law outside the United States is uncertain and, in many countries, is currently undergoing review and revisions. The laws of some countries do not protect our patent and other intellectual property rights to the same extent as United States laws. Third parties may attempt to oppose the issuance of patents to us in foreign countries by initiating opposition proceedings. Opposition proceedings against any of our patent filings in a foreign country could have an adverse effect on our corresponding patents that are issued or pending in the United States. It may be necessary or useful for us to participate in proceedings to determine the validity of our patents or our competitors' patents that have been issued in countries other than the U.S. This could result in substantial costs, divert our efforts and attention from other aspects of our business, and could have a material adverse effect on our results of operations and financial condition.

We operate in a highly-regulated environment and may be unable to comply with applicable federal regulations, registrations and approvals. Failure to comply with applicable licensure, registration, and approval standards may result in a loss of licensure, registration, and approval or other government enforcement actions.

The FDA requires facilities that are engaged in the recovery, processing, storage, labeling, packaging, or distribution of human cells, tissues, cellular and tissue-based products ("HCT/Ps") or in the screening or testing of donors of HCT/Ps to register and list the HCT/Ps that it manufactures, comply with current Good Tissue Practices ("cGTPs"), and other procedures to prevent the introduction, transmission, and spread of communicable diseases. Our Florida-based laboratory, biobanking facility, and any treatment centers we open in the United States may be required to comply with the HCT/P regulations. In addition, any third party retained by us that engages in the manufacture of an HCT/P on our behalf must also comply with the HCT/P regulations. If we or our third-party contractors fail to register, update registration information, or comply with any HCT/P regulation, we will be out of compliance with FDA regulations, which could adversely affect our business. Furthermore, adverse events in the field of stem cell therapy may result in greater governmental regulation, which could create increased expenses, potential delays, or otherwise affect our business.

The FDA also regulates HCT/Ps that are also regulated as drugs, medical devices, and/or biological products in the United States. These products must also comply with the applicable current Good Manufacturing Practices (for drug products), Quality System Regulations (for medical devices), or General Biological Product Standards (for biological products) as set forth in Title 21 of the Code of Federal Regulations. These regulations govern the manufacture, processing, packaging, and holding of the products and include quality control, quality assurance, and maintenance of records and documentation. The FDA conducts inspections to enforce the compliance of these regulations. We and any third-party contractor that manufactures these products on our behalf must comply with the applicable regulations. If we or any third party retained by us that engages in the manufacture of a drug, medical device, or biological product on our behalf fails to comply with the applicable regulations, we will be out of compliance with FDA regulations, which could adversely affect our business.

In addition, the FDA regulates and prescribes good laboratory practices ("GLPs") for conducting nonclinical laboratory studies that support applications for research or marketing permits for products regulated by the FDA. GLPs provide requirements for organization, personnel, facilities, equipment, testing, facilities operation, test and control articles, protocol for nonclinical laboratory study, records, reports, and disqualification by the FDA to ensure the quality and integrity of the safety data filed in research and marketing permits. Failure to comply with the GLPs could adversely affect our business.

Newly developed medical devices must receive regulatory clearance or approval from the FDA and, in many instances, from non-U.S. and state government, prior to their sale. The FDA regulates the design/development process, clinical testing, manufacture, safety, labeling, sale, distribution, and promotion of medical devices and drugs under the Federal Food, Drug and Cosmetic Act ("FDCA"). Included among these regulations are pre-market clearance and pre-market approval requirements, design control requirements, and the Quality System Regulations/Good Manufacturing Practices. Other statutory and regulatory requirements govern, among other things, establishment registration and inspection, medical device listing, prohibitions against misbranding and adulteration, labeling and post-market reporting.

The regulatory process can be lengthy, expensive, and uncertain. Before any new medical device may be introduced to the U.S. market, the manufacturer generally must obtain FDA clearance or approval through either the 510(k) pre-market notification process or the lengthier pre-market approval, or PMA, application process. It generally takes three to 12 months from submission to obtain 510(k) pre-market clearance, although it may take longer. Approval of a PMA could take four or more years from the time the process is initiated. The 510(k) and PMA processes can be expensive, uncertain, and lengthy, and there is no guarantee of ultimate clearance or approval. Securing FDA clearances and approvals may require the submission of extensive clinical data and supporting information to the FDA, and there can be no guarantee of ultimate clearance or approval. Failure to comply with applicable requirements can result in application integrity proceedings, fines, recalls or seizures of products, injunctions, civil penalties, total or partial suspensions of production, withdrawals of existing product approvals or clearances, refusals to approve or clear new applications or notifications, and criminal prosecution.

Medical devices are also subject to post-market reporting requirements for deaths or serious injuries when the device may have caused or contributed to the death or serious injury, and for certain device malfunctions that would be likely to cause or contribute to a death or serious injury if the malfunction were to recur. If safety or effectiveness problems occur after our services and/or products reach the market, the FDA may take steps to prevent or limit further marketing of the services and/or products. Additionally, the FDA actively enforces regulations prohibiting marketing and promotion of devices for indications or uses that have not been cleared or approved by the FDA.

Delays in receipt of or failure to receive necessary clearances or approvals, the loss of previously received clearances or approvals, or failure to comply with existing or future regulatory requirements could have a substantial negative effect on our results of operations and financial condition.

The FDA also regulates cosmetic products. Our Stem Pearls™ cosmetic skincare company must comply with FDA regulations for cosmetic products. The FDA prohibits the marketing of adulterated and misbranded cosmetics. Some products are both cosmetics and drugs under the FDCA. These products must satisfy the regulatory requirements of both drugs and cosmetics. Failure to comply with the appropriate regulations could result in a restraining order, seizure, or criminal action, which could have an adverse effect on our business.

The Federal Trade Commission ("FTC") regulates and polices advertising in the United States of medical treatments, procedures, and regimens that take place inside and outside of the United States. FTC regulations are designed to prevent unfair and deceptive practices and false advertising. The FTC requires advertisers and promoters to have a reasonable basis to substantiate and support claims. Failure to sufficiently substantiate and support claims can lead to enforcement action by the FTC, such as a disgorgement order of any profits made from the promoted business or an injunction from further violative promotion. Such enforcement actions could have an adverse effect on our business.

State and local governments impose additional licensing and other requirements for clinical laboratories and facilities that collect, process, and administer stem cells. Our laboratory and any future treatment facilities that we operate in the United States must comply with these additional licensing and other requirements. The licensing regulations require personnel with specific education, experience, training, and other credentials. There can be no assurance that these individuals can be retained or will remain retained or that the cost of retaining such individuals will not materially and adversely affect our ability to operate our business profitably. There can be no assurance that we can obtain the necessary licensure required to conduct business in any state or that the cost of compliance will not adversely affect our ability to operate our business profitably.

The Centers for Medicare and Medicaid Services ("CMS") have authority to implement the Clinical Laboratories Improvement Amendments ("CLIA") program. When we begin operations in the United States, we will need to comply with the CLIA program standards. CLIA is designed to establish quality laboratory testing by ensuring the accuracy, reliability, and timeliness of patient test results. Laboratories that handle stem cells and other biologic matter are included under the CLIA program. Under the CLIA program, laboratories must be certified by the government, satisfy governmental quality and personnel standards, undergo proficiency testing, be subject to inspections, and pay fees. The failure to comply with CLIA standards could result in suspension, revocation, or limitation of a laboratory's CLIA certificate. In addition, fines or criminal penalties could also be levied. To the extent that our business activities require CLIA certification, we intend to obtain and maintain such certification. There is no guarantee that we will be able to gain CLIA certification. Failure to gain CLIA certification or comply with the CLIA requirements will adversely affect our business.

There are federal and state laws that govern the protection and security of patients' personal health information and data. The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") provides federal standards for privacy and security of patients' personal health information. Once we begin operations in the United States, we will be obligated to comply with HIPAA and state privacy and security standards. As HIPAA is amended and changed, we will incur additional compliance burdens. We may be required to spend substantial time and money to ensure compliance with ever-changing federal and state standards as electronic and other means of transmitting protected health information evolve. Failure to comply with HIPAA standards may subject us to civil money penalties or criminal prosecution. To the extent that our business requires compliance with HIPAA, we intend to fully comply with all requirements.

In addition to the above-described regulation by United States federal and state government, the following are other federal and state laws and regulations that could directly or indirectly affect our ability to operate the business:

- state and local licensure, registration, and regulation of the development of pharmaceuticals and biologics;
- state and local licensure of medical professionals;
- state statutes and regulations related to the corporate practice of medicine;
- laws and regulations administered by U.S. Customs and Border Protection ("CBP") related to the importation of biological material into the United States;
- other laws and regulations administered by the U.S. Food and Drug Administration;
- other laws and regulations administered by the U. S. Department of Health and Human Services;
- state and local laws and regulations governing human subject research and clinical trials;
- the federal physician self-referral prohibition, also known as Stark Law, and any state equivalents to Stark Law;
- the Medicare and Medicaid Anti-Kickback Law and any state equivalent statutes and regulations;
- Federal and state coverage and reimbursement laws and regulations;
- state and local laws and regulations for the disposal and handling of medical waste and biohazardous material;
- Occupational Safety and Health ("OSHA") regulations and requirements; and
- the Intermediate Sanctions rules of the IRS providing for potential financial sanctions with respect to "Excess Benefit Transactions" with HUMC or other tax-exempt organizations.

Our stem cell therapy operations may initially commence in foreign jurisdictions. We will need to comply with the government regulations of each individual country in which our therapy centers are located and products are to be distributed and sold. These regulations vary in complexity and can be as stringent, and on occasion even more stringent, than FDA regulations in the United States. Due to the fact that there are new and emerging cell therapy and cell banking regulations that have recently been drafted and/or implemented in various countries around the world, the application and subsequent implementation of these new and emerging regulations have little to no precedence. Therefore, the level of complexity and stringency is not always precisely understood today for each country, creating greater uncertainty for the international regulatory process. Furthermore, government regulations can change with little to no notice and may result in up-regulation of our product(s), thereby creating a greater regulatory burden for our cell processing and cell banking technology products. We have not yet thoroughly explored the applicable laws and regulations that we will need to comply with in foreign jurisdictions. It is possible that we may not be permitted to expand our business into one or more foreign jurisdictions.

We intend to conduct our business in full compliance with all applicable federal, state and local, and foreign laws and regulations. However, the laws and regulations affecting our business are complex and often are not contemplated by existing legal régimes. As a result, the laws and regulations affecting our business are uncertain and have not been the subject of judicial or regulatory interpretation. Furthermore, stem cells and cell therapy are topics of interest in the government and public arenas. There can be no guarantee that laws and regulations will not be implemented, amended and/or reinterpreted in a way that will negatively affect our business.

To operate and sell in international markets carries great risk.

We intend to market our services and products both domestically and in foreign markets. A number of risks are inherent in international transactions. In order for us to service and market our products in non-U.S. jurisdictions, we need to obtain and maintain required regulatory approvals or clearances and must comply with extensive regulations regarding safety, manufacturing processes and quality. These regulations, including the requirements for approvals or clearances to market, may differ from the FDA regulatory scheme. International operations and sales also may be limited or disrupted by political instability, price controls, trade restrictions and changes in tariffs. Additionally, fluctuations in currency exchange rates may adversely affect demand for our services and products by increasing the price of our services and products in the currency of the countries in which the services and products are offered.

There can be no assurance that we will obtain regulatory approvals or clearances in all of the countries where we intend to market our services and products, or that we will not incur significant costs in obtaining or maintaining foreign regulatory approvals or clearances, or that we will be able to successfully commercialize our services and products in various foreign markets. Delays in receipt of approvals or clearances to market our services and products in foreign countries, failure to receive such approvals or clearances or the future loss of previously received approvals or clearances could have a substantial negative effect on our results of operations and financial condition.

Changing, new and/or emerging government regulations may adversely affect our business.

Government regulations can change without notice. Due to the fact that there are new and emerging cell therapy and cell banking regulations that have recently been drafted and/or implemented in various countries around the world, the application and subsequent implementation of these new and emerging regulations have little to no precedence. Therefore, the level of complexity and stringency is not known and may vary from country to country, creating greater uncertainty for the international regulatory process.

Anticipated or unanticipated changes in the way or manner in which the FDA regulates services and products or classes/groups of services and products can delay, further burden, or alleviate regulatory pathways that were once available to other services and products. There are no guarantees that such changes in FDA's approach to the regulatory process will not deleteriously affect our contemplated operations.

Despite our anticipation that the majority of our cellular-based procedures will be private-pay, our inability to obtain reimbursement for our therapies from private and governmental insurers could negatively impact demand for our services.

Successful sales of health care services and products generally depends, in part, upon the availability and amounts of reimbursement from third party healthcare payor organizations, including government agencies, private healthcare insurers and other healthcare payors, such as health maintenance organizations and self-insured employee plans. Uncertainty exists as to the availability of reimbursement for such new therapies as stem cell-based therapies. There can be no assurance that such reimbursement will be available in the future at all or without substantial delay or, if such reimbursement is provided, that the approved reimbursement amounts will be sufficient to support demand for our services and products at a level that will be profitable.

If safety problems are encountered by us or others developing new stem cell-based therapies, our stem cell initiatives could be materially and adversely affected.

The use of stem cells for therapeutic indications is still in the very early stages of development. If an adverse event occurs during clinical trials related to one of our proposed services and/or products or those of others, the FDA and other regulatory authorities may halt clinical trials or require additional studies. The occurrence of any of these events would delay, and increase the cost of, our development efforts and may render the commercialization of our proposed services and/or products impractical or impossible.

Ethical and other concerns surrounding the use of stem cell therapy may negatively impact the public perception of our stem cell services, thereby suppressing demand for our services.

Although our contemplated stem cell business pertains to adult stem cells only, and does not involve the more controversial use of embryonic stem cells, the use of adult human stem cells for therapy could give rise to similar ethical, legal and social issues as those associated with embryonic stem cells, which could adversely affect its acceptance by consumers and medical practitioners. Additionally, it is possible that our business could be negatively impacted by any stigma associated with the use of embryonic stem cells if the public fails to appreciate the distinction between adult and embryonic stem cells. Delays in achieving public acceptance may materially and adversely affect the results of our operations and profitability.

We are vulnerable to competition and technological change, and also to physicians' inertia.

We will compete with many domestic and foreign companies in developing our technology and products, including biotechnology, medical device and pharmaceutical companies. Many current and potential competitors have substantially greater financial, technological, research and development, marketing, and personnel resources. There is no assurance that our competitors will not succeed in developing alternative services and/or products that are more effective, easier to use, or more economical than those which we may develop, or that would render our services and/or products obsolete and non-competitive. In general, we may not be able to prevent others from developing and marketing competitive services and/or products similar to ours or which perform similar functions or which are marketed before ours.

Competitors may have greater experience in developing therapies or devices, conducting clinical trials, obtaining regulatory clearances or approvals, manufacturing and commercialization. It is possible that competitors may obtain patent protection, approval, or clearance from the FDA or achieve commercialization earlier than we can, any of which could have a substantial negative effect on our business.

We will compete against cell-based therapies derived from alternate sources, such as bone marrow, umbilical cord blood and potentially embryos. Doctors historically are slow to adopt new technologies like ours, whatever the merits, when older technologies continue to be supported by established providers. Overcoming such inertia often requires very significant marketing expenditures or definitive product performance and/or pricing superiority.

We expect that physicians' inertia and skepticism will also be a significant barrier as we attempt to gain market penetration with our future services and products. We may need to finance lengthy time-consuming clinical studies (so as to provide convincing evidence of the medical benefit) in order to overcome this inertia and skepticism particularly in reconstructive surgery, cell preservation, the cardiovascular area and many other indications.

Most potential applications of our technology are pre-commercialization, which subjects us to development and marketing risks.

We are in an early stage on the path to commercialization with many of our services and products, including with regard to our recently launched brown fat initiative. We believe that our long-term viability and growth will depend in large part on our ability to develop commercial quality cell processing devices and useful procedure-specific consumables, and to establish the safety and efficacy of our therapies through clinical trials and studies. There is no assurance that our development programs will be successfully completed or that required regulatory clearances or approvals will be obtained on a timely basis, if at all.

Successful development and market acceptance of our services and products will be subject to developmental risks, including failure of inventive imagination, ineffectiveness, lack of safety, unreliability, failure to receive necessary regulatory clearances or approvals, high commercial cost, preclusion or obsolescence resulting from third parties' proprietary rights or superior or equivalent services and products, competition from copycat services and products, and general economic conditions affecting purchasing patterns. There is no assurance that we will successfully develop and commercialize our services and products, or that our competitors will not develop competing technologies that are less expensive or superior. Failure to successfully develop and market our services and products would have a substantial negative effect on our results of operations and financial condition.

Future clinical trial results may differ significantly from our expectations.

In the event that we undertake clinical trials, we cannot guarantee that we will not experience negative results. Poor results in our clinical trials could result in substantial delays in commercialization, substantial negative effects on the perception of our services and products, and substantial additional costs. These risks may be increased by our reliance on third parties in the performance of many of the clinical trial functions, including clinical investigators, hospitals, and other third party service providers.

Continued turmoil in the economy could harm our business.

Negative trends in the general economy, including, but not limited to, trends resulting from an actual or perceived recession, tightening credit markets, increased cost of commodities, actual or threatened military action by the United States and threats of terrorist attacks in the United States and abroad, could cause a reduction of investment in and available funding for companies in certain industries, including ours. Our ability to raise capital has been and may in the future be adversely affected by downturns in current credit conditions, financial markets and the global economy.

We may not have enough product liability insurance.

The testing, manufacturing, marketing, and sale of our regenerative cell services and products will involve an inherent risk that product liability claims will be asserted against us, our distribution partners, or licensees. There can be no guarantee that our clinical trial and commercial product liability insurance will be adequate or will continue to be available in sufficient amounts or at an acceptable cost, if at all. A product liability claim, product recall, or other claim, as well as any claims for uninsured liabilities or in excess of insured liabilities, could have a substantial negative effect on our results of operations and financial condition. Also, well-publicized claims could cause our stock to fall sharply, even before the merits of the claims are decided by a court.

We have identified certain material weaknesses in the design or operation of internal control over financial reporting which could affect the ability of investors to rely on our financial statements.

We have identified certain material weaknesses in the design or operation of internal control over financial reporting which could adversely affect our ability to record, process, summarize, and report financial data. The material weaknesses relate to our failure to maintain a fully integrated financial consolidation and reporting system throughout the three months ended March 31, 2011 and 2010 and the years ended December 31, 2009 and 2010, our inability to properly apply highly specialized accounting principles to, and adequately disclose, complex transactions and our limited segregation of duties. We did not maintain a fully integrated financial consolidation and reporting system throughout the three months ended March 31, 2011 and 2010 or the years ended December 31, 2009 and 2010 and, as a result, extensive manual analysis, reconciliation and adjustments were required in order to produce financial statements for external reporting purposes. We do not currently have a Chief Financial Officer and lack adequately trained accounting personnel with appropriate United States generally accepted accounting principles (US GAAP) expertise for complex transactions. We do not currently have a sufficient complement of technical accounting and external reporting personnel commensurate to support standalone external financial reporting requirements. Specifically, we did not effectively segregate certain accounting duties due to the small size of our accounting staff or maintain a sufficient number of adequately trained personnel necessary to anticipate and identify risks critical to financial reporting and the closing process. In addition, there were inadequate reviews and approvals by our personnel of certain reconciliations and other processes in day-to-day operations due to the lack of a full complement of accounting staff. Subsequent to March 31, 2011, we engaged outside consultants to assist in the financial function, which has increased the resources and technical expertise devoted to performing certain procedures and is expected to improve our internal control over financial reporting going forward. Notwithstanding the foregoing weaknesses, we believe that our unaudited financial statements as of March 31, 2011 and for the three months ended March 31, 2011 and 2010 and our audited financial statements as of December 31, 2009 and 2010 and for the years then ended fairly present, in all material respects, our financial condition as of such dates and our results of operations for such years and periods.

We pay no dividends.

We have never paid cash dividends in the past, and currently do not intend to pay any cash dividends in the foreseeable future.

There is, at present, only a limited market for our common stock and there is no assurance that an active trading market for our common stock will develop.

Although our common stock is quoted on the OTC Pink Sheets from time to time, and we intend to have our common stock quoted on the OTCQB, the market for our common stock is extremely limited. In addition, although there have been market makers in our securities on the OTC Pink Sheets, we cannot assure that these market makers will continue to make a market in our securities or that other factors outside of our control will not cause them to stop market making in our securities. Making a market in securities involves maintaining bid and ask quotations and being able to effect transactions in reasonable quantities at those quoted prices, subject to various securities laws and other regulatory requirements. Furthermore, the development and maintenance of a public trading market depends upon the existence of willing buyers and sellers, the presence of which is not within our control or that of any market maker. Market makers are not required to maintain a continuous two-sided market, are required to honor firm quotations for only a limited number of shares, and are free to withdraw firm quotations at any time. Even with a market maker, factors such as our past losses from operations and the small size of our company mean that there can be no assurance of an active and liquid market for our securities developing in the foreseeable future. Even if a market develops, we cannot assure that a market will continue, or that shareholders will be able to resell their securities at any price.

Since our common stock is classified as "penny stock," the restrictions of the SEC's penny stock regulations may result in less liquidity for our common stock.

The SEC has adopted regulations which define a "penny stock" to be any equity security that has a market price (as therein defined) of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. For any transactions involving a penny stock, unless exempt, the rules require the delivery, prior to any transaction involving a penny stock by a retail customer, of a disclosure schedule prepared by the SEC relating to the penny stock market. Disclosure is also required to be made about commissions payable to both the broker/dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Because the market price for shares of our common stock is less than $5.00, and we do not satisfy any of the exceptions to the SEC's definition of penny stock, our common stock is classified as a penny stock. As a result of the penny stock restrictions, brokers or potential investors may be reluctant to trade in our securities, which may result in less liquidity for our common stock.

Shareholders who hold unregistered shares of our common stock are subject to resale restrictions pursuant to Rule 144 due to our former status as a "shell company."

Pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended ("Rule 144"), a "shell company" is defined as a company that has no or nominal operations and either no or nominal assets, assets consisting solely of cash and cash equivalents or assets consisting of any amount of cash and cash equivalents and nominal other assets. We previously were a "shell company" pursuant to Rule 144, and, as such, sales of our securities pursuant to Rule 144 cannot be made until we are subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, we have filed all of our required periodic reports with the Securities and Exchange Commission (the "SEC") and a period of at least 12 months has elapsed from the date "Form 10 information" has been filed with the SEC reflecting our status as a non-"shell company." We filed our Form 10 with the SEC on May 12, 2011 reflecting such non-"shell company" status. Because our unregistered securities cannot be sold pursuant to Rule 144 until at least May 12, 2012, any unregistered securities we sell in the future or issue to consultants or employees, in consideration for services rendered or for any other purpose, will have no liquidity until and unless such securities are registered with the SEC or until May 12, 2012, and we have complied with the other requirements of Rule 144. As a result, it may be more difficult for us to fund our operations and pay our consultants and employees with our securities instead of cash. Furthermore, it will be more difficult for us to raise funding through the sale of debt or equity securities unless we agree to register such securities with the SEC, which could cause us to expend additional resources in the future.

Item 2. Financial Information.

Selected Financial Data

Not applicable.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of results of operations and financial condition is based upon, and should be read in conjunction with, our consolidated financial statements and accompanying notes thereto, included elsewhere in this Registration Statement following Item 15. This discussion contains forward-looking statements. Actual results could differ materially from the results discussed in the forward-looking statements. Reference is made to "Forward-Looking Statements" and "Risk Factors" for a discussion of some of the uncertainties, risks and assumptions associated with these statements.

Overview

Our goal is to become a medical center of excellence using cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic) allowing patients to undergo cellular-based treatments. As more and more cellular therapies become standard of care, we intend to focus on the unity of medical and scientific explanations for future clinical procedures and outcomes and the provision of adult stem cells for future personal medical applications.

We currently are developing an infrastructure to establish a laboratory for the possible development of cellular-based treatment protocols, stem cell-related intellectual property, and research applications as well as for stem cell collection and storage services.

We also operate a wholly-owned subsidiary, Stem Pearls™, LLC, which plans to offer and sell facial creams and other skin care products with certain ingredients that may include stem cells and/or other stem cell optimization or regenerative compounds.

We are a development stage enterprise. Our primary activities in the stem cell area have been the development of our business plan, negotiating strategic alliances and other agreements and raising capital. We have not commenced our principal operations, nor have we generated any revenues.

Since inception on December 30, 2008, we have incurred substantial losses. As at March 31, 2011, December 31, 2010 and December 31, 2009, our accumulated deficit was $4,563,658, $3,450,561 and $1,186,762, respectively, our stockholders' deficiency was $1,443,954, $744,222 and $51,087, respectively, and our working capital deficiency was $1,728,198, $997,778 and $145,038, respectively. We have not yet generated revenues and our losses have principally been operating expenses incurred in development, marketing and promotional activities in order to commercialize our products and services. We expect to continue to incur substantial costs for development, marketing and promotional activities over at least the next year.

Based upon our working capital deficiency as of March 31, 2011 and the lack of any revenues, we require equity and/or debt financing to continue our operations. Between June 2009 and July 2011, we raised an aggregate of $1,982,584 in debt financing. As of March 31, 2011, our outstanding debt of $2,074,867, together with interest at rates ranging between 6% and 15% per annum, was due between July 2011 and February 2014. Subsequent to March 31, 2011, we have received aggregate debt financing of $225,000, have repaid $116,831 of debt and have extended the due date for repayment with respect to $175,000 of debt. As a result, we expect that the cash we have available will fund our operations only until August 2011 (at which time a substantial portion of our debt obligations will become due). We are currently considering several different financing alternatives to support our operations thereafter. If we are unable to obtain such additional financing on a timely basis and, notwithstanding any request we may make, our debt holders do not agree to convert their notes into equity or extend the maturity dates of their notes, we may have to curtail our development, marketing and promotions activities, which would have a material adverse effect on our business, financial condition and results of operations, and ultimately we could be forced to discontinue our operations and liquidate. See "Liquidity and Capital Resources" below.

Consolidated Results of Operations

Three Months Ended March 31, 2011 compared with Three Months Ended March 31, 2010

The following table presents selected items in our condensed consolidated statements of operations for the three months ended March 31, 2011 and 2010, respectively.

	March 31,	
	2011	2010
Operating Expenses:		
Marketing and promotion	$ 44,805	$ 23,251
Payroll and benefits	543,431	-
Consulting expenses	195,858	150,895
General and administrative	233,512	158,240
Research and development	-	11,620
Operating loss	(1,017,606)	(344,006)
Interest expense	(95,491)	(121,365)
Net loss	$ (1,113,097)	$ (465,371)

Marketing and promotion expenses

Marketing and promotion expenses include advertising and promotion, marketing and seminars, meals, and entertainment and travel expenses. For the three months ended March 31, 2011, marketing and promotion expenses increased by $21,554, or 93%, as compared to the three months ended March 31, 2010. The increase was due primarily to an increase in seminar and marketing expense ($10,732) and an increase in travel expenses ($16,292), offset by a decrease in advertising expenses ($5,470).

We expect that marketing and promotion expenses will continue to increase in the future as we increase our marketing activities following full commercialization of our products and services.

Payroll and benefits

Payroll and benefits consist primarily of salaries, bonuses, severance costs and stock-based compensation to employees. For the three months ended March 31, 2011, payroll and benefits amounted to $543,431 primarily due to salaries of $212,850, stock-based compensation to employees of $123,900, severance costs of $180,000 and other costs of $26,681. We did not have any employees during the three months ended March 31, 2010.

Consulting expenses

Consulting expenses consist of consulting fees and stock-based compensation to consultants. For the three months ended March 31, 2011, consulting expenses increased approximately $44,963, or 30%, compared to the three months ended March 31, 2010. The increase is primarily from $85,658 of stock-based compensation to consultants during the first quarter of 2011 as compared to none in the first quarter of 2010. This is partially offset by a reduction in consulting fees incurred of approximately $40,695. We began hiring employees in the fourth quarter of 2010 which has reduced our consulting fee expense; however we will continue to use consultants to staff certain functions until a full-time employee is justified.

General and administrative expenses

General and administrative expenses consist primarily of corporate support expenses such as legal and professional fees, investor relations and telecommunications expenses. For the three months ended March 31, 2011, general and administrative expenses increased by $75,272, or 48%, as compared to the three months ended March 31, 2010. The increase was primarily due to an increase in professional fees of $132,645 offset by a decrease in information technology and other administrative service costs of $19,000 and business development costs of $55,150.

We expect that our general and administrative expenses will continue to increase as we expand our staff, develop our infrastructure and incur additional costs to support the growth of our business.

Research and development expenses

Research and development expenses consist primarily of costs incurred in the development of our process and equipment to extract adult stem cells from adipose tissue and the implantation of those cells and tissue for cosmetic therapies. Research and development expenses are expensed as they are incurred. For the three months ended March 31, 2010, research and development expenses amounted to $11,620. No research and development expenses were incurred for the three months ended March 31, 2011.

We believe that a substantial investment in research and development is essential in the long term to remain competitive. Accordingly, we expect that, subject to the receipt of necessary additional financing, our research and development expenses will increase as we grow.

Interest expense

For the three months ended March 31, 2011, interest expense decreased $25,874, or 21%, as compared to the three months ended March 31, 2010. The decrease was mostly due to a decrease in amortization of debt discount, classified as interest expense, in 2011.

Year Ended December 31, 2010 compared with Year Ended December 31, 2009

The following table presents selected items in our consolidated statements of operations for the years ended December 31, 2010 and 2009, respectively.

	December 31,	
	2010	2009
Operating Expenses:		
Marketing and promotion	$ 124,850	$ 79,272
Payroll and benefits	918,574	-
Consulting expenses	523,749	856,285
General and administrative	490,544	228,274
Research and development	11,620	-
Operating loss	(2,069,337)	(1,163,831)
Other income	11,432	25
Interest expense	(205,894)	(33,320)
Net loss	$ (2,263,799)	$ (1,197,126)

Marketing and promotion expenses

Marketing and promotion expenses include advertising and promotion, marketing and seminars, meals, and entertainment and travel expenses. For the year ended December 31, 2010, marketing and promotion expenses increased by $45,578, or 57%, as compared to the year ended December 31, 2009. The increase resulted primarily from an increase in advertising expenses ($50,908) and an increase in seminar expenses ($50,306), which arose due to an increase in promotional activities in conjunction with the commercialization of our products and services, offset by a decrease in promotion and marketing expenses ($55,636). We formulated our marketing program at the same time we received adequate funding in the fourth quarter of 2009.

We expect that marketing and promotion expenses will continue to increase in the future as we increase our marketing activities following full commercialization of our products and services.

Payroll and benefits

Payroll and benefits consist primarily of salaries and stock-based compensation to employees. For the year ended December 31, 2010, payroll and benefits amounted to $918,574 primarily due to stock-based compensation to employees of $583,685 and increased personnel costs to senior management. We did not have any employees during the year ended December 31, 2009.

Consulting expenses

Consulting expenses consist of consulting fees and stock-based compensation to consultants. For the year ended December 31, 2010, consulting expenses decreased $332,536, or 39%, compared to the year ended December 31, 2009. The decrease resulted primarily from the increased use by us of employees rather than consultants during 2010.

General and administrative expenses

General and administrative expenses consist primarily of corporate support expenses such as legal and professional fees, investor relations and telecommunications expenses. For the year ended December 31, 2010, general and administrative expenses increased $262,270, or 115%, as compared to the year ended December 31, 2009. The increase resulted primarily from an increase in professional fees and other expenses of approximately $140,000.

We expect that our general and administrative expenses will continue to increase as we expand our staff, develop our infrastructure and incur additional costs to support the growth in our business.

Research and development expenses

Research and development expenses consist primarily of costs incurred in the development of our process and equipment to extract adult stem cells from adipose tissue and the implantation of those cells and tissue for cosmetic therapies. Research and development expenses are expensed as they are incurred. For the year ended December 31, 2010, research and development expenses amounted to $11,620. No research and development expenses were incurred for the year ended December 31, 2009.

We believe that a substantial investment in research and development is essential in the long term to remain competitive. Accordingly, we expect that, subject to the receipt of necessary additional financing, our research and development expenses will increase as we grow.

Other income

Other income represents primarily income from the sale of our sample cosmetic products for testing purposes at trade shows. For the year ended December 31, 2010, other income increased by $11,407, or 45,626%, as compared to the year ended December 31, 2009. The increase resulted primarily from the fact that there were no trade shows in 2009 and therefore virtually no sales of our sample cosmetic products in that period.

Interest expense

For the year ended December 31, 2010, interest expense increased $172,574, or 518%, as compared to the year ended December 31, 2009. The increase was mostly due to an increase in short-term borrowings and increase in amortization of debt discount, classified as interest expense in 2010.

Liquidity and Capital Resources

Liquidity

We measure our liquidity in a number of ways, including the following:

	March 31, 2011	December 31,	
		2010	2009
Cash	$ 505,740	$ 18,074	$ 42
Working Capital Deficiency	$ (1,728,198)	$ (997,778)	$ (145,038)
Notes Payable (Gross-Current)	$ 1,922,127	$ 533,523	$ 278,386

From inception through March 31, 2011, we raised a total of $1,757,584 from the issuance of notes payable and $691,300 from the sale of common stock and warrants. As of March 31, 2011, we had $505,740 in unrestricted cash and a working capital deficiency of $1,728,198. Subsequent to March 31, 2011, we have secured additional debt financing of $225,000 and made principal repayments of $116,831.

Net Cash Used in Operating Activities

We experienced negative cash flow from operating activities for the three months ended March 31, 2011 and 2010 in the amounts of $849,911 and $247,759, respectively. The cash used in operating activities for the three months ended March 31, 2011 was due to cash used to fund a net loss of $1,113,097, adjusted for non-cash expenses related to depreciation and amortization, amortization of debt discount, and stock-based compensation in the aggregate amount of $305,400, plus a net usage of $42,214 of cash to fund changes in the levels of operating assets and liabilities. The cash used in operating activities for the three months ended March 31, 2010 was due to cash used to fund a net loss of $465,371, adjusted for non-cash expenses related to depreciation and amortization, amortization of debt discount, and stock-based compensation in the aggregate amount of $220,444, plus a net usage of $2,832 of cash to fund changes in the level of operating assets and liabilities.

We experienced negative cash flow from operating activities for the years ended December 31, 2010 and 2009 in the amounts of $729,218 and $203,080, respectively. The cash used in operating activities in the year ended December 31, 2010 was due to cash used to fund a net loss of $2,263,799, adjusted for non-cash expenses related to depreciation, amortization of debt discount, and stock-based compensation in the aggregate amount of $1,125,705 as well as a change in accounts payable and accrued expenses and other current liabilities of $402,926. The cash used in operating activities in the year ended December 31, 2009 was due to cash used to fund a net loss of $1,197,126, adjusted for non-cash expenses related to depreciation, amortization of debt discount, and stock-based compensation in the aggregate amount of $965,117 plus a net surplus of $408,876 of cash to fund changes in the level of operating assets and liabilities. The net increase in cash used in the year ended December 31, 2010 compared to 2009 was driven primarily by the increase in the net loss from $1,197,126 to $2,263,799.

Net Cash Used in Investing Activities

We used $6,891 and $29,786 during the three months ended March 31, 2011 and 2010, respectively, to acquire property and equipment and intangibles. The cash used in the three months ended March 31, 2011 includes the cost to acquire furniture, fixtures and office equipment. The cash used in the three months ended March 31, 2010 includes the cost to acquire medical equipment ($17,760), furniture and fixtures ($3,443) and various other purchases ($8,583)

We used $48,784 during the year ended December 31, 2010, and $100,363 during the year ended December 31, 2009 to acquire property and equipment and intangibles. The cash used in the year ended December 31, 2010 includes the cost of medical equipment ($23,060) and furniture and fixtures ($22,323). The cash used in the year ended December 31, 2009 includes the cost of medical equipment ($95,240) and furniture and fixtures ($4,888).

Net Cash Provided by Financing Activities

Cash provided by financing activities during the three months ended March 31, 2011 and 2010 was $1,344,468 and $285,575, respectively. During the three months ended March 31, 2011, the net proceeds were entirely from debt financing. During the three months ended March 31, 2010, $401,300 of proceeds were from equity financing activities, offset by net repayments of debt financing of $115,725.

Cash provided by financing activities during the year ended December 31, 2010 was $796,034. During such year, we sold an aggregate of 82,500,000 shares of common stock for a total purchase price of $666,300, and a warrant for the purchase of 125,000 shares of common stock was exercised for an exercise price of $1,875. In addition, during the year ended December 31, 2010, we received $332,654 pursuant to debt financings. During such year, we also repurchased an aggregate of 27,931,034 shares of common stock for a total purchase price of $32,000.

Cash provided by financing activities during the year ended December 31, 2009 was $303,485. During such year, we sold an aggregate of 945,000 shares of common stock for a total purchase price of $25,000. In addition, during the year ended December 31, 2009, we received $278,485 pursuant to debt financings.

Availability of Additional Funds

Based upon our working capital deficiency of $1,728,198 as of March 31, 2011 and the lack of any revenues, we require equity and/or debt financing to continue our operations. Between June 2009 and March 31, 2011, we raised $1,757,584 in debt financing. As of March 31, 2011, our outstanding debt of $2,074,867, together with interest at rates ranging between 6% and 15% per annum, was due between July 2011 and February 2014. Subsequent to March 31, 2011, we have received aggregate debt financing of $225,000, have repaid $116,831 of debt and have extended the due date for repayment with respect to $175,000 of debt. As a result, we believe that the cash we have available will fund our operations only until August 2011 (at which time a substantial portion of our debt obligations will become due). Thereafter, we will need to raise further capital, through the sale of additional equity securities or otherwise, to support our future operations and to repay our debt (unless, if requested, the debt holders agree to convert their notes into equity or extend the maturity dates of their notes). Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. At the present time, we have commitments for capital expenditures totaling approximately $14,000, representing the furniture and fixtures to be used in our Jupiter, Florida office. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings.

We may be unable to raise sufficient additional capital when we need it or to raise capital on favorable terms. Debt financing may require us to pledge certain assets and enter into covenants that could restrict certain business activities or our ability to incur further indebtedness, and may contain other terms that are not favorable to our stockholders or us. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations or to obtain funds by entering into financing agreements on unattractive terms.

These conditions raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements included elsewhere in this Registration Statement following Item 15 have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate our continuation as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Critical Accounting Policies and Estimates

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at dates of the financial statements and the reported amounts of revenue and expenses during the periods. Actual results could differ from these estimates. Our significant estimates and assumptions include depreciation and the fair value of our stock, stock-based compensation, debt discount and deferred tax assets, including a valuation allowance.

Deferred Tax Valuation Allowance

We believe significant uncertainties exist regarding the future realization of deferred tax assets, and, accordingly, a full valuation allowance has been established. In subsequent periods, if and when we generate pre-tax income, a tax expense will not be recorded to the extent that the remaining valuation allowance can be used to offset that expense. Once a consistent pattern of pre-tax income is established or other events occur that indicate that the deferred tax assets will be realized, some or all of the existing valuation allowance will be reversed back to income. Should we generate pre-tax losses in subsequent periods, a tax benefit will not be recorded and the valuation allowance will be increased.

Stock-Based Compensation

We account for equity instruments issued to non-employees in accordance with accounting guidance which requires that such equity instruments are recorded at their fair value on the measurement date, which is typically the date the services are performed..

We account for equity instruments issued to employees in accordance with accounting guidance that requires awards are recorded at their fair value on the date of grant and are amortized over the vesting period of the award. We recognize compensation costs over the requisite service period of the award, which is generally the vesting term of the options associated with the underlying employment agreement, if applicable.

Since we are a Pink Sheet company and our stock is not widely publicly traded, combined with the fact that our stock-based compensation awards are for restricted shares, the fair value of our equity instruments was estimated based on (1) historical observations of cash prices paid for our restricted common stock; and (2) publicly traded prices after taking appropriate discounts for the applicable restrictions.

The fair value of options is estimated using the Black-Scholes valuation model. These fair values were estimated using the following additional assumptions:

	Three Months Ended March 31,		Year Ended December 31,	
	2011	2010	2010	2009
Risk-free interest rate	-	-	1.93%	-
Expected term	-	-	5 years	-
Expected volatility	-	-	207%	-
Dividend yield	-	-	0%	-

Risk-Free Interest Rate. This is the United States Treasury rate for the day of the grant having a term equal to the expected term of the option. An increase in the risk-free interest rate will increase the fair value and the related compensation expense.

Expected Term. This is the period of time over which the award is expected to remain outstanding. The expected term of options granted during the year ended December 31, 2010 was calculated using the simplified method set out in SEC Staff Accounting Bulletin, No. 107, as amended by No. 110, using the vesting period set forth in the option agreements and the expected contractual term of 10 years. The simplified method defines the expected term as the average of the contractual term and vesting period. An increase in the expected term will increase the fair value and the related compensation expense.

Expected Volatility. This is a measure of the amount by which our share price has fluctuated or is expected to fluctuate. Since we are a Pink Sheet company and our stock is not widely publicly traded, we use the average of the historic volatility of comparative companies. An increase in the expected volatility will increase the fair value and the related compensation expense.

Dividend Yield. We have not made any dividend payment nor do we have plans to pay dividends in the foreseeable future. An increase in the dividend yield will decrease the fair value and the related compensation expense.

Recently Issued Accounting Pronouncements

Reference is made to the "Recent Accounting Pronouncements" in Note 3 to the Consolidated Financial Statements included in this Registration Statement following Item 15 for information related to the adoption of new accounting standards, none of which had a material impact on our consolidated financial statements, and the future adoption of recently issued accounting pronouncements, which we do not expect will have a material impact on our consolidated financial statements.

Off-Balance Sheet Arrangements

None.

Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 3. Properties.

Our principal executive offices and laboratory are located at 555 Heritage Drive, Jupiter, Florida. We occupy the premises pursuant to a three year lease that expires on January 31, 2014 and provides that no base rent is payable during the initial year and that a base monthly rent of $6,234 and $6,422 is payable during the second and third years, respectively.

Pursuant to the lease, we are responsible for our share of operating expenses (as defined in the lease), and we have the right to extend the term of the lease for a period of three years at a rent equal to the market rate (as defined in the lease).

Our Jupiter, Florida premises are suitable and adequate for our intended near-term domestic operations.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth certain information regarding the beneficial ownership of shares of our common stock, as of July 5, 2011, known by us, through transfer agent records, to be held by: (i) each person who beneficially owns 5% or more of the shares of common stock then outstanding; (ii) each of our directors; (iii) each of our Named Executive Officers (as hereinafter defined) in Item 6; and (iv) all of our directors and executive officers as a group.

The information in this table reflects "beneficial ownership" as defined in Rule 13d-3 of the Exchange Act. To our knowledge, and unless otherwise indicated, each stockholder has sole voting power and investment power over the shares listed as beneficially owned by such stockholder, subject to community property laws where applicable. Percentage ownership is based on 558,270,311 shares of common stock outstanding as of July 5, 2011.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Approximate Percent of Class
Mark Weinreb 555 Heritage Drive Jupiter, Florida	180,642,991 (1)	32.1%
Gloria McConnell 1260 NW 16th Street Boca Raton, Florida	105,120,382 (2)	18.8%
A. Jeffrey Radov 8 Walworth Avenue Scarsdale, New York	5,000,000 (3)	*
Joel San Antonio 2200 Highway 121 Bedford, Texas	5,000,000 (3)	*
All directors and executive officers as a group (5 persons)	198,142,991 (1)(3)(4)	34.9 %

* **Less than 1%**

(1) Includes (a) 4,000,000 shares of common stock issuable upon the exercise of currently exercisable options, (b) 35,000,000 shares of common stock issued subject to the receipt of additional financing, as described in Item 6 ("Executive Compensation - Employment Agreement"); (c) 41,034,483 shares of common stock held of record by Gloria McConnell over which Mr. Weinreb has voting power pursuant to a Shareholder Agreement and Irrevocable Proxy, dated January 20, 2011 (the "McConnell Shareholder Agreement"), as described in footnote (2) below, (d) 64,085,899 shares of common stock held of record by Stem Cell Research Company, LLC ("Stem Cell Research") over which Mr. Weinreb has voting power pursuant to a Shareholder Agreement and Irrevocable Proxy, dated January 21, 2011 (the "Research Shareholder Agreement"), as described in footnote (2) below and (e) 21,522,609 shares of common stock held of record by Richard Proodian over which Mr. Weinreb has voting power pursuant to a Shareholder Agreement and Irrevocable Proxy, dated June 15, 2011.

(2) Includes 64,085,899 shares of common stock held of record by Research of which, we have been advised, Ms. McConnell is the President and sole member. Pursuant to the McConnell Shareholder Agreement, for a period of three years, Ms. McConnell has agreed to vote her shares of common stock as directed by Mr. Weinreb and has granted to Mr. Weinreb an irrevocable proxy in connection therewith. Pursuant to the Research Shareholder Agreement, for a period of three years, Stem Cell Research has agreed to vote its shares as directed by Mr. Weinreb and has granted to Mr. Weinreb an irrevocable proxy in connection therewith.

(3) Includes 2,500,000 shares of common stock issued subject to continued service as a director until April 21, 2012.

(4) Includes 6,250,000 shares of common stock issuable upon the exercise of currently exercisable options.

Item 5. Directors and Executive Officers.

Directors and Executive Officers

Information regarding our directors and executive officers is set forth below. Each of our officers devotes his or her full business time in providing services on our behalf.

Name	Age	Positions Held
Mark Weinreb	58	Chief Executive Officer and Chairman of the Board
Mandy D. Clark	29	Vice President of Operations and Secretary
Francisco Silva	36	Vice President of Research and Development
A. Jeffrey Radov	59	Director
Joel San Antonio	58	Director

Mark Weinreb

Mark Weinreb has served as our Chief Executive Officer since October 2010 and as our Chairman of the Board since April 2011. From February 2003 to October 2009, Mr. Weinreb served as President of NeoStem, Inc., a public biotechnology medical services company that specializes in enhancing the delivery of adult stem cell therapeutics and developing an international network of adult stem cell collection centers. Mr. Weinreb also served as Chief Executive Officer and Chairman of the Board of Directors of NeoStem from February 2003 to June 2006. In 1976, Mr. Weinreb joined Bio Health Laboratories, Inc., a state-of-the-art medical diagnostic laboratory providing clinical testing services for physicians, hospitals, and other medical laboratories. He became the laboratory administrator in 1978 and then an owner and the laboratory's Chief Operating Officer in 1982. In such capacity, he oversaw all technical and business facets, including finance and laboratory science technology. Mr. Weinreb left Bio Health Labs in 1989 when the business was sold. In 1992, Mr. Weinreb founded Big City Bagels, Inc., a national chain of franchised upscale bagel bakeries and became Chairman and Chief Executive Officer of such entity. Big City Bagels went public in 1995, and in 1999 Mr. Weinreb redirected the company and completed a merger with an Internet service provider. From 2000 to 2002, Mr. Weinreb served as Chief Executive Officer of Jestertek, Inc., a software development company pioneering gesture recognition and control using advanced interactive proprietary video technology. Mr. Weinreb received a Bachelor of Arts degree in 1975 from Northwestern University and a Master of Science degree in 1982 in Medical Biology from C.W. Post, Long Island University. We believe that Mr. Weinreb's executive-level management experience, his extensive experience in the adult stem cell sector and his service on our Board since October 2010 give him the qualifications and skills to serve as one of our directors.

Mandy D. Clark

Mandy D. Clark has been our Vice President of Operations since August 2009. She has served as our Secretary since December 2010 and served on our Board from September 2010 to April 2011. From 2006 to 2009, Ms. Clark served as Educational Envoy and then CME/CE Coordinator for Professional Resources in Management Education, an accredited provider of continuing medical education. She conducted needs assessments nationally to determine in which areas clinicians most needed current education. She also oversaw onsite educational meetings and analyzed data for outcomes reporting. From 2005 to 2006, Ms. Clark served as surgical coordinator for Eye Surgery Associates and the Rand Eye Institute, two prominent physician practices in Florida. Ms. Clark has experience in medical editing for educational programs and is a published author of advanced scientific and clinical content on topics including Alzheimer's disease, breast cancer, sleep apnea and adult learning. She received a degree in Biology from Mercyhurst College.

Francisco Silva

Francisco Silva has served as our Vice President of Research and Development since April 2011. From 2007 to 2011, Mr. Silva served as Chief Executive Officer of DV Biologics LLC, and as President of DaVinci Biosciences LLC, companies engaged in the commercialization of human based biologics for both research and therapeutic applications. From 2003 to 2007, Mr. Silva as Vice President of Research and Development for PrimeGen Biotech LLC, a company engaged in the development of cell based platforms. From 2002 to 2003, he was a Research Scientist with PrimeGen Biotech and was responsible for the development of experimental designs that focused on germ line reprogramming stem cell platforms. Mr. Silva has taught courses in biology, anatomy and advanced tissue culture at California State Polytechnic University. He has obtained a number of patents relating to stem cells and has had numerous articles published with regard to stem cell research. Mr. Silva graduated from California State Polytechnic University with a degree in Biology. He also obtained a Graduate Presidential Fellowship and MBRS Fellowship from California State Polytechnic University. See Item 1A ("Risk Factors – We depend on our executive officers and on our ability to attract and retain additional qualified personnel. A pending action against our Vice President of Research and Development may limit our ability to utilize fully his capabilities. We do not currently have a Chief Financial Officer") for a discussion of a pending action by Mr. Silva's former employer against him.

A. Jeffrey Radov

A. Jeffrey Radov became a member of our Board in April 2011. Mr. Radov is an entrepreneur and businessman with 35 years of experience in media, communications and financial endeavors. Since 2002, he has served as the Managing Partner of Walworth Group, which provides consulting and advisory services to a variety of businesses, including hedge funds, media, entertainment and Internet companies, financial services firms and early stage ventures. Mr. Radov is also an advisor to GeekVentures, LLC, an incubator for technology startups in Israel. From 2008 to 2010, Mr. Radov was a Principal and Chief Operating Officer at Aldebaran Investments, LLC, a registered investment advisor. From 2005 to 2008, Mr. Radov was Chief Operating Officer at EagleRock Capital Management, a group of hedge funds. Prior to joining EagleRock, Mr. Radov was a founding investor in and Board member of Edusoft, Inc., an educational software company. From 2001 to 2002, Mr. Radov was a Founder-in-Residence at SAS Investors, an early-stage venture fund. From 1999 to 2001, Mr. Radov was CEO and Co-Founder of VocaLoca, Inc., an innovator in consumer-generated audio content on the Internet. Mr. Radov was a founding executive of About.Com, Inc., an online information source, and was its EVP of Business Development and Chief Financial Officer from its inception. In 1996, prior to founding About.Com, Mr. Radov was a Director at Prodigy Systems Company, a joint venture of IBM and Sears. Mr. Radov was also a principal in the management of a series of public limited partnerships that invested in the production and distribution of more than 130 major motion pictures. From 1982 to 1984, Mr. Radov was the Director of Finance at Rainbow Programming Enterprises, a joint venture among Cablevision Systems Corporation, Cox Broadcasting and Daniels & Associates. From 1977 to 1981, Mr. Radov was Director of Marketing at Winklevoss & Associates. Mr. Radov earned a Masters of Business Administration from The Wharton School of the University of Pennsylvania and holds a Bachelor of Arts degree from Cornell University. We believe that Mr. Radov's executive-level management experience and his extensive experience in the finance industry give him the qualifications and skills to serve as one of our directors.

Joel San Antonio

Joel San Antonio became a member of our Board in April 2011. Since August 2010, Mr. San Antonio has served as Chairman of Warrantech/AMT Warranty, an operating subsidiary of Amtrust Financial Services Inc. From February 1988 through August 2010, he was Chairman and Chief Executive Officer of Warrantech Corporation, a leading provider of third party administration for insurance products. Warrantech was acquired by Amtrust Financial Services in 2010. Prior to founding Warrantech, Mr. San Antonio founded Little Lorraine Ltd., a company engaged in the manufacture of various brands of women's apparel. Mr. San Antonio has served as Chairman of the Board of American Doctors Network, a technology company engaged in the development of electronic medical records. He is a former board member of SearchHelp Inc., a company committed to online child protection and family safety, MedStrong International Corporation, a company engaged in the storage of emergency medical information, and Marc Pharmaceuticals, Inc., a company that, in conjunction with the Weil Medical Center at Cornell University, was engaged in the development and commercialization of cancer treatment products. Mr. San Antonio is engaged in a variety of philanthropic and charitable activities. Mr. San Antonio graduated from Ithaca College with a Bachelor of Science in Business Administration. We believe that Mr. Antonio's executive-level management experience gives him the qualifications and skills to serve as one of our directors.

Scientific Advisory Board

The following persons are the initial members of our Scientific Advisory Board:

Name	Principal Position
Naiyer Imam, M.D.	Chairman and Chief Executive Officer, Advanced Medical Imaging and Teleradiology, LLC
Amit Patel, M.D.	Associate Professor, Division of Cardiothoracic Surgery, University of Utah School of Medicine; Director of Clinical Regenerative Medicine and Tissue Engineering, University of Utah

Item 6. Executive Compensation.

Summary Compensation Table

The following Summary Compensation Table sets forth all compensation earned in all capacities during the fiscal years ended December 31, 2010 and 2009 by our (i) principal executive officer, (ii) our former principal executive officer and (iii) all other executive officers, other than our principal executive officer, whose salaries for the 2010 fiscal year, as determined by Regulation S-K, Item 402, exceeded $100,000 (the individuals falling within categories (i), (ii) and (iii) are collectively referred to as the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Nonequity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Mark Weinreb, Chief Executive Officer[1]	2010	$90,000	$45,000[3]	-	$437,234[4]	-	-	-	$572,234
	2009	-	-	-	-	-	-	-	-
Gloria McConnell, President[2]	2010	$26,667	-	-	-	-	-	$120,000[5]	$146,667
	2009	-	-	-	-	-	-	-	-

(1) Mr. Weinreb became our Chief Executive Officer in October 2010.

(2) Ms. McConnell served as our President from January 2009 to December 2010.

(3) Pursuant to Mr. Weinreb's employment agreement with us, he is entitled to receive a bonus equal to 50% of his annual salary. See "Employment Agreement" below.

(4) The amounts reported in this column represent the grant date fair value of the option awards granted during the year ended December 31, 2010, calculated in accordance with FASB ASC Topic 718. For a detailed discussion of the assumptions used in estimating fair values, see Item 2 ("Financial Information - Stock-Based Compensation").

(5) Represents amounts payable to Ms. McConnell pursuant to a termination agreement. As discussed in "Termination Agreement" and Item 7 below, pursuant to the termination agreement, Ms. McConnell is entitled to receive $120,000, as severance, payable over a two year period and to be reissued 12,576,811 shares of common stock she had previously contributed to capital.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information on outstanding equity awards as of December 31, 2010 to the Named Executive Officers:

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options Exercisable**	**Number of Securities Underlying Unexercised Options Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options**	**Option Exercise Price**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have Not Vested**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested**
Mark Weinreb	4,000,000	-	-	$0.01	12/14/20	-	-	-	-
Gloria McConnell	-	-	-	-	-	-	-	-	-

Employment Agreement

On October 4, 2010, we entered into a three-year employment agreement with Mark Weinreb, our Chief Executive Officer. Pursuant to the employment agreement, Mr. Weinreb is entitled to receive a salary of $360,000, $480,000 and $600,000 per annum during the three-year term and a bonus equal to 50% of his annual salary. In addition, pursuant to the employment agreement, in the event that Mr. Weinreb's employment is terminated by us without cause, or Mr. Weinreb terminates his employment for "good reason" or following a change in control, Mr. Weinreb would be entitled to receive a lump sum payment equal to the greater of (a) his base annual salary and bonus for the remainder of the term or (b) two times his then annual base salary and bonus. In addition, pursuant to the employment agreement, as amended, in January 2011 and May 2011, we granted to Mr. Weinreb 15,000,000 and 35,000,000 shares of common stock, respectively.

Termination Agreement

In December 2010, we entered into a termination agreement with Gloria McConnell, our former President. See the discussion of this agreement in Item 7.

Director Compensation

The following table sets forth certain information concerning the compensation of our non-employee directors for the fiscal year ended December 31, 2010:

Director Compensation

Name	Fees Earned or Paid in Cash	Stock Awards[1]	Option Awards[1]	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Dr. Kurt J. Wagner[2]	-	$61,775	$32,365	-	-	-	$94,140
Dr. Joseph J. Ross[2]	-	$13,800	$32,365	-	-	-	$46,165

(1) The amounts reported in this column represent the grant date fair value of the stock and option awards granted during the year ended December 31, 2010, calculated in accordance with FASB ASC Topic 718. For a detailed discussion of the assumptions used in estimating fair values, see Item 2 ("Financial Information - Stock-Based Compensation").

(2) Resigned as a director in April 2011.

Upon their appointment in April 2011, Messrs. Radov and San Antonio, our non-employee directors, each became entitled to receive compensation for his services as a director as follows:

- $20,000 per annum, payable quarterly (subject to our cash needs)
- 5,000,000 shares of common stock which vest to the extent of 50% upon grant and 50% after one year

Item 7. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions

In September 2009, certain of our then executive officers, directors, and 5% or greater shareholders contributed to our capital a total of 71,379,312 of the 301,999,999 shares of common stock received by them in connection with our April 2009 acquisition of Stem Cell Assurance, LLC. Such capital contribution was made in order to allow us to have sufficient authorized and unissued shares of common stock to use in connection with our capital-raising efforts and without additional consideration to the executive officers, directors or shareholders. The number of shares contributed is as follows:

Name	Total Number of Shares Contributed
Dr. Richard Ferrans	5,172,414
Gloria J. McConnell	10,344,818(1)
Richard M. Proodian	10,344,818
George Edward Dubec	5,172,414
Stem Cell Research Company, LLC	40,344,828

(1) Includes shares indirectly owned by Ms. McConnell.

In October 2010, certain of our then executive officers, directors, 5% or greater shareholders and consultants contributed to our capital an additional 60,332,799 shares. Such additional capital contribution was made in order to enable us to have sufficient authorized and unissued shares of common stock in connection with our capital-raising efforts and for other corporate purposes and without additional consideration to the executive officers, directors, shareholders or consultants. The number of additional shares contributed is as follows:

Name	Total Number of Shares Contributed
Gloria J. McConnell	12,576,811
Richard M. Proodian	9,511,874
Stem Cell Research Company, LLC	32,082,535
Todd Adler	6,161,579

On December 15, 2010, we entered into a termination agreement with Gloria McConnell, our former President (the "McConnell Termination Agreement"), pursuant to which Ms. McConnell is entitled to receive $120,000, as severance, payable over a two year period. In addition, pursuant to the McConnell Termination Agreement, we agreed to reissue to Ms. McConnell 12,576,811 shares of our common stock. These shares had previously been contributed to capital by Ms. McConnell in October 2010 in order to enable us to fulfill our obligation to issue shares to third parties. Further, pursuant to the McConnell Termination Agreement, Ms. McConnell has agreed to certain restrictive covenants, including non-competition and non-solicitation restrictions, and limitations on the number of shares that she can sell to 250,000 shares on any particular day and 5,000,000 shares during any three calendar month period.

On January 20, 2011, Ms. McConnell and Mr. Weinreb entered into a Shareholder Agreement and Irrevocable Proxy, pursuant to which Ms. McConnell has agreed that, for a period of three years, she would vote her shares of common stock as determined by Mr. Weinreb.

Effective January 29, 2011, we terminated our relationship with Tommy Berger, a founder of the Company. Pursuant and subject to the terms and conditions of a termination agreement between the parties (the "Berger Termination Agreement"), Mr. Berger waived any rights he may have had pursuant to a certain employment agreement entered into with us in August 2010 and we agreed to pay to Stem Cell Research Company, LLC ("Stem Cell Research") (see Item 4) $180,000 over a 12 month period. In addition, pursuant to the Berger Termination Agreement, each of Mr. Berger and Stem Cell Research has agreed to certain restrictive covenants, including non-competition and non-solicitation restrictions, restrictions on actions that would cause a change of control and limitations on the number of shares that they can sell to 250,000 shares on any particular day and 5,000,000 shares during any three calendar month period. Further, concurrently with the execution of the Berger Termination Agreement, Stem Cell Research executed a shareholder agreement and irrevocable proxy pursuant to which it has agreed that, for a three year period, it would vote its shares of common stock as directed by Mr. Weinreb. As previously indicated, we have been advised that Ms. McConnell is the President and sole member of Stem Cell Research. We have no knowledge as to any control that Mr. Berger may exercise with respect to Stem Cell Research.

On June 17, 2011, Richard Proodian, our former Chief Financial Officer, executed a termination agreement with us (the "Proodian Termination Agreement") pursuant to which Mr. Proodian is entitled to receive, as severance, $50,000 (less amounts paid as salary for the period after June 15, 2011), payable over the balance of 2011. In addition, pursuant to the Proodian Termination Agreement, Mr. Proodian has agreed to certain restrictive covenants, including non-competition and non-solicitation restrictions, and limitations on the number of shares that he can sell to 250,000 shares on any particular day and 5,000,000 shares during any three calendar month period. Further, in connection with the execution of the Proodian Termination Agreement, Messrs. Proodian and Weinreb entered into a Shareholder Agreement and Irrevocable Proxy pursuant to which Mr. Proodian has agreed that, for a period of three years, he would vote his shares of common stock as determined by Mr. Weinreb.

Director Independence

Board of Directors

Our Board of Directors is currently comprised of Mark Weinreb, A. Jeffrey Radov and Joel San Antonio. Each of Messrs. Radov and San Antonio is currently an "independent director" based on the definition of independence in Listing Rule 5605(a)(2) of the listing standards at The Nasdaq Stock Market.

Audit Committee

The members of our Board's Audit Committee currently are Messrs. Radov and San Antonio, each of whom is an "independent director" based on the definition of independence in Listing Rule 5605(a)(2) of the listing standards of The Nasdaq Stock Market and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934.

Nominating Committee

The members of our Board's Nominating Committee currently are Messrs. Radov and San Antonio, each of whom is an "independent director" based on the definition of independence in Listing Rule 5605(a)(2) of the listing standards of The Nasdaq Stock Market.

Compensation Committee

The members of our Board's Compensation Committee currently are Messrs. Radov and San Antonio, each of whom is an "independent director" based on the definition of independence in Listing Rule 5605(a)(2) of the listing standards of The Nasdaq Stock Market.

Item 8. Legal Proceedings

There are no material pending legal proceedings to which we are a party or to which any of our property is subject, and no such proceedings are known to us to be threatened or contemplated against us.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information

Transactions in our common stock are reported under the symbol "SCLZ.PK" on the OTC Pink tier of the OTC Markets. The following table sets forth the range of high and low bids reported in the over-the-counter market for our common stock. The prices shown below represent prices in the market between dealers in securities; they do not include retail markup, markdown or commissions, and do not necessarily represent actual transactions.

Quarter Ended	Low	High
Quarter ended March 31, 2009	$0.0008	$0.007
Quarter ended June 30, 2009	$0.001	$0.095
Quarter ended September 30, 2009	$0.0075	$0.045
Quarter ended December 31, 2009	$0.003	$0.007
Quarter ended March 31, 2010	$0.007	$0.025
Quarter ended June 30, 2010	$0.016	$0.029
Quarter ended September 30, 2010	$0.015	$0.019
Quarter ended December 31, 2010	$0.01	$0.018
Quarter ended March 31, 2011	$0.01	$0.015

Outstanding Shares and Number of Stockholders

As of July 5, 2011, there were 558,270,311 shares of common stock outstanding. As of that date, there were approximately 145 record holders of our shares of common stock.

Dividends

We have never declared or paid dividends on our common stock. Moreover, we currently intend to retain any future earnings for use in our business and, therefore, do not anticipate paying any dividends on our common stock in the foreseeable future.

Item 10. Recent Sales of Unregistered Securities

During the past three years, we sold the following securities in transactions not involving any public offering. For each of the following transactions, we relied upon Section 4(2) of the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering. For each such transaction, we did not use general solicitation or advertising to market the securities, the securities were offered to a limited number of persons, the investors had access to information regarding us, and we were available to answer questions by prospective investors.

DATE ISSUED	NUMBER OF SHARES	PURCHASER(S)	CONSIDERATION
02/26/08	30,000,000	Keith Charles Bryant, TBG Technology Ltd. and Carl N. Duncan(1)	$ -0-(1)
10/24/08	7,040,000	Tiger Team Management LLC, GDB Media Inc., Lance Berger and Market Solutions	$ -0-(2)
11/26/08	3,000,000	Jonathan Bryant ("J. Bryant")	$ -0-(2)
04/24/09	60,000,000	J. Bryant	$ -0-(3)
04/30/09	301,999,999	Dr. Richard Ferrans, Richard M. Proodian, Dr. Vikki Hufnagel, Dr. Leonard Haimes, Gloria J. McConnell ("McConnell"), George F. Dubec, Gold Star Investments, Alice Mitchel, Mark Ragozzino, Mandy Clark ("Clark"), NeoStem of the Palm Beaches(2)	$ -0-(4)
05/01/09	10,000,000	McConnell and Sherilynn Green	$ 351,000(5)
05/01/09	360,000	Christopher Quiroga ("Quiroga")	$ 12,500
05/01/09	2,283,000	Dr. Kurt Wagner ("Wagner"), Grace Martin ("Martin"), Glenn Charles and Anthony Carillo	$ 80,133(5)
05/15/09	250,000	Leonard Haimes	$ 8,775(5)
05/26/09	1,325,000	Mark Raggozino, Karen Baker and Ronald Hutton	$ 46,509(5)
05/26/09	10,000	Gilberto Gonzalez	$ 1,000
06/19/09	200,000	Quiroga	$ 6,500
06/22/09	250,000	Clark	$ 8,775(5)
08/05/09	5,000,000	SCG Capital LLC ("SCG")	$ 36,301(6)
08/05/09	12,103,448	Todd Adler ("Adler")	$ 320,741(5)
08/05/09	562,500	Robert Colletti and Lisa Colletti	$ 14,907(5)
09/10/09	375,000	Donald Rhodes	$ 5,000
09/10/09	1,000,000	First Fidelity Securities	$ 26,500(5)
10/05/09	5,000,000	SCG	$ 21,032(6)
11/01/09	2,000,000	Beau Bates	$ 53,000(5)
11/05/09	5,000,000	OB-GYN Management, Inc.	$ 5,000(6)
11/23/09	6,500,000	Solon Kandel and Vivian Kandel	$ 21,831(6)
12/08/09	9,000,000	Wayne Moy ("Moy") and Michael Ashkenazy	$ 30,520(6)
12/14/09	2,500,000	Moy	$ 8,689(7)

12/15/09	8,000,000	Vardan Consulting Services, LLC and Xeni Financial Services Corp. ("Xeni")	$	67,949(6)
12/16/09	12,000,000	Wagner and Adler	$	318,000(5)
12/16/09	20,000,000	Xeni		-0-(9)
01/04/10	5,000,000	Francisco Morales, Larry Perich and Clark	$	33,500(5)
02/16/10	63,000,000	Jeffrey Alper ("J. Alper") and Grace Ann Alper, Glenn Cotton ("Cotton"), Sol Bandiero ("Bandiero"), RAK Enterprises of Palm Beach, Inc., Vintage Holidays, LLC ("Vintage"), Rebecca Devlin, Howard Scheinberg, Wayne Koppel, Evan Rabinowitz, Aqualipo, LLC, and Georgiana Minks	$	401,300
02/16/10	10,500,000	Pearlman and Pearlman, LLC, Venture Opportunity, Lazarus Asset Management, LLC, Gina Toddings, SCG, Oscar Ramirez and Stephen Florio ("Florio")	$	70,350(5)
04/09/10	2,500,000	Derrick Caglianone	$	25,000
05/28/10	2,250,000	Bandiero and Janet Montgomery	$	22,500
06/01/10	500,000	Steve McDonough	$	12,500
06/01/10	500,000	Florio	$	3,600(5)
06/21/10	4,000,000	Christopher Minks, Matthew Minks and SCG	$	40,000
07/29/10	4,000,000	Moy, J. Alper and Kyle McCormick	$	40,000
08/10/10	2,000,000	Dr. Joseph Ross ("Ross")	$	14,600(8)
08/25/10	24,937,500	Quick Capital of L.I. Corp.	$	182,044(5)
10/12/10	6,250,000	Joseph Sanders TTEE UTD 10/19/05 FBO Joseph L. Sanders Living Trust ("Sanders Trust") and John and Cynthia Krowiak ("Krowiak")	$	125,000
10/13/10	500,000	Peggy Husted ("Husted")	$	4,050(5)
10/13/10	333,333	Helen Surovek	$	2,766(5)
11/03/10	125,000	Husted	$	1,013(5)
11/08/10	2,700,000	Daniel Braga ("Braga"), Jayson Esterow, David Pirrello, Joseph Pirrello, Scott Pirrello and Stratton Imaging	$	18,821(6)
11/08/10	1,000,000	Moy	$	6,118(6)
12/03/10	125,000	Sanders Trust	$	1,875
12/14/10	1,000,000	Harold and Linda Schwartz ("H. and L. Schwartz")	$	6,971(6)
01/03/11	1,000,000	Frank Scerbo ("Scerbo")	$	7,000(6)
01/12/11	12,576,811	McConnell	$	-0-(10)
01/13/11	15,000,000	Mark Weinreb ("Weinreb")	$	123,900(11)
01/21/11	1,000,000	Thomas and Peter Sullivan ("T. and P. Sullivan")	$	7,000(6)
02/03/11	250,000	Moy	$	1,750(6)
02/22/11	8,312,500	Olde Estate, LLC	$	68,662(12)

02/22/11	21,000,000	Westbury (Bermuda) Ltd.	$	147,000(6)(13)
02/22/11	2,057,700	TDA Consulting Services LLC ("TDA") and Vintage	$	16,997(5)
02/25/11	2,500,000	Brian Glaeser, Robert Meyer, Jr., William Hazzard and J. Michael Coleman	$	17,500(6)
03/25/11	4,000,000	Cotton	$	28,000(6)
04/05/11	2,057,700	TDA and Vintage	$	16,997(5)
04/21/11	10,000,000	A. Jeffrey Radov and Joel San Antonio	$	82,600(8)
04/26/11	2,057,700	TDA and Vintage	$	16,997(5)
05/05/11	1,000,000	H. and L. Schwartz	$	8,260(6)
05/31/11	125,000	Braga	$	856(14)
05/31/11	35,000,000	Mark Weinreb	$	289,100(11)
05/31/11	2,057,700	TDA and Vintage	$	16,997(5)
06/02/11	2,000,000	Entrust Freedom LLC FBO Joseph Warriner IRA	$	13,700(6)
06/02/11	1,000,000	Krowiak	$	6,850(6)
06/13/11	250,000	Scerbo	$	1,713(14)
06/13/11	250,000	H. and L. Schwartz	$	1,713(14)
06/21/11	250,000	T. and P. Sullivan	$	1,713(14)
07/01/11	807,700	TDA	$	6,672(5)
07/08/11	500,000	Brian Mehling	$	3,425(6)

(1) Issued pursuant to the Acquisition Agreement, dated as of February 2, 2008, between Traxxec Limited and us. For accounting purposes, treated as issued pursuant to a reverse recapitalization.
(2) Issued in connection with contemplated financing. For accounting purposes, treated as issued pursuant to a reverse recapitalization.
(3) Issued in connection with the Acquisition and Reorganization Agreement, dated April 17, 2009, between Stem Cell Assurance, LLC ("SCA") and us (the "SCA Agreement") treated for accounting purposes as a reverse recapitalization.
(4) Issued pursuant to the SCA Agreement.
(5) Issued in consideration of consulting services.
(6) Issued as debt discount in connection with loans.
(7) Issued in connection with debt financings and credit facilitations.
(8) Issued in consideration of director services.
(9) Issued as collateral for repayment of loan and subsequent cancelled.
(10) Reissued pursuant to the McConnell Termination Agreement.
(11) Issued pursuant to employment agreement, as amended, between Mr. Weinreb and us.
(12) Issued pursuant to settlement agreement.
(13) Issued indirectly through Stem Cell Cayman Ltd.
(14) Issued in consideration of debt extension.

Item 11. Description of Registrant's Securities to be Registered

Our Articles of Incorporation, as amended ("Articles"), authorize the issuance of 800,000,000 shares of common stock, par value $.001 per share, and 1,000,000 shares of preferred stock, par value $.01 per share. As of July 5, 2011, there were 558,270,311 shares of common stock issued and outstanding, and no shares of preferred stock outstanding.

The description of our securities is a summary and is qualified in its entirety by the provisions of our Articles and Amended and Restated Corporate Bylaws (the "Bylaws"), copies of which have been filed as exhibits to this Registration Statement.

Description of Common Stock

Except as otherwise required by law, each share of common stock entitles the stockholder to one vote on each matter that stockholders may vote on at all meetings of stockholders. Holders of common stock are not entitled to cumulate votes in the election of directors. Holders of common stock do not have preemptive, subscription or conversion rights, and there are no redemption or sinking fund provisions applicable thereto. Subject to any prior rights of the preferred stock, holders of common stock are entitled to share ratably in dividends paid from the funds legally available for the payment thereof, when, as and if declared by our Board. The declaration of dividends, however, is subject to the discretion of our Board. Subject to any prior rights of the preferred stock, holders of common stock are also entitled to share ratably in the assets of our company available for distribution to holders of common stock after payment of our liabilities upon the liquidation or dissolution of our company, whether voluntary or involuntary**.**

Description of Preferred Stock

Our Board is authorized to fix and determine the designations, rights, preferences or other variations of each particular class or series of our preferred stock.

Provisions that May Delay, Defer or Prevent a Change of Control

We have determined that Sections 378 through 3793 of Chapter 78 of the Nevada Revised Statutes ("NRS") ("Acquisition of Controlling Interest") do not apply to us because we do not currently meet the definition of "issuing corporation" contained therein.

In addition to any provisions set forth in the NRS that may delay, defer or prevent a change of control, our Articles and Bylaws contain the following provisions that may delay, defer or prevent a change of control:

Our Board has the authority to issue up to 800,000,000 shares of common stock and up to 1,000,000 shares of preferred stock and to determine the rights, preferences and privileges of the shares of preferred stock, without stockholder approval.

Nominations of persons for election to our Board and the proposal of business to be considered by the stockholders may be made at a meeting of stockholders (1) pursuant to our notice of meeting delivered pursuant to our Bylaws, (2) by or at the direction of our Board, (3) by any committee or person appointed by our Board or (4) by any stockholder who is entitled to vote at the meeting, who complied with the notice procedures set forth in our Bylaws and who was a stockholder of record at the time such notice was delivered to our Secretary.

The notice procedures in our Bylaws include a requirement that the proposing stockholder must have given timely notice thereof in writing to our Secretary, and such other business must otherwise be a proper matter for stockholder action. To be timely with respect to an annual meeting, a stockholder's notice shall be delivered to our Secretary at our principal executive offices not less than 60 days prior to the scheduled date of the meeting; provided, however, that if no notice is given and no public announcement is made to the stockholders regarding the date of the meeting at least 75 days prior to the meeting, the stockholder's notice shall be valid if delivered to or mailed and received by our Secretary at our principal executive office not less than 15 days following the day on which the notice or public announcement of the date of the meeting was given or made.

In addition, any such stockholder's notice must set forth (1) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (a) the name, age, business address and residential address of the person, (b) the principal occupation or employment of the person (c) the class and number of shares of our capital stock that are beneficially owned by the person, (d) the written consent by the person, agreeing to serve as a director if elected, (e) a description of all arrangements or understandings between the person and the stockholder regarding the nomination, (f) a description of all arrangements or understandings between the person and any other person or persons (naming such persons) regarding the nomination, (g) all information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14a under the Exchange Act, and (h) such other information as we may reasonably request to determine the eligibility of such proposed nominee to serve as a director; (2) as to any other business that the stockholder proposes to bring before the meeting, (a) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and, in the event that such business includes a proposal to amend either the Articles or the Bylaws, the language of the proposed amendment, (b) the name and address, as they appear on our books, of the stockholder proposing such business, (c) the class and number of shares of our capital stock that are beneficially owned by such stockholder, and (d) any material interest (financial or otherwise) of such stockholder in such business; and (3) as to the stockholder giving the notice (a) the name, business address and residential address of the stockholder giving the notice, (b) the class and number of shares of our capital stock that are beneficially owned by such stockholder, (c) a description of all arrangements or understandings between the stockholder and the nominee regarding the nomination, and (d) a description of all arrangements or understandings between the stockholder and any other person or persons (naming such persons) regarding the nomination.

Item 12. Indemnification of Directors and Officers

Our Articles provide that no director or officer shall be liable to us or to our stockholders for monetary damages for breach of fiduciary duty as a director or an officer, except to the extent that such exemption from liability or limitation thereof is not permitted under the NRS currently in effect or as the same may be amended. Under the NRS, the directors have a fiduciary duty to us that is not eliminated by this provision of the Articles and, in appropriate circumstances, equitable remedies such as injunctive or other forms of non-monetary relief will remain available. In addition, each director will continue to be subject to liability under the NRS for breach of the director's duty of loyalty to us for acts or omissions which are found by a court of competent jurisdiction to not be in good faith or involve intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are prohibited by the NRS. This provision also does not affect the directors' responsibilities under any other laws, such as the federal securities laws or state or federal environmental laws.

The NRS provides that a corporation may, and our Articles and Bylaws provide that we shall, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (an "Action"), by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation in such capacity in another corporation, partnership, joint venture, trust or other enterprise (the "Indemnified Party"), against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; provided, however, no indemnification shall be made in respect of any action or suit by or in the right of the corporation if the Indemnified Party shall have been adjudged to be liable to the corporation, unless and only to the extent that the court shall determine that, despite the adjudication of liability but in view of all circumstances, such person is fairly and reasonably entitled to indemnity. Furthermore, the NRS provides that determination of an Indemnified Party's eligibility for indemnification by us shall be made on a case-by-case basis by: (i) the stockholders; (ii) the board of directors by a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding; (iii) if a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding so orders, by independent legal counsel in a written opinion; or (iv) if a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

In addition, the NRS and our Bylaws provide that the allowed indemnification will not be deemed exclusive of any other rights to which directors, officers and others may be entitled under our Bylaws, any agreement, a vote of stockholders or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and inure to the benefit of such person's heirs, executors and administrators.

Lastly, the NRS empowers a corporation to purchase insurance and make other financial arrangements with respect to liability arising out of the actions or omissions of directors, officers, employees or agents in their capacity or status as such. On February, 1, 2011, we obtained a Directors & Officers Insurance Policy with aggregate coverage of up to $3,000,000.

Item 13. Financial Statements and Supplementary Data

The consolidated financial statements and the report of the independent registered public accounting firm with respect to our audited financial statements as of December 31, 2010 and 2009 and for the years then ended and the condensed consolidated financial statements as of March 31, 2011 and for the three months ended March 31, 2011 and 2010 can be found following Item 15.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

In February 2011, we engaged Marcum LLP as our independent registered public accountants; prior to that date, we did not have independent auditors.

Item 15. Financial Statements and Exhibits

(a) The following financial statements are filed as part of this Registration Statement:

(i) Consolidated Balance Sheets as of December 31, 2010 and 2009

(ii) Consolidated Statements of Operations for the years ended December 31, 2010 and 2009 and for the period from December 30, 2008 (inception) to December 31, 2010

(iii) Consolidated Statements of Cash Flows for the years ended December 31, 2010 and 2009 and for the period from December 30, 2008 (inception) to December 31, 2010

(iv) Consolidated Statements of Changes in Stockholders' Deficiency for the period from December 30, 2008 (inception) to December 31, 2010

(v) Notes to Consolidated Financial Statements as of December 31, 2010 and 2009, for the years ended December 31, 2010 and 2009 and for the period from December 30, 2008 (inception) to December 31, 2010

(vi) Condensed Consolidated Balance Sheets as of March 31, 2011 (unaudited) and December 31, 2010

(vii) Condensed Consolidated Statements of Operations for the three months ended March 31, 2011 and 2010 and for the period from December 30, 2008 to March 31, 2011 (unaudited)

(viii) Condensed Consolidated Statement of Changes in Stockholders' Deficiency for the three months ended March 31, 2011 (unaudited)

(ix) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2011 and 2010 and for the period from December 30, 2008 (inception) to March 31, 2011 (unaudited)

(x) Notes to Condensed Consolidated Financial Statements as of March 31, 2011, for the three months ended March 31, 2011 and 2010 and for the period from December 30, 2008 (inception) to March 31, 2011 (unaudited)

(b) The following documents are filed as exhibits hereto, unless otherwise indicated:

Exhibit No.	Description
2.1	Agreement, dated November 27, 2007, by and between Columbia River Resources Inc. and Medify Solutions Ltd.*
2.2	Acquisition Agreement, dated as of February 4, 2008, by and between Columbia River Resources Inc. and Traxxec Limited*
2.3	Acquisition and Reorganization Agreement, dated as of April 17, 2009, by and between Traxxec Inc. and Stem Cell Assurance LLC*
3.1	Articles of Incorporation, as amended
3.2	Amended and Restated Corporate By-Laws, effective as of December 15, 2010*
10.1	2010 Equity Participation Plan, as amended*
10.2	Employment Agreement, dated October 4, 2010, between Stem Cell Assurance, Inc. and Mark Weinreb ("Weinreb Employment Agreement") *
10.3	Amendment to Weinreb Employment Agreement, dated May 31, 2011
10.4	Termination Agreement, dated as of December 15, 2010, between Stem Cell Assurance, Inc. and Gloria McConnell*
10.5	Shareholder Agreement and Irrevocable Proxy, dated as of January 20, 2011, between Gloria McConnell and Mark Weinreb*
10.6	Termination Agreement, dated as of January 21, 2011, by and among Stem Cell Assurance, Inc., Stem Cell Research Company, LLC and Tommy Berger*
10.7	Shareholder Agreement and Irrevocable Proxy, dated as of January 21, 2011, between Stem Cell Research Company, LLC and Mark Weinreb*
10.8	Lease Agreement, effective as of February 1, 2011, between Orange Coast, LLC and Stem Cell Assurance, Inc.
10.9	First Amendment to Lease, dated March 11, 2011, between Orange Coast, LLC and Stem Cell Assurance, Inc.
10.10	Consulting Agreement, dated as of February 17, 2011, between Stem Cell Assurance, Inc. and TDA Consulting Services, Inc. *
10.11	Consulting Agreement, dated as of February 17, 2011, between the Company and Vintage Holidays L.L.C. *
10.12	Credit Support, Security and Registration Rights Agreement, dated as of August 17, 2010, between Stem Cell Assurance, Inc. and Quick Capital of L.I. Corp. *
10.13	Settlement Agreement, dated as of February 23, 2011, by and among Stem Cell Assurance, Inc., Quick Capital of L.I. Corp. and Olde Estate, LLC*
10.14	Employment Agreement, dated as of December 1, 2010, between Stem Cell Assurance, Inc. and Mandy Clark*
10.15	Form of Promissory Note issued by Stem Cell Assurance, Inc. between November 2010 and March 2011 with respect to debt financing in the aggregate principal amount of $622,500*
10.16	Promissory Note, dated February 9, 2011, issued by Stem Cell Cayman Ltd. in the principal amount of $1,050,000*
10.17	Form of Stock Option Agreement, dated December 15, 2010, between Stem Cell Assurance, Inc. and each of Mark Weinreb, Richard Proodian and Mandy Clark*
10.18	Form of Stock Option Agreement, dated December 15, 2010, between Stem Cell Assurance, Inc. and each of Kurt Wagner, M.D. and Joseph Ross, M.D. *

10.19	Consulting Agreement, dated as of April 7, 2011, between Stem Cell Assurance, Inc. and Joseph Ross, M.D. *
10.20	Letter agreement, dated April 2, 2011, between Stem Cell Assurance, Inc. and Kurt Wagner, M.D. *
10.21	Letter agreement, dated April 7, 2011, between Stem Cell Assurance, Inc. and Joseph Ross, M.D. *
10.22	Amended and Restated Executive Employment Agreement, dated May 10, 2011, between Stem Cell Assurance, Inc. and Francisco Silva*
10.23	Stock Option Agreement, dated April 5, 2011, between Stem Cell Assurance, Inc. and Francisco Silva*
10.24	Stock Option Agreement, dated April 21, 2011, between Stem Cell Assurance, Inc. and Mandy Clark*
10.25	Stock Grant Agreement, dated April 21, 2011, between Stem Cell Assurance, Inc. and Joel San Antonio
10.26	Stock Grant Agreement, dated April 21, 2011, between Stem Cell Assurance, Inc. and A. Jeffrey Radov
10.27	Stock Grant Agreement, dated May 31, 2011, between Stem Cell Assurance, Inc. and Mark Weinreb
10.28	Scientific Advisory Board Agreement, dated as of June 10, 2011, between Stem Cell Assurance, Inc. and Naiyer Imam, M. D.
10.29	Stock Option Agreement, dated as of June 10, 2011, between Stem Cell Assurance, Inc. and Naiyer Imam, M. D.
10.30	Termination Agreement, dated as of June 15, 2011, between Stem Cell Assurance, Inc. and Richard Proodian
10.31	Shareholder Agreement and Irrevocable Proxy, dated June 15, 2011, between Richard Proodian and Mark Weinreb
10.32	Scientific Advisory Board Agreement, dated as of June 24, 2011, between Stem Cell Assurance, Inc. and Amit Patel, M. D.
10.33	Stock Option Agreement, dated as of June 24, 2011, between Stem Cell Assurance, Inc. and Amit Patel, M. D.
21	Subsidiaries

*Previously filed

STEM CELL
ASSURANCE, INC. &
SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR YEARS ENDED DECEMBER 31,
2009 AND 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee of the Board of Directors
and Stockholders of Stem Cell Assurance, Inc.

We have audited the accompanying consolidated balance sheets of Stem Cell Assurance, Inc. and Subsidiaries (the "Company") (a company in the development stage) as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in stockholders' deficiency and cash flows for the years then ended and for the period from December 30, 2008 (inception) to December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 audits 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 audits 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Stem Cell Assurance, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended and for the period from December 30, 2008 (inception) to December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully discussed in Note 2 to the consolidated financial statements, the Company is in the development stage, has incurred net losses since inception and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Marcum LLP
New York, NY
May 11, 2011

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Consolidated Balance Sheets

	December 31,	
	2010	**2009**
Assets:		
Current assets:		
Cash	$ 18,074	$ 42
Other current assets	-	5,950
Total current assets	18,074	5,992
Property and equipment, net	446,756	93,676
Intangible assets	3,676	275
Total assets	$ 468,506	$ 99,943
Liabilities and Stockholders' Deficiency:		
Current liabilities:		
Accounts payable	$ 160,187	$ 18,269
Accrued expenses and other current liabilities	341,618	16,610
Notes payable, net of debt discount of $19,476 and $162,235 at December 31, 2010 and 2009, respectively	514,047	116,151
Total current liabilities	1,015,852	151,030
Notes payable, less current maturities	196,876	-
Total liabilities	$ 1,212,728	$ 151,030
Commitments and Contingencies (Note 8)		
Stockholders' deficiency:		
Preferred stock, $0.01 par value; Authorized, 1,000,000 shares; none issued and outstanding at December 31, 2010 and 2009	-	-
Common stock, $0.001 par value; Authorized, 800,000,000 and 500,000,000 shares at December 31, 2010 and 2009, respectively; Issued and outstanding, 461,148,534 and 410,260,500 shares at December 31, 2010 and 2009, respectively	461,149	410,261
Additional paid in capital	2,270,219	1,255,414
Shares issuable	6,971	-
Due from lender	-	(530,000)
Deficit accumulated during development stage	(3,450,561)	(1,186,762)
Treasury stock, at cost, 27,931,034 and -0- shares at December 31, 2010 and 2009, respectively	(32,000)	-
Total stockholders' deficiency	(744,222)	(51,087)
Total liabilities and stockholders' deficiency	$ 468,506	$ 99,943

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Consolidated Statements of Operations

	Period from December 30, 2008 (Inception) to December 31, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009
Revenue	$ -	$ -	$ -
Operating expenses:			
Marketing and promotion	204,122	124,850	79,272
Payroll and benefits	918,574	918,574	-
Consulting expenses	1,380,034	523,749	856,285
General and administrative	718,818	490,544	228,274
Research and development	11,620	11,620	-
Total operating expenses	3,233,168	2,069,337	1,163,831
Operating Loss	(3,233,168)	(2,069,337)	(1,163,831)
Other Income (Expense)			
Other income	11,457	11,432	25
Interest expense	(239,214)	(205,894)	(33,320)
Total Other Income (Expense)	(227,757)	(194,462)	(33,295)
Net loss	$ (3,460,925)	$ (2,263,799)	$ (1,197,126)
Net loss per share – Basic and Diluted	-	$ (0.00)	$ (0.00)
Weighted average number of shares of common stock outstanding-Basic and Diluted	-	470,404,418	357,687,970

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Changes in Stockholders' Deficiency
For the period December 30, 2008 (Inception) to December 31, 2010

	Common Stock		Additional Paid in	Shares	Due From	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Lender	Stage	Shares	Amount	Total
Balance of December 30, 2008 (Inception)	301,999,999	$ 302,000	$ (302,000)	$ -	$ -	$ -	-	$ -	$ -
Net loss for the period ended December 31, 2008	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2008	301,999,999	302,000	(302,000)	-	-	-	-	-	-
Recapitalization of accumulated deficit of Stem Cell Assurance, LLC at time of formation	-	-	(10,364)	-	-	10,364	-	-	-
Shares issued pursuant to reverse recapitalization - April 17, 2009 (at $0.001)	40,403,621	40,404	(40,404)	-	-	-	-	-	-
Shares issued in connection with reverse recapitalization - April 17, 2009 (at $0.001)	60,000,000	60,000	(60,000)	-	-	-	-	-	-
Shares issued pursuant to reverse recapitalization and subsequently cancelled - May 2009 (at $0.001)	(8,275,862)	(8,276)	8,276	-	-	-	-	-	-
Shares issued for consulting services - May 1, 2009 (at $0.035)	10,000,000	10,000	341,000	-	-	-	-	-	351,000
Shares issued for cash - May 1, 2009 (at $0.035)	360,000	360	12,140	-	-	-	-	-	12,500
Shares issued for consulting services - May 1, 2009 (at $0.035)	2,283,000	2,283	77,850	-	-	-	-	-	80,133
Shares issued pursuant to reverse recapitalization and subsequently cancelled - May 15, 2009 (at $0.001)	(4,137,931)	(4,138)	4,138	-	-	-	-	-	-
Shares issued for consulting services - May 15, 2009 (at $0.035)	250,000	250	8,525	-	-	-	-	-	8,775
Shares issued for consulting services - May 26, 2009 (at $0.035)	1,325,000	1,325	45,183	-	-	-	-	-	46,508
Subtotal	404,207,827	$ 404,208	$ 84,344	$ -	$ -	$ 10,364	-	$ -	$ 498,916

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Changes in Stockholders' Deficiency
For the period December 30, 2008 (Inception) to December 31, 2010
(continued)

	Common Stock		Additional Paid in	Shares	Due From	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Lender	Stage	Shares	Amount	Total
Carried Forward	404,207,827	$ 404,208	$ 84,344	$ -	$ -	$ 10,364	-	$ -	$ 498,916
Shares issued for cash - May 26, 2009 (at $0.10)	10,000	10	990	-	-	-	-	-	1,000
Shares cancelled - June 1, 2009 (at $0.035)	(10,000,000)	(10,000)	(341,000)	-	-	-	-	-	(351,000)
Shares issued for cash - June 19, 2009 (at $0.033)	200,000	200	6,300	-	-	-	-	-	6,500
Shares issued for consulting services - June 22, 2009 (at $0.035)	250,000	250	8,525	-	-	-	-	-	8,775
Shares issued pursuant to reverse recapitalization and subsequently cancelled - June 22, 2009 (at $0.001)	(2,068,966)	(2,069)	2,069	-	-	-	-	-	-
Shares issued as debt discount in connection with notes payable - August 5, 2009 (at $0.007)	5,000,000	5,000	31,301	-	-	-	-	-	36,301
Shares issued for consulting services - August 5, 2009 (at $0.0265)	12,103,448	12,103	308,638	-	-	-	-	-	320,741
Shares issued for consulting services - August 5, 2009 (at $0.027)	562,500	563	14,344	-	-	-	-	-	14,907
Shares issued pursuant to reverse recapitalization and retired - September 9, 2009 (at $0.001)	(71,379,309)	(71,379)	71,379	-	-	-	-	-	-
Shares issued for cash - September 10, 2009 (at $0.013)	375,000	375	4,625	-	-	-	-	-	5,000
Shares issued for consulting services - September 10, 2009 (at $0.027)	1,000,000	1,000	25,500	-	-	-	-	-	26,500
Shares issued as debt discount in connection with notes payable - October 5, 2009 (at $0.004)	5,000,000	5,000	16,032	-	-	-	-	-	21,032
Subtotal	345,260,500	$ 345,261	$ 233,047	$ -	$ -	$ 10,364	-	$ -	$ 588,672

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Changes in Stockholders' Deficiency
For the period December 30, 2008 (Inception) to December 31, 2010
(continued)

	Common Stock		Additional Paid in	Shares	Due From	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Lender	Stage	Shares	Amount	Total
Carried Forward	345,260,500	$ 345,261	$ 233,047	$ -	$ -	$ 10,364	-	$ -	$ 588,672
Shares issued for consulting services - November 1, 2009 (at $0.027)	2,000,000	2,000	51,000	-	-	-	-	-	53,000
Shares issued as debt discount in connection with notes payable - November 5, 2009 (at $0.027)	5,000,000	5,000	-	-	-	-	-	-	5,000
Shares issued as debt discount in connection with notes payable - November 23, 2009 (at $0.003)	6,500,000	6,500	15,331	-	-	-	-	-	21,831
Shares issued as debt discount with connection with notes payable - December 8, 2009 (at $0.003)	9,000,000	9,000	21,520	-	-	-	-	-	30,520
Shares issued in connection with debt financings and credit facilitations - December 14, 2009 (at $0.003)	2,500,000	2,500	6,189	-	-	-	-	-	8,689
Shares issued as debt discount in connection with notes payable - December 15, 2009 (at $0.003)	8,000,000	8,000	59,949	-	-	-	-	-	67,949
Shares held as collateral in connection with note payable - December 15, 2009 (at $0.027)	20,000,000	20,000	510,000	-	(530,000)	-	-	-	-
Shares issued for consulting services - December 16, 2009 (at $0.027)	12,000,000	12,000	306,000	-	-	-	-	-	318,000
Warrants granted in connection with consulting services - August 6, 2009 (at $0.01)	-	-	52,379	-	-	-	-	-	52,379
Net loss for the year ended December 31, 2009	-	-	-	-	-	(1,197,126)	-	-	(1,197,126)
Balance as of December 31, 2009	**410,260,500**	**$ 410,261**	**$ 1,255,414**	**$ -**	**$ (530,000)**	**$ (1,186,762)**	**-**	**$ -**	**$ (51,087)**

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Changes in Stockholders' Deficiency
For the period December 30, 2008 (Inception) to December 31, 2010
(continued)

	Common Stock		Additional Paid in	Shares	Due From	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Lender	Stage	Shares	Amount	Total
Balance as of December 31, 2009	410,260,500	$ 410,261	$ 1,255,414	$ -	$ (530,000)	$ (1,186,762)	-	$ -	$ (51,087)
Shares issued for consulting services - January 4, 2010 (at $0.0067)	5,000,000	5,000	28,500	-	-	-	-	-	33,500
Shares issued for cash - February 16, 2010 (at $0.004)	26,000,000	26,000	89,700	-	-	-	-	-	115,700
Shares issued for cash - February 16, 2010 (at $0.003)	12,000,000	12,000	23,600	-	-	-	-	-	35,600
Shares issued for cash - February 16, 2010 (at $0.01)	25,000,000	25,000	225,000	-	-	-	-	-	250,000
Shares issued for consulting services - February 16, 2010 (at $0.007)	10,500,000	10,500	59,850	-	-	-	-	-	70,350
Shares held as collateral returned - February 16, 2010 (at $0.027)	(20,000,000)	(20,000)	(510,000)	-	530,000	-	-	-	-
Shares issued for cash - April 9, 2010 (at $0.01)	2,500,000	2,500	22,500	-	-	-	-	-	25,000
Shares issued for cash - May 28, 2010 (at $0.01)	2,250,000	2,250	20,250	-	-	-	-	-	22,500
Shares issued for services - June 1, 2010 (at $0.007)	500,000	500	3,100	-	-	-	-	-	3,600
Shares issued for cash - June 1, 2010 (at $0.025)	500,000	500	12,000	-	-	-	-	-	12,500
Shares issued for cash – June 21, 2010 (at $0.01)	4,000,000	4,000	36,000	-	-	-	-	-	40,000
Subtotal	478,510,500	$ 478,511	$ 1,265,914	$ -	$ -	$ (1,186,762)	-	$ -	$ 557,663

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Changes in Stockholders' Deficiency
For the period December 30, 2008 (Inception) to December 31, 2010
(continued)

	Common Stock		Additional Paid in	Shares	Due From	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Lender	Stage	Shares	Amount	Total
Carried Forward	478,510,500	$ 478,511	$ 1,265,914	$ -	$ -	$ (1,186,762)	-	$ -	$ 557,663
Shares issued for cash - July 29, 2010 (at $0.01)	4,000,000	4,000	36,000	-	-	-	-	-	40,000
Shares issued for director services - August 10, 2010 (at $0.007)	2,000,000	2,000	12,600	-	-	-	-	-	14,600
Shares issued for consulting services - August 25, 2010 (at $0.007)	24,937,500	24,938	157,106	-	-	-	-	-	182,044
Purchase of treasury shares - August 25, 2010 (at $0.002)	-	-	-	-	-	-	(12,413,793)	(22,000)	(22,000)
Purchase of treasury shares - October 11, 2010 (at $0.001)	-	-	-	-	-	-	(15,517,241)	(10,000)	(10,000)
Shares issued for cash – October 12, 2010 (at $0.02)	6,250,000	6,250	118,750	-	-	-	-	-	125,000
Shares issued pursuant to reverse recapitalization and retired – October 13, 2010 (at $0.001)	(60,332,799)	(60,333)	60,333	-	-	-	-	-	-
Shares issued for consulting services - October 13, 2010 (at $0.008)	500,000	500	3,550	-	-	-	-	-	4,050
Shares issued for consulting services - October 13, 2010 (at $0.008)	333,333	333	2,433	-	-	-	-	-	2,766
Subtotal	456,198,534	$ 456,199	$ 1,656,686	$ -	$ -	$ (1,186,762)	(27,931,034)	$ (32,000)	$ 894,124

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Changes in Stockholders' Deficiency
For the period December 30, 2008 (Inception) to December 31, 2010
(continued)

	Common Stock		Additional Paid in	Shares	Due From	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Lender	Stage	Shares	Amount	Total
Carried Forward	456,198,534	$ 456,199	$ 1,656,686	$ -	$ -	$ (1,186,762)	(27,931,034)	$ (32,000)	$ 894,124
Shares issued for consulting services – November 3, 2010 (at $0.008)	125,000	125	888	-	-	-	-	-	1,013
Shares issued as debt discount in connection with notes payable - November 8, 2010 (at $0.007)	2,700,000	2,700	16,121	-	-	-	-	-	18,821
Shares issue as debt discount in connection with notes payable - November 8, 2010 (at $0.007)	1,000,000	1,000	5,118	-	-	-	-	-	6,118
Shares issued in connection with the exercise of warrants - December 3, 2010 (at $0.015)	125,000	125	1,750	-	-	-	-	-	1,875
Shares issued as debt discount in connection with notes payable - December 14, 2010 (at $0.007)	1,000,000	1,000	5,971	-	-	-	-	-	6,971
Shares issuable as debt discount in connection with notes payable - December 31, 2010 (at $0.007)	-	-	-	6,971	-	-	-	-	6,971
Stock-based compensation expense	-	-	583,685	-	-	-	-	-	583,685
Net loss for the year ended December 31, 2010	-	-	-	-	-	(2,263,799)	-	-	(2,263,799)
Balance as of December 31, 2010	**461,148,534**	**$ 461,149**	**$ 2,270,219**	**$ 6,971**	**$ -**	**$ (3,450,561)**	**(27,931,034)**	**$ (32,000)**	**$ (744,222)**

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Cash Flows

	Period from December 30, 2008 (Inception) to December 31, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009
Cash flows from operating activities:			
Net loss	$ (3,460,925)	$ (2,263,799)	$ (1,197,126)
Adjustments to reconcile net loss to net cash (used in) operating activities:			
Amortization of debt discount	210,727	181,739	28,988
Depreciation	54,770	48,358	6,412
Stock-based compensation	1,825,325	895,608	929,717
Changes in operating assets and liabilities:			
Accounts payable	100,187	81,918	18,269
Accrued expenses and other current liabilities	337,618	321,008	16,610
Other current assets	-	5,950	(5,950)
Net cash used in operating activities	(932,298)	(729,218)	(203,080)
Cash flows from investing activities:			
Purchase of property and equipment	(145,471)	(45,383)	(100,088)
Acquisition of intangible assets	(3,676)	(3,401)	(275)
Net cash used in investing activities	(149,147)	(48,784)	(100,363)
Cash flows from financing activities:			
Proceeds from notes payable	611,139	332,654	278,485
Repayment of loans payable	(176,795)	(176,795)	-
Sale of common stock for cash	691,300	666,300	25,000
Proceeds from exercise of warrants	1,875	1,875	-
Repurchase of common stock	(28,000)	(28,000)	-
Net cash provided by financing activities	1,099,519	796,034	303,485
Net increase in cash	18,074	18,032	42
Cash, beginning of the period	-	42	-
Cash, end of the period	$ 18,074	$ 18,074	$ 42
Supplemental disclosure of cash flow information:			
Interest paid	$ 16,847	$ 16,847	$ -
Taxes paid	$ -	$ -	$ -

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

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)
Consolidated Statements of Cash Flows (continued)

	Period from December 30, 2008 (Inception) to December 31, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009
Supplementary disclosure of non-cash investing and financing activities:			
Shares issued as debt discount in connection with notes payable	$ 223,232	$ 31,910	$ 191,322
Shares (returned) issued as collateral in connection with notes payable	$ -	$ (530,000)	$ 530,000
Shares issued in connection with reverse recapitalization	$ 362,000	$ -	$ 362,000
Shares issued pursuant to reverse recapitalization and subsequently cancelled	$ 146,195	$ 60,333	$ 85,862
Shares issuable as debt discount in connection with note payable	$ 6,971	$ 6,971	$ -
Purchase of property and equipment for note payable	$ 291,055	$ 291,055	$ -
Purchase of property and equipment for account payable	$ 60,000	$ 60,000	$ -
Accrued payable for treasury shares repurchased	$ 7,000	$ 7,000	$ -

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

1. Business Organization and Nature of Operations

On April 17, 2009, Stem Cell Assurance, LLC ("SCA, LLC") completed a transaction with Traxxec, Inc. ("Traxxec"), a company incorporated on June 13, 1997 under the laws of the state of Nevada under the name "Columbia River Resources Inc." Pursuant to the agreement, SCA, LLC was converted into Traxxec, Inc. and the former members of SCA, LLC were issued approximately 302,000,000 shares, or approximately 75% of the outstanding shares of common stock of Traxxec, Inc. In addition, on April 17, 2009, pursuant to the agreement, an additional 60,000,000 shares were issued to a shareholder of Traxxec. Traxxec was a non-operating shell company, was authorized to issue 1,000,000 shares of preferred stock and 500,000,000 shares of common stock. On the date of the transaction, Traxxec had 0 shares of preferred stock and 40,403,621 shares of common stock issued and outstanding. The transaction was accounted for as a reverse recapitalization, whereby SCA, LLC is deemed to be the acquirer for accounting purposes. The net assets received in the transaction were recorded at historical costs. On August 17, 2009, Traxxec, Inc. changed its name to Stem Cell Assurance, Inc. (the "Company"). The consolidated financial statements set forth in this report for all periods prior to the reverse recapitalization are the historical financial statements of SCA, LLC and have been retroactively restated to give effect to the transaction. The operations of SCA, LLC from December 30, 2008 (inception) to the date of the transaction have been included in operations.

The Company has been presented as a "development stage enterprise". The Company's primary activities since inception have been the research and development of its business plan, negotiating strategic alliances and other agreements, and raising capital. The Company has not commenced its principal operations, nor has it generated any revenues from its operations.

The Company intends to enter into the biological product tool market by developing a product portfolio targeted to meet the demands of the large pharmaceutical companies' drug discovery and development platforms. The Company currently is developing an infrastructure to establish a laboratory capable of producing a wide range of biological tools.

The Company intends to use cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic), to allow patients to undergo cellular-based treatments. As more and more cellular therapies become standard of care, the Company intends to incorporate adult stem cell collection and storage services for future personal medical applications. The Company also operates a wholly-owned subsidiary, Stem Cellutrition™, LLC, which plans to offer and sell facial creams and products, and Lipo Rejuvenation Centers, Inc, which is inactive.

2. Going Concern and Management Plans

The Company's primary source of operating funds since inception has been its stockholders and note financings. The Company intends to raise additional capital through private debt and equity investors. The Company is currently a development stage enterprise and there is no assurance that these funds will be sufficient to enable the Company to fully complete its development activities or attain profitable operations.

As of December 31, 2010, the Company had a working capital deficiency and a stockholders' deficiency of $997,778 and $744,222, respectively. The Company has not generated any revenues and incurred net losses of $3,460,925 during the period from December 30, 2008 (Inception) through December 31, 2010. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Subsequent to December 31, 2010, the Company secured additional debt financing of $1,437,500. See Note 11.

3. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Stem Cellutrition, LLC and Lipo Rejuvenation Center, Inc. All significant intercompany transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at dates of the financial statements and the reported amounts of revenue and expenses during the periods. Actual results could differ from these estimates. The Company's significant estimates and assumptions include depreciation and the fair value of the Company's stock, stock-based compensation, debt discount and deferred tax assets, including a valuation allowance.

Concentrations of Credit Risk

The Company maintains deposits in a financial institution which is insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times, the Company has deposits in this financial institution in excess of the amount insured by the FDIC.

Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of December 31, 2010 and 2009, the Company does not have any cash equivalents.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation which is recorded using the straight line method at rates sufficient to charge the cost of depreciable assets to operations over their estimated useful lives, which range from 3 to 5 years. Maintenance and repairs are charged to operations as incurred.

Intangible Assets

Intangible assets are comprised of trademarks. Once placed into service, the Company amortizes the cost of the intangible assets over their useful lives, which is estimated to be 10 years, on a straight line basis.

Advertising

Advertising costs are charged to operations as incurred. For the years ended December 31, 2010 and December 31, 2009, the Company incurred advertising costs of $124,850 and $78,272, respectively. For the period from December 30, 2008 (Inception) to December 31, 2010, the Company's total advertising expense amounted to $204,122.

Research and Development

Research and development expenses are charged to operations as incurred. For the years ended December 31, 2010 and December 31, 2009, the Company incurred research and development expenses of $11,620 and $0, respectively. For the period from December 30, 2008 (inception) to December 31, 2010, the Company's total research and development expenses amounted to $11,620.

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of such assets and liabilities.

The Company adopted the provisions of ASC Topic 740-10, which prescribes a recognition threshold and measurement process for financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. The guidance also prescribes direction on derecognition, classification, interest and payables accounting in interim financial statements and related disclosures. The adoption of ASC Topic 740-10 did not have a material impact on the Company's consolidated financial statements.

Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's financial statements for the years ended December 31, 2010 and 2009.

Net Loss Per Share

Basic earnings (loss) per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is computed by dividing net earnings by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, resulting from the exercise of outstanding stock options and warrants.

The Company's issued and outstanding common shares as of December 31, 2010 and 2009 do not include the underlying shares issuable upon the exercise of the 72,000,000 options and 2,000,000 warrants as of December 31, 2010 and 2,000,000 warrants as of December 31, 2009 with an exercise price of $0.01 or less. See Note 10. In accordance with ASC 260, the Company has given effect to the issuance of these options and warrants in computing basic and diluted net loss per share.

Stock-Based Compensation

The Company accounts for equity instruments to non-employees in accordance with accounting guidance which requires that such equity instruments are recorded at their fair value on the measurement date, which is typically the date the services are performed. Stock-based compensation is reflected in general and administrative expenses for all periods presented.

The Company accounts for equity instruments issued to employees in accordance with accounting guidance that requires awards are recorded at their fair value on the date of grant and are amortized over the vesting period of the award. The Company recognizes compensation costs over the requisite service period of the award, which is generally the vesting term of the options associated with the underlying employment agreement, if applicable.

Impairment of Long-lived Assets

The Company reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. The Company has not identified any such impairment losses.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts payable, and accrued liabilities approximate fair value due to the short-term nature of these instruments. The carrying amounts of our short term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuance of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820 "Fair Value Measurements and Disclosures" which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example, cash flow modeling inputs based on assumptions)

No such items existed as of December 31, 2010 or 2009.

Recent Accounting Pronouncements

In January 2010, the FASB issued guidance requiring new disclosures and clarifying existing disclosure requirements about fair value measurement. The FASB's objective is to improve these disclosures and, thus, increase the transparency in financial reporting. Specifically, the amendments now require a reporting entity to:

- Disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers; and

- Present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs.

In addition, the guidance clarifies the requirements of the following disclosures:

- For purposes of reporting fair value measurement for each class of assets and liabilities, a reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities; and

- A reporting entity is to provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements.

The guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Early application is permitted. The Company adopted the revised disclosure guidance in the first quarter of 2009 and the adoption did not have a material impact on the Company's consolidated financial statements as of and for the years ended December 31, 2010 and 2009.

In February 2010, the FASB issued an update which amends the subsequent events disclosure guidance. The amendments include a definition of an SEC filer, requires an SEC filer to evaluate subsequent events through the date the financial statements are issued, and removes the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated. This guidance was effective upon issuance for the Company.

The Company does not believe that there are any other new accounting pronouncements that the Company is required to adopt that are likely to have a material effect on the Company's consolidated financial statements upon adoption.

Subsequent Events

Management has evaluated subsequent events to determine whether events or transactions occurring through May 11, 2011, the date on which the financial statements were available to be issued, will require potential adjustment to or disclosure in the Company's financial statements.

4. Property and Equipment

Property and Equipment include the following:

	December 31, 2010	December 31, 2009
Office equipment	$ 7,487	$ 1,147
Medical equipment	474,356	95,241
Furniture and fixtures	7,142	3,700
Computer software and equipment	12,541	-
	501,526	100,088
Less: accumulated depreciation	(54,770)	(6,412)
Property and Equipment, net	$ 446,756	$ 93,676

Depreciation expense amounted to $48,358 and $6,412 for the years ended December 31, 2010 and 2009, respectively. Depreciation expense for the period from December 30, 2008 (inception) to December 31, 2010 was $54,770.

5. Accrued Expenses and Other Liabilities

Accrued expenses and other current liabilities are comprised of the following:

	December 31, 2010	December 31, 2009
Accrued loan interest	$ 11,116	$ 4,504
Credit card payable	20,132	8,106
Accrued payroll and severance	215,833	-
Accrued payroll taxes	14,537	-
Other accrued expenses	80,000	4,000
Total	$ 341,618	$ 16,610

6. Notes Payable

During the years ended December 31, 2010 and 2009, the Company issued certain notes payable aggregating $332,654 and $278,485, respectively. The notes bear interest between 0% and 15% per annum (weighted average interest rate of 11.75%) and are due on various dates through November 2011. Certain of the notes payable agreements were non-interest bearing. The Company calculated the imputed interest associated with non-interest bearing notes and the resulting expense was deemed de minimus to the financial statements for the years ended December 31, 2010 and 2009. In connection with the notes payable, the Company also issued 4,700,000 and 41,000,000 common shares to certain lenders during 2010 and 2009, respectively. The relative fair value of the shares issued was $31,910 and $191,322, respectively, and has been recognized as a debt discount on the dates that the respective notes were issued. Such amount is being amortized to interest expense over the terms of the respective notes. During the years ended December 31, 2010 and 2009, the Company recognized $181,739 and $28,988 in amortization of the deferred debt discount, respectively. Aggregate amortization of debt discount from December 30, 2008 (inception) through December 31, 2010 was $210,727. As of December 31, 2010, the Company has included $6,971 of the debt discount as shares issuable as the note payable agreement was made but the 1,000,000 shares were not issued until subsequent to year end.

During the year ended December 31, 2010, the Company purchased certain property and equipment with a value of $304,055. In February 2011, the Company renegotiated the terms of the payable with the vendor and entered into a promissory note for the balance due as of December 31, 2010 of $291,055. In accordance with ASC 470, the Company reclassified a portion of this payable to long-term on the balance sheet as of December 31, 2010, since the event occurred after the balance sheet date, but before the financial statements were issued. The promissory note calls for monthly installments of $8,094, including an effective interest rate of 6%. The note matures on February 1, 2014 and is collateralized by the equipment purchased.

Maturities of the Company's notes payable at December 31, 2010 are as follows:

For the Years Ending December 31,	Amount
2011	$ 533,523
2012	87,700
2013	93,109
2014	16,067
Total	**$ 730,399**

7. Income Taxes

The tax effects of temporary differences that give rise to deferred tax assets are presented below:

	For the Years Ended December 31,	
	2010	**2009**
Deferred Tax Assets:		
Net operating loss carryforward	$ 1,140,069	$ 466,355
Non-deductible stock-based compensation	221,800	-
Non-deductible accrued bonus	17,100	-
Non-deductible severance costs	45,600	-
Charitable contribution carryforward	133	133
Total deferred tax assets	1,424,702	466,488
Deferred Tax Liabilities:		
Fixed asset depreciation	(148,065)	(16,916)
Total deferred tax liabilities	(148,065)	(16,916)
Total deferred tax asset	1,276,637	449,572
Valuation allowance	(1,276,637)	(449,572)
Deferred tax asset, net of valuation allowance	$ -	$ -
Changes in valuation allowance	$ 827,065	$ -

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

	Year Ended December 31,	
	2010	**2009**
Tax benefit at federal statutory rate	(34)%	(34)%
State income taxes, net of federal tax benefit	(4)%	(4)%
Permanent differences	-	-
Change in valuation allowance	38%	38%
Effective income tax rate	-	-

The Company assesses the likelihood that deferred tax assets will be realized. To the extent that realization is not likely, a valuation allowance is established. Based upon the Company's history of losses since inception, management believes that it is more likely than not that future benefits of deferred tax assets will not be realized. The Company does not expect any significant changes in the unrecognized tax benefits within twelve months of the reporting date.

At December 31, 2010 and 2009, the Company had approximately $3,000,000 and $1,227,000, respectively, of federal and state net operating losses that may be available to offset future taxable income. The net operating loss carry forwards, if not utilized, will expire from 2029 to 2030 for federal purposes. In accordance with Section 382 of the Internal Revenue Code, the usage of the Company's net operating loss carry forward is deemed to be limited due to the of a change in ownership in April 2009.

The Company classifies interest expense and any related penalties related to income tax uncertainties as a component of income tax expense. No interest or penalties have been recognized as of December 31, 2010 and 2009.

The Company files income tax returns in the U.S. federal jurisdiction and the state of Florida, and is subject to examination by the various taxing authorities. The Company's federal and state income tax returns for the tax years after 2009 remain subject to examination.

8. Commitments and Contingencies

Operating lease

The Company leases office space in Boca Raton, Florida under a month to month operating lease. See Note 11.

Rent expense amounted to $29,000 and $18,000 for the years ended December 31, 2010 and 2009, respectively. Rent expense for the period from December 30, 2008 (inception) to December 31, 2010 was $47,000.

Letters of Credit

The Company has purchased certain equipment from suppliers by means of letters of credit. As of December 31, 2010 and 2009, there were no outstanding balances for these letters of credit.

Pursuant to a Credit Support, Security and Registration Rights Agreement, dated as of August 17, 2010, between the Company and Quick Capital of L.I. Corp. ("Quick Capital"), and in connection with issuances of certain letters of credit with regard to purchases of equipment by the Company, the Company issued to Quick Capital 24,937,500 shares of common stock valued at $182,044 for their consulting services. See Note 11.

Litigations, Claims and Assessments

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations. See Note 11.

Employment Agreements/Consulting Agreements

Chief Executive Officer

Effective October 4, 2010, the Company entered into an employment agreement with its Chief Executive Officer. The employment agreement provided for an initial term of three years. The employment agreement provides for minimum compensation of $360,000 during the initial year, $480,000 during the second year and $600,000 during the third year. In the event the term of the employment agreement is extended beyond the initial term, the base salary payable shall be increased by 20% per annum. The agreement also includes certain severance provisions.

Pursuant to the employment agreement, the Chief Executive Officer is entitled to an annual bonus in an amount equal to 50% of his then current salary. The bonus shall be payable in quarterly installments, commencing on the three month anniversary of the commencement of the employment agreement and continuing on each three month anniversary and shall not be subject to any condition.

Vice President of Operations

Effective December 1, 2010, the Company entered into an employment agreement with its Vice President of Operations. Pursuant to the employment agreement, the Vice President of Operations is entitled to receive $75,000 per annum (subject to increase to $90,000 per annum effective upon her relocation to the Company's Jupiter, Florida offices; such relocation occurred as of February 1, 2011). The agreement also provides for certain severance provisions.

Consulting/Employment Agreement

Pursuant to a consulting/employment entered into as of September 23, 2009, the Company retained an individual to serve as Acting Director of Medical Alliances. The agreement provides for an initial three year term and a compensation of $52,000 per annum. In addition, the individual was issued 5,000,000 shares of common stock valued at $5,000.

Termination Agreement

On December 15, 2010 the Company entered into a termination/severance agreement with its former President (the "Executive"). The Company agreed to pay the Executive, as severance, the aggregate amount of $120,000 payable over a two year period. Such amount has been included in accrued expenses and other current liabilities as of December 31, 2010.

9. Stockholders' Deficiency

Authorized Capital

The Company is authorized to issue from 800,000,000 shares (increased from 500,000,000 shares on December 7, 2010) of common stock, $0.001 par value, and 1,000,000 shares of preferred stock, $0.01 par value. The holders of the Company's common stock are entitled to one vote per share. Subject to the rights of holders of preferred stock, if any, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of legally available funds. Subject to the rights of holders of preferred stock, if any, upon liquidation, dissolution or winding up of the Company, holders of common stock are entitled to share ratably in all assets of the Company that are legally available for distribution.

Common Stock

The Company issued for consulting services 31,773,998 shares of common stock valued at $877,338 in 2009 and 43,895,833 shares of common stock valued at $311,923 in 2010. The fair market value of such instruments was calculated on the date of issuance. See Note 10.

The Company sold 945,000 shares for an aggregate price of $25,000 in 2009 and 82,500,000 shares for an aggregate price of $666,300 in 2010.

In 2010, warrants were exercised for the purchase of 125,000 shares at an aggregate exercise price of $1,875.

Stockholders cancelled an aggregate of 85,862,068 shares in 2009 and 60,332,799 shares in 2010. On December 15, 2010, the Company agreed to reissue 12,576,811 shares back to its former President. These shares were issued to the Company's former President on January 12, 2011.

The Company repurchased 15,517,241 shares from stockholders for an aggregate purchase price of $10,000 in 2010.

On November 8, 2010, the Company entered into a Settlement Agreement with Gene Thomas Jr. The Company had agreed to purchase from Mr. Thomas 12,413,792 shares of Company stock for the total sum of $22,000 for the purpose of retirement to Treasury. Pursuant to the settlement agreement, the Company and Mr. Thomas agreed to three installment payments of $8,000, $7,000 and $7,000 payable in November and December 2010 and January 2011, respectively. Of this amount, $7,000 has been recorded as a current liability as of December 31, 2010 and was paid subsequent to December 31, 2010.

During the year ended December 31, 2009, the Company issued 20,000,000 shares of common stock to a lender valued at $530,000 as collateral for certain loans. These shares were returned to the Company in February 2010.

10. Stock-Based Compensation

Stock Options

On November 17, 2010, the Board of Directors of the Company adopted the 2010 Equity Participation Plan (the "Plan"). Pursuant to the Plan, up to 100,000,000 shares of common stock may be issued to the Company's employees, non-employee directors, consultants and advisors. Stockholder approval of the Plan was obtained effective as of December 15, 2010.

On December 15, 2010, pursuant to the Plan, the Company granted to its officers, directors and employees, options for the purchase of an aggregate of 22,000,000 shares of its common stock at an exercise price of $0.01 per share, valued at $174,243. The options vested immediately and are exercisable for a period of ten years from the date of grant.

On December 23, 2010, pursuant to the Plan and in connection with the employment agreement discussed in Note 8, the Company granted to its Chief Executive Officer options for the purchase of 50,000,000 shares of its common stock at an exercise price of $0.001 per share, valued at $409,441. The options vested immediately and are exercisable for a period of ten years from the date of grant.

Stock option amortization expense for employees and directors was $583,685 and $0 for the years ended December 31, 2010 and 2009, respectively, and $583,685 from December 30, 2008 (inception) to December 31, 2010.

The fair value of each option granted during the year ended December 31, 2010 was estimated on the date of grant using the Black-Scholes model.

The following assumptions were used to compute the grant date value of the options granted during the years ended December 31, 2010 and 2009:

	2010	2009
Dividend Yield	0%	-
Expected Volatility	207%	-
Risk-free interest rate	1.93%	-
Expected lives	5.0 years	-

Since the Company's shares are not currently publicly traded, the fair value of the Company's equity instruments was estimated using a share price derived from the quarterly rolling weighted average cash price paid to the Company for recent purchases of shares of common stock. The expected life of options granted during the year ended December 31, 2010 was calculated using the simplified method set out in SEC Staff Accounting Bulletin No. 107, as amended by No. 110, using the vesting term set forth in the option agreements and the expected contractual term of 10 years. The simplified method defines the expected life as the average of the contractual term and the vesting period.

The weighted average fair value of the options on the date of grant, using the fair value based methodology, for the year ended December 31, 2010 was $0.0081.

Because the Company's employee stock options have characteristics significantly different from those of traded options and warrants, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options. The fair value of stock-based payment awards was estimated using the Black-Scholes option pricing model using a volatility figure derived from an index of comparable entities. Management will review this assumption as the Company's trading history becomes a better indicator of value.

A summary of the status of the Company's stock options and the changes during the years ended December 31, 2010 and 2009 are presented in the tables below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms	Aggregate Intrinsic Value
Options outstanding at January 1, 2009	-	-	-	-
Granted	-	-		
Expired	-	-		
Cancelled	-	-		
Exercised	-	-		
Options outstanding at December 31, 2009	-	-	-	-
Granted	72,000,000	$ 0.004		
Expired	-	-		
Cancelled	-	-		
Exercised	-	$ -		
Options outstanding at December 31, 2010	72,000,000	$ 0.004	9.98	$ 365,000
Option exercisable at December 31, 2010	72,000,000	$ 0.004	9.98	$ 365,000

Number Outstanding	Weighted Average Remaining Years of Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
50,000,000	9.99	$ 0.001	50,000,000	$ 0.001
22,000,000	9.96	$ 0.01	22,000,000	$ 0.01

Warrants

On August 5, 2009, the Company issued warrants to two consultants for the purchase of an aggregate of 2,000,000 shares of the Company's common stock, valued at $52,379. The warrants vested immediately, expire on August 5, 2014 and have an exercise price of $0.01 per share.

On August 12, 2010, the Company issued warrants to a consultant for the purchase of 125,000 shares of the Company's common stock, valued at $808. The warrants vested immediately, expire on August 12, 2013 and have an exercise price of $0.015 per share. The warrants were exercised during the year ended December 31, 2010.

Equity instruments issued to non-employees are recorded at their fair value at grant date. Stock-based compensation for non-employees was $808 and $52,378 for the years ended December 31, 2010 and 2009, respectively, and $53,186 from December 30, 2008 (inception) to December 31, 2010.

The fair value of each warrant granted during the years ended December 31, 2010 and 2009 was estimated on the date of grant using the Black-Scholes model.

The following assumptions were used to compute the grant date value of the warrants granted during the years ended December 31, 2010 and 2009:

	2010	2009
Dividend yield	0%	0%
Expected volatility	207%	207%
Risk-free interest rate	1.21%	2.2%
Expected lives	3.0 yrs.	3.0 yrs.

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Warrants outstanding at January 1, 2009	-	-	-	-
Granted	2,000,000	$ 0.01		
Expired	-	-		
Exercised	-	-		

Warrants outstanding at December 31, 2009	2,000,000	$ 0.01	4.60	$ -
Granted	125,000	$ 0.015		
Expired	-	-		
Exercised	(125,000)	$ 0.015		
Warrants outstanding at December 31, 2010	2,000,000	$ 0.01	3.60	$ -

11. Subsequent Events

Stem Cell Cayman, Ltd.

On February 1, 2011, the Company formed Stem Cell Cayman, Ltd. as a wholly-owned subsidiary in the Cayman Islands.

Note Financing

During the first quarter of 2011, the Company and its wholly-owned subsidiary, Stem Cell Cayman Ltd., obtained debt financing in the aggregate amount of $1,437,500, of which $12,500 has been repaid. The remaining debt is repayable three months from the date of issuance of the respective notes; however, the Company has the right to extend the maturity date for an additional three months. During the initial three month period of the notes, the rate of interest will be 10% per annum; during any extension period, the interest rate would be increased to 15% per annum. In connection with the financing, an aggregate of 28,750,000 shares of common stock of the Company were issued to the lenders, valued at approximately $201,250.

During the first quarter of 2011, the Company exercised its option to extend for a three month period to May 4, 2011 the maturity date for notes in the aggregate principal amount of $135,000.

In addition, during the first quarter of 2011, the Company exercised its option to extend for a three month period the maturity date for three additional notes each in the principal amount of $50,000. The new maturity dates for the notes are June 9, 2011, June 30, 2011 and July 14, 2011, respectively.

Consulting Agreements

Effective March 1, 2011, the Company entered into consulting agreements with TDA Consulting Services, Inc. (“TDA”) and Vintage Holidays L.L.C. (“Vintage”) in connection with the implementation of its business plan.

Pursuant to the agreement with TDA, which has a term that expires on March 31, 2012, TDA is to provide consultation and assistance with regard to the Company’s efforts to have its securities listed on the OTC Bulletin Board or a securities exchange, establish an offshore stem cell treatment facility, develop business, including with regard to acquisition and joint venture opportunities, develop a physician distribution network for the sale of the Company’s stem cell skin care products, and comply with regulatory requirements. Pursuant to the agreement with TDA, the Company paid TDA $35,000 in consideration of services rendered to date and a $25,000 retainer for services to be rendered during the term. The Company also agreed to pay TDA an aggregate of an additional $130,000, and issue to TDA an aggregate of 10,500,100 shares of common stock, to be paid and issued in equal monthly installments during the term of the agreement.

Pursuant to the agreement with Vintage, which has a term that expires on June 30, 2011, Vintage is to provide consultation and assistance with regard to the Company's efforts to market itself with respect to medical tourism, establish business relationships with governmental officials, and establish an offshore stem cell treatment facility. Pursuant to the agreement with Vintage, the Company paid Vintage $20,000 in consideration of services rendered to date and a $10,000 retainer for services to be rendered during the term. The Company also agreed to pay Vintage an aggregate of an additional $20,000, and issue to Vintage an aggregate of 5,000,000 shares of common stock, to be paid and issued in equal monthly installments during the term of the agreement.

Effective April 7, 2011, the Company entered into a consulting agreement with Dr. Joseph J. Ross in connection with the implementation of its business plan. Pursuant to the agreement with Dr. Ross, subject to the satisfaction of certain conditions, he is entitled to receive options for the purchase of up to 5,000,000 shares of common stock.

Settlement Agreements

Quick Capital of L.I. Corp.

Effective February 23, 2011, the Company entered into a Settlement Agreement with Quick Capital of L.I. Corp. ("Quick Capital") and Olde Estate, LLC ("Olde Estate"). Pursuant to the Settlement Agreement, the Company paid to Quick Capital approximately $36,000 and issued to Olde Estate 8,312,500 shares of its common stock valued at approximately $58,200 in satisfaction of the Company's monetary and stock issuance obligations to Quick Capital and Olde Estate under a Credit Support, Security and Registration Rights Agreement, dated as of August 17, 2010.

Tommy Berger/Stem Cell Research Company, LLC

Effective January 29, 2011, the Company terminated its relationship with Tommy Berger, a founder of the Company. Pursuant and subject to the terms and conditions of the Termination Agreement between the parties, Mr. Berger waived any rights he may have had pursuant to a certain employment agreement entered into with the Company in August 2010 and the Company agreed to pay to Stem Cell Research Company, LLC ("Stem Cell Research"), a principal shareholder of the Company, $180,000 over a 12 month period. In addition, pursuant to the Termination Agreement, each of Mr. Berger and Stem Cell Research has agreed to certain restrictive covenants, including with regard to the sale of shares of common stock of the Company.

ThermoGenesis Corp.

On February 1, 2011, the Company entered into an Equipment Purchase Agreement with ThermoGenesis Corp. with regard to the purchase of a piece of equipment. Pursuant to the agreement, which superseded an earlier agreement between the parties, ThermoGenesis agreed that the remaining purchase price for the equipment of $291,055 could be paid as follows: (i) $25,000 upon signing and (ii) the balance over a three year period, together with interest at the rate of 6% per annum.

Sound Surgical Technologies, LLC

On March 8, 2011, the Company and Sound Surgical Technologies, LLC ("Sound Surgical") entered into a Settlement Agreement and Release of Claim (the "Settlement Agreement") pursuant to which the parties agreed that the Company's purchase from Sound Surgical of one piece of equipment was cancelled, the Company's obligations under a certain purchase agreement were terminated and the Company retained one piece of purchased equipment. On March 8, 2011, the Company paid to Sound Surgical $65,000 in connection with the purchase of the retained equipment and to complete the Settlement Agreement.

Stock Grants

In January 2011, pursuant to an amended employment agreement with the Company's Chief Executive Officer, the Company issued to him 15,000,000 shares of common stock valued at $124,500.

In April 2011, in connection with their appointment as directors of the Company, two individuals were each granted 5,000,000 shares of common stock valued at approximately $35,000. One-half of the shares vested upon grant and the other half vests in April 2012.

Real Estate Lease

On January 20, 2011, the Company entered into a three year lease agreement with respect to premises located at the Alexandria Innovation Center in Jupiter, Florida. The lease expires on January 31, 2014 and provides for a base monthly rent of $6,052 for the initial year, $6,234 during the second year and $6,422 during the third year; however, pursuant to the lease, no base rent is payable during the initial year. Effective May 1, 2011, the Company terminated its lease in Boca Raton, Florida.

Vice President of Research and Development

Effective April 5, 2011, the Company entered into an employment agreement with its Vice President of Research and Development. Pursuant to the employment agreement, the Vice President of Research and Development is entitled to receive $150,000 per annum and a bonus, subject to the satisfaction of certain conditions, of up to $55,000 and options for the purchase of up to 3,150,000 shares of common stock. The agreement also provides for severance. Concurrently with the execution of the employment agreement, the Company granted to the Vice President of Research and Development options for the purchase of 4,000,000 shares of common stock.

2010 Equity Participation Plan

On March 28, 2011, the Board of Directors of the Company increased the number of shares of common stock that may be issued pursuant to the Plan to 200,000,000. Stockholder approval of the increase was obtained effective as of April 4, 2011.

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Balance Sheets

	March 31, 2011 (unaudited)	December 31, 2010
Assets		
Current Assets:		
Cash	$ 505,740	$ 18,074
Prepaid expenses and other current assets	101,544	-
Total Current Assets	607,284	18,074
Property and equipment, net	428,985	446,756
Intangible assets, net	3,584	3,676
Security deposit	4,415	-
Total Assets	$ 1,044,268	$ 468,506
Liabilities and Stockholders' Deficiency		
Current Liabilities:		
Accounts payable	$ 71,736	$ 160,187
Accrued expenses and other current liabilities	493,814	341,618
Notes payable, net of debt discount of $152,195 and $19,476 at March 31, 2011 and December 31, 2010	1,769,932	514,047
Total Current Liabilities	2,335,482	1,015,852
Notes payable - less current maturities	152,740	196,876
Total Liabilities	2,488,222	1,212,728
Commitments and contingencies	-	-
Stockholders' Deficiency:		
Preferred stock, $.01 par value; Authorized, 1,000,000 shares; none issued and outstanding at March 31, 2011 and December 31, 2010	-	-
Common stock, $.001 par value; Authorized, 800,000,000 shares at March 31, 2011 and December 31, 2010, respectively; Issued 528,845,545 and 461,148,534 shares at March 31, 2011 and December 31, 2010, respectively; Outstanding 500,914,511 and 433,217,500 shares at March 31, 2011 and December 31, 2010, respectively	528,846	461,149
Additional paid-in capital	2,622,858	2,270,219
Shares issuable	-	6,971
Deficit accumulated during development stage	(4,563,658)	(3,450,561)
Treasury stock, at cost, 27,931,034 shares at March 31, 2011 and December 31, 2010	(32,000)	(32,000)
Total Stockholders' Deficiency	(1,443,954)	(744,222)
Total Liabilities and Stockholders' Deficiency	$ 1,044,268	$ 468,506

See Notes to these Condensed Consolidated Financial Statements

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended March 31,		Period from December 30, 2008 (Inception) to March 31,
	2011	**2010**	**2011**
Revenues	$ -	$ -	$ -
Operating Expenses			
Marketing and promotion	44,805	23,251	248,927
Payroll and benefits	543,431	-	1,299,590
Consulting expenses	195,858	150,895	1,738,307
General and administrative	233,512	158,240	952,330
Research and development	-	11,620	11,620
Total Operating Expenses	1,017,606	344,006	4,250,774
Loss From Operations	(1,017,606)	(344,006)	(4,250,774)
Other Income (Expense)			
Other income	-	-	11,457
Interest expense	(95,491)	(121,365)	(334,705)
Total Other Expense	(95,491)	(121,365)	(323,248)
Net Loss	$ (1,113,097)	$ (465,371)	$ (4,574,022)
Net Loss Per Share - Basic and Diluted	$ (0.00)	$ (0.00)	
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	547,894,007	443,249,389	

See Notes to these Condensed Consolidated Financial Statements

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statement of Changes in Stockholders' Deficiency
Three Months Ended March 31, 2011

(unaudited)

	Common Stock		Additional Paid-In	Shares	Deficit Accumulated During Development	Treasury Stock		
	Shares	Amount	Capital	Issuable	Stage	Shares	Amount	Total
Balance - December 31, 2010	461,148,534	$ 461,149	$ 2,270,219	$ 6,971	$ (3,450,561)	(27,931,034)	$ (32,000)	$ (744,222)
Shares issued for consulting services - (at $0.008)	2,057,700	2,058	14,939	-	-	-	-	16,997
Shares reissued to former President - (at par value)	12,576,811	12,577	(12,577)	-	-	-	-	-
Shares issued pursuant to settlement agreement (at $0.008)	8,312,500	8,312	60,350	-	-	-	-	68,662
Shares issued as debt discount in connection with notes payable (at $0.007)	29,750,000	29,750	181,027	(6,971)	-	-	-	203,806
Shares issued pursuant to employment agreement (at $0.008)	15,000,000	15,000	108,900	-	-	-	-	123,900
Net loss	-	-	-	-	(1,113,097)	-	-	(1,113,097)
Balance - March 31, 2011	528,845,545	$ 528,846	$ 2,622,858	$ -	$ (4,563,658)	(27,931,034)	$ (32,000)	$ (1,443,954)

See Notes to these Condensed Consolidated Financial Statements.

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended March 31,		Period from December 30, 2008 (Inception) to March 31,
	2011	**2010**	**2011**
Cash Flows From Operating Activities			
Net loss	$ (1,113,097)	$ (465,371)	$ (4,574,022)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of debt discount	71,087	110,865	281,814
Depreciation and amortization	24,754	5,729	79,524
Stock- based compensation	209,559	103,850	2,034,884
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(101,544)	5,950	(101,544)
Security deposit	(4,415)	-	(4,415)
Accounts payable	(88,451)	3,324	11,736
Accrued expenses and other current liabilities	152,196	(12,106)	489,814
Total Adjustments	263,186	217,612	2,791,813
Net Cash Used in Operating Activities	(849,911)	(247,759)	(1,782,209)
Cash Flows From Investing Activities			
Purchases of property and equipment	(6,891)	(27,586)	(152,362)
Acquistion of intangible assets	-	(2,200)	(3,676)
Net Cash Used in Investing Activities	(6,891)	(29,786)	(156,038)
Cash Flows From Financing Activities			
Proceeds from notes payable	1,437,500	11,000	2,048,639
Repayments of notes payable	(93,032)	(126,725)	(269,827)
Sale of common stock for cash	-	401,300	691,300
Proceeds from exercise of warrrants	-	-	1,875
Repurchase of common stock	-	-	(28,000)
Net Cash Provided by Financing Activities	1,344,468	285,575	2,443,987
Net Increase In Cash	487,666	8,030	505,740
Cash - Beginning	18,074	42	-
Cash - Ending	$ 505,740	$ 8,072	$ 505,740

See Notes to these Condensed Consolidated Financial Statements

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statements of Cash Flows--Continued

(unaudited)

	Three Months Ended March 31,		Period from December 30, 2008 (Inception) to March 31,
	2011	**2010**	**2011**
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the period for:			
Interest	$ 29,621	$ 7,350	$ 46,468
Non-cash investing and financing activites:			
Shares issued as debt discount in connection with notes payable	$ 203,806	$ -	$ 427,038
Shares issued in connection with reverse recapitalization	$ -	$ -	$ 362,000
Shares issued pursuant to reverse recapitalization and subsequently cancelled	$ -	$ -	$ 146,195
Shares issued as debt discount in connection with note payable	$ 6,971	$ -	$ -
Purchase of property and equipment for note payable	$ -	$ -	$ 291,055
Purchase of property and equipment for account payable	$ -	$ -	$ 60,000
Accrued payable for treasury shares repurchased	$ -	$ -	$ 7,000
Shares reissued to former President	$ 12,577	$ -	$ 12,577
Shares (returned) issued as collateral in connection with note payable	$ -	$ (530,000)	$ -

See Notes to these Condensed Consolidated Financial Statements

STEM CELL ASSURANCE, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 1 - Business Organization and Nature of Operations

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the condensed consolidated financial statements of Stem Cell Assurance, Inc. & Subsidiaries (the "Company") as of March 31, 2011, for the three months ended March 31, 2011 and 2010 and for period from December 30, 2008 (inception) to March 31, 2011. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the operating results for the full year. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and related disclosures of the Company as of December 31, 2010 and for the year then ended, and for the period from December 30, 2008 (inception) to December 31, 2010, which are included elsewhere in this document.

On February 1, 2011, the Company formed Stem Cell Cayman Ltd. ("Cayman") as a wholly-owned subsidiary in the Cayman Islands.

Note 2 - Going Concern and Management Plans

As of March 31, 2011, the Company had a working capital deficiency and a stockholders' deficiency of $1,728,198 and $1,443,954, respectively. The Company has not generated any revenues and incurred net losses of $4,574,022 during the period from December 30, 2008 (Inception) through March 31, 2011. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company's primary source of operating funds since inception has been its stockholders and note financings. The Company intends to raise additional capital through private debt and equity investors. The Company is currently a development stage enterprise and there is no assurance that these funds will be sufficient to enable the Company to fully complete its development activities or attain profitable operations.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The unaudited condensed consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Note 3 - Summary of Significant Accounting Policies

Principles of Consolidation

The unaudited condensed consolidated financial statements of the Company include the accounts of Cayman, Stem Cellutrition, LLC and Lipo Rejuvenation Center, Inc. All significant intercompany transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at dates of the financial statements and the reported amounts of revenue and expenses during the periods. Actual results could differ from these estimates. The Company's significant estimates and assumptions include the recoverability and useful lives of long-lived assets, the fair value of the Company's stock, stock-based compensation, debt discount and deferred tax assets, including a valuation allowance.

Note 3 - Summary of Significant Accounting Policies - Continued

Concentrations of Credit Risk

The Company maintains deposits in a financial institution which is insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times, the Company has deposits in this financial institution in excess of the amount insured by the FDIC. As of March 31, 2011, the Company had $394,745 deposited with an offshore financial institution which is not insured by the FDIC.

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of such assets and liabilities.

The Company adopted the provisions of Accounting Standards Codification ("ASC") Topic 740.10, which prescribes a recognition threshold and measurement process for financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. The guidance also prescribes direction on derecognition, classification, interest and payables accounting in interim financial statements and related disclosures.

Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's unaudited condensed consolidated financial statements for the three months ended March 31, 2011 and 2010.

Net Loss Per Common Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is computed by dividing net earnings by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, resulting from the exercise of outstanding stock options and warrants.

The Company's issued and outstanding common shares as of March 31, 2011 do not include the underlying shares issuable upon the exercise of the 72,000,000 options and 2,000,000 warrants with an exercise price of $0.01 or less. At March 31, 2010, the Company's issued and outstanding common shares do not include the underlying shares issuable upon the exercise of the 2,000,000 warrants with an exercise price of $0.01 or less. See Notes 8 and 9. In accordance with ASC 260, the Company has given effect to the issuance of these options and warrants in computing basic and diluted net loss per share.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Since the Company's shares are not currently publicly traded in significant volume, the fair value of the Company's equity instruments was derived from the quarterly rolling weighted average cash price paid to the Company for recent purchases of shares of common stock.

Stock-based compensation for non-employees and directors is reflected in consulting expenses in the condensed consolidated statements of operations. Stock-based compensation for employees is reflected in payroll and benefits in the condensed consolidated statements of operations.

Reclassifications

Certain prior period amounts have been reclassified for comparative purposes to conform to the fiscal 2011 presentation. These reclassifications have no impact on previously reported earnings.

Note 3 - Summary of Significant Accounting Policies – Continued

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2011-04 which is effective for annual reporting periods beginning after December 15, 2011. This guidance amends certain accounting and disclosure requirements related to fair value measurements. The Company is currently evaluating the guidance and has not yet determined the impact the adoption will have on its condensed consolidated financial statements.

Subsequent Events

Management has evaluated subsequent events to determine whether events or transactions occurring through July 8, 2011, the date on which the financial statements were available to be issued, will require potential adjustment to or disclosure in the Company's financial statements.

Note 4 - Accrued Expenses and Other Liabilities

Accrued expenses and other current liabilities are comprised of the following:

	March 31, 2011	December 31, 2010
Accrued loan interest	$ 10,006	$ 11,116
Credit card payable	18,607	20,132
Accrued travel	12,810	-
Accrued payroll and severance	319,021	230,370
Deferred rent	7,146	-
Accrued professional fees	126,224	80,000
Total	$ 493,814	$ 341,618

Note 5 - Notes Payable

During 2010, the Company purchased certain property and equipment with a value of $304,055. In February 2011, the Company renegotiated the terms of the then $291,055 payable with the vendor and entered into a promissory note. The agreement provides for an immediate principal payment of $25,000, plus monthly installments of $8,094, including an effective interest rate of 6%. The Company made $41,188 of payments during the three months ended March 31, 2011. The note matures on February 1, 2014 and is collateralized by the equipment purchased. The outstanding balance of this note as of March 31, 2011 and December 31, 2010 was $252,494 and $291,055, respectively.

During the first quarter of 2011, the Company exercised its option to extend the maturity date for an additional three month period for notes with an aggregate principal amount of $135,000 and the Company repaid other notes payable with an aggregate principal balance of $46,740.

During the first quarter of 2011, the Company and its wholly-owned subsidiary, Cayman, obtained new debt financing in the aggregate amount of $1,437,500. The debt is repayable three months from the date of issuance of the respective notes; however, the Company has the right to extend the maturity date for an additional three months. During the initial three month period of the notes, the rate of interest will be 10% per annum; during any extension period, the interest rate would be increased to 15% per annum. In connection with the financing, an aggregate of 28,750,000 shares of common stock of the Company were issued to the lenders, with a relative fair value of $203,806. These shares were accounted for as a debt discount and amortized over the estimated life of the related debt.

During the three months ended March 31, 2011 and 2010, the Company recognized $71,087 and $110,865 in amortization of debt discount, respectively. Aggregate amortization of debt discount from December 30, 2008 (inception) through March 31, 2011 was $281,814.

As discussed in Note 9, the maturity dates of certain notes were extended subsequent to March 31, 2011.

Note 6 - Commitments and Contingencies

Operating Lease

On January 20, 2011, the Company entered into a three year lease agreement with respect to premises located at the Alexandria Innovation Center in Jupiter, Florida. The lease, as amended on March 11, 2011, expires on January 31, 2014 and provides for a base monthly rent of $6,052 for the initial year, $6,234 during the second year and $6,422 during the third year; however, pursuant to the lease, no base rent is payable during the initial year. The Company has the right to lease the premises for an additional three years at the then fair market value rent. The aggregate base rent payable over the lease term is being recognized on a straight-line basis. See Note 4 for the deferred rent balance.

Rent expense amounted to approximately $22,000 and $6,500 for the three months ended March 31, 2011 and 2010, respectively. Rent expense for the period from December 30, 2008 (inception) to March 31, 2011 was $69,000. Rent expense is reflected in general and administrative expense in the condensed consolidated statements of operations.

Litigations, Claims and Assessments

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's condensed consolidated financial position or results of operations.

Consulting Agreements

Effective March 1, 2011, the Company entered into consulting agreements with TDA Consulting Services, Inc. ("TDA") and Vintage Holidays L.L.C. ("Vintage") in connection with the implementation of its business plan.

Pursuant to the agreement with TDA, which has a term that expires on March 31, 2012, TDA is to provide consultation and assistance with regard to the Company's efforts to have its securities listed on the OTC Bulletin Board or a securities exchange, establish an offshore stem cell treatment facility, develop business, including with regard to acquisition and joint venture opportunities, develop a physician distribution network for the sale of the Company's stem cell skin care products, and comply with regulatory requirements. Pursuant to the agreement with TDA, the Company paid TDA $35,000 in consideration of services rendered to date and a $25,000 retainer, included in prepaid expenses and other current assets, for services to be rendered during the term. The Company also agreed to pay TDA an additional $130,000 fee, and issue to TDA 10,500,100 shares of common stock, both of which are to be paid, expensed and issued in equal monthly installments during the term of the agreement. As of March 31, 2011, the Company issued 807,700 shares of common stock valued at $6,672 under this agreement.

Pursuant to the agreement with Vintage, which has a term that expires on June 30, 2011, Vintage is to provide consultation and assistance with regard to the Company's efforts to market itself with respect to medical tourism, establish business relationships with governmental officials, and establish an offshore stem cell treatment facility. Pursuant to the agreement with Vintage, the Company paid Vintage $20,000 in consideration of services rendered to date and a $10,000 retainer for services to be rendered during the term. The Company also agreed to pay Vintage an additional $20,000 fee, and issue to Vintage 5,000,000 shares of common stock, both of which are to be paid, expensed and issued in equal monthly installments during the term of the agreement. As of March 31, 2011, the Company issued 1,250,000 shares of common stock valued at $10,325 under this agreement.

Note 6 - Commitments and Contingencies – Continued

Settlement Agreements

Tommy Berger/Stem Cell Research Company, LLC

Effective January 29, 2011, the Company terminated its relationship with Tommy Berger, a founder of the Company. Pursuant and subject to the terms and conditions of the Termination Agreement between the parties, Mr. Berger waived any rights he may have had pursuant to a certain employment agreement entered into with the Company in August 2010 and the Company agreed to pay to Stem Cell Research Company, LLC ("Stem Cell Research"), a principal shareholder of the Company, $180,000 over a 12 month period, of which $150,000 was outstanding and included in accrued expenses and other current liabilities in the condensed consolidated balance sheet at March 31, 2011. In addition, pursuant to the Termination Agreement, each of Mr. Berger and Stem Cell Research has agreed to certain restrictive covenants, including with regard to the sale of shares of common stock of the Company.

Quick Capital of L.I. Corp.

Effective February 23, 2011, the Company entered into a Settlement Agreement with Quick Capital of L.I. Corp. ("Quick Capital") and Olde Estate, LLC ("Olde Estate"). Pursuant to the Settlement Agreement, the Company paid to Quick Capital approximately $36,000 and issued to Olde Estate 8,312,500 shares of its common stock valued at $68,662 in satisfaction of the Company's monetary and stock issuance obligations to Quick Capital and Olde Estate under a Credit Support, Security and Registration Rights Agreement, dated as of August 17, 2010.

Termination Agreement – Former President

In January 2011, pursuant to a Termination Agreement dated December 15, 2010, the Company reissued 12,576,811 shares of common stock to its former President. In addition, the Company agreed to pay $120,000 of severance ratably over a 24 month period and took responsibility for approximately $20,152 of business related credit card indebtedness of which $102,500 and $18,607, respectively, was outstanding at March 31, 2011. These obligations are included in accrued expenses and other current liabilities in the condensed consolidated balance sheet.

Sound Surgical Technologies, LLC

On March 8, 2011, the Company and Sound Surgical Technologies, LLC ("Sound Surgical") entered into a Settlement Agreement and Release of Claim (the "Settlement Agreement") pursuant to which the parties agreed that the Company's purchase from Sound Surgical of one piece of equipment was cancelled, the Company's obligations under a certain purchase agreement were terminated and the Company retained one piece of purchased equipment. On March 8, 2011, the Company paid to Sound Surgical $65,000 in connection with the purchase of the retained equipment and to complete the Settlement Agreement.

Note 7 - Stockholders' Deficiency

Common Stock

In January 2011, the Company issued 1,000,000 shares of common stock with a relative fair value of $6,971 to a private debt investor. Such shares were issuable at December 31, 2010 in connection with a 2010 note payable issuance.

During the three months ended March 31, 2011, the Company issued an aggregate of 28,750,000 shares of common stock with a relative fair value of $203,806 to various lenders in connection with a 2011 notes payable issuance. See Notes 5 and 9.

In February 2010, the Company sold 63,000,000 shares of common stock for aggregate proceeds of $401,300.

In February 2010, a lender returned 20,000,000 shares of common stock that had been issued during 2009 as collateral for certain loans.

Note 8 - Stock-Based Compensation

2010 Equity Participation Plan

On March 28, 2011, the Board of Directors of the Company increased the number of shares of common stock that may be issued pursuant to the 2010 Equity Participation Plan (the "Plan") to 200,000,000. Stockholder approval of the increase was obtained effective as of April 4, 2011.

Common Stock

In January 2011, pursuant to an amended employment agreement, the Company issued 15,000,000 shares of common stock to its Chief Executive Officer (the "CEO"), pursuant to the Plan. In connection with this issuance, the Company recorded the $123,900 value of the common stock as stock-based compensation expense during the three months ended March 31, 2011 and the period from December 30, 2008 (inception) to March 31, 2011. The Company has agreed to be responsible for the payment of all taxes incurred by the CEO as a result of the grant, as well as all taxes incurred as a result of such tax payments on the CEO's behalf.

During the three months ended March 31, 2011, the Company issued 807,000, 1,250,000 and 8,312,500 shares of common stock to TDA, Vintage and Olde Estate (see Note 6). The Company recorded $85,659 and $1,274,920 of stock-based compensation expense during the three months ended March 31, 2011 and the period from December 30, 2008 (inception) to March 31, 2011, related to consultant stock grants.

During the three months ended March 31, 2010, the Company issued 15,500,000 shares of common stock, which vested immediately, for consulting services valued at $103,850.

Stock Options

There were no stock options granted during the three months ended March 31, 2011 and 2010. See Note 9.

The Company recorded no stock–based compensation expense during the three months ended March 31, 2011 and 2010 and $421,270 during the period from December 30, 2008 (inception) to March 31, 2011, related to employee stock option grants.

The Company recorded no stock–based compensation expense during the three months ended March 31, 2011 and 2010 and $162,415 during the period from December 30, 2008 (inception) to March 31, 2011, related to director stock option grants.

As of March 31, 2011, there were 72,000,000 outstanding and exercisable stock options with a weighted average exercise price of $0.004, a weighted average remaining contractual term of 9.73 years and an intrinsic value of approximately $365,000. As of March 31, 2011, there was no remaining unamortized stock-based compensation.

Warrants

There were no warrants granted during the three months ended March 31, 2011 and 2010. The Company recorded no stock-based compensation expense during the three months ended March 31, 2011 and 2010 and recorded $52,379 during the period from December 30, 2008 (inception) to March 31, 2011, related to consultant warrant grants.

As of March 31, 2011, there were 2,000,000 warrants outstanding with a weighted average exercise price of $0.01, a weighted average remaining contractual term of 3.35 years and no intrinsic value.

Note 9 - Subsequent Events

Director Resignations

On April 2, 2011, a Director of the Company resigned. Pursuant to the provisions of the Plan, the Board determined that the options granted on December 15, 2010 for the purchase of 4,000,000 shares of common stock of the Company shall remain exercisable until, and shall thereupon terminate if not exercised, two years from the date of resignation.

On April 7, 2011, a Director of the Company resigned. Pursuant to the provisions of the Plan, the Board determined that the options granted on December 15, 2010 for the purchase of 4,000,000 shares of common stock of the Company shall remain exercisable until, and shall thereupon terminate if not exercised, five years from the date of resignation.

New Director Compensation

On April 4, 2011, two non-employees were elected to serve as directors of the Company. On April 21, 2011, the new non-employee directors were each granted 5,000,000 shares of common stock. One-half of the shares vested and were expensed upon grant and the other half vests in April 2012 and the grant date value will be amortized over the one-year service period. In addition, each of the new directors will receive $20,000 in cash, payable in four quarterly installments of $5,000 (subject to deferral if the remaining directors determine that the Company needs to conserve its cash).

Termination Agreements

On April 4, 2011, the Board was informed of an employee's resignation and it authorized the payment of six months of severance ratably over the eight months following the termination date. Pursuant to the provisions of the Plan, the Board determined that the options granted on December 15, 2010 to this employee for the purchase of 2,000,000 shares of common stock of the Company shall remain exercisable until, and shall thereupon terminate if not exercised, two years from the date of termination of employment.

In June 2011, the Company and its Chief Financial Officer (the "CFO") entered into an agreement whereby, effective June 25, 2011, (1) the CFO will resign his director and officer positions with the Company and its subsidiaries; (2) he will be subject to two year non-compete and non-solicitation restrictions; plus certain restrictions on the sale of the Company's common stock; and (3) the Company will pay him an aggregate amount of $50,000 of severance ratably over the remainder of the calendar year. In addition, the CFO and the CEO executed a Shareholder Agreement and Irrevocable Proxy whereby the CEO will be permitted to vote as proxy all of the Company's common stock owned by the CFO for a period of three years.

Employment Agreement

Effective April 5, 2011, the Company entered into an employment agreement, as amended on May 10, 2011, with its Vice President of Research and Development ("VP of R&D"). Pursuant to the employment agreement, the VP of R&D is entitled to receive $150,000 per annum and a bonus, subject to the satisfaction of certain conditions, of up to $55,000 and options for the purchase of up to 3,150,000 shares of common stock. The agreement also provides for severance. Concurrently with the execution of the employment agreement, the Company granted options for the purchase of 4,000,000 shares of common stock at an exercise price of $0.01 per share, pursuant to the Plan. The options expire after ten years. Options for the purchase of 2,000,000 of such shares became exercisable immediately and options for the purchase of the remaining 2,000,000 shares become exercisable on April 5, 2012. On June 24, 2011, the VP of R&D qualified to receive $10,000 and vested options for the purchase of 150,000 shares of common stock as a bonus, pursuant to his employment agreement.

Subsequently, the VP of R&D informed the Company that he was being sued by his former employer with regard to certain confidentiality and non-competition restrictions in an agreement to which he was a party. The former employer obtained a preliminary injunction against the VP of R&D which enjoins him from using or disseminating information he obtained from his former employer, including using such information to solicit his former employer's customers. A ruling on a permanent injunction motion is pending. The Company has taken actions to limit the VP of R&D's activities and it is monitoring the court's determinations. The Company is not currently a party to the action.

Note 9 - Subsequent Events – Continued

Consulting Agreement

Effective April 7, 2011, the Company entered into a consulting agreement with a former director in connection with the implementation of its business plan. Pursuant to the agreement, subject to the satisfaction of certain conditions, the former director is entitled to receive options for the purchase of up to 5,000,000 shares of common stock, pursuant to the Plan.

Effective April 15, 2011, the Company entered into a consulting agreement with an entity which specified the services to be provided over a 35 hour work week, in exchange for $4,000 per month. In addition, on April 27, 2011, the Company granted options for the purchase of 200,000 shares of common stock at an exercise price of $0.02 per share, pursuant to the Plan. The options expire after ten years and one-half of the options became exercisable immediately and the other half become exercisable when the key employee of the consultant becomes a full-time employee of the Company.

Stock Option Grant

On April 21, 2011, the Company granted to an existing employee a ten-year option to purchase 300,000 shares of common stock at an exercise price of $0.02 per share, pursuant to the Plan, of which 100,000 shares are immediately exercisable, 100,000 are exercisable on the first anniversary of the grant and 100,000 are exercisable on the second anniversary of the grant.

Operating Lease

Effective May 1, 2011, the Company terminated its month-to-month lease in Boca Raton, Florida.

Notes Payable

Subsequent to March 31, 2011 the Company issued an aggregate of $225,000 of additional notes payable. In connection with the financing, 4,500,000 shares of common stock were issued to the lenders. The debt is repayable three months from the date of issuance of the notes; however, the Company has the right to extend the maturity date for an additional three months. During the initial three month period of the notes, the rate of interest will be 10% per annum; during any extension period, the interest rate would be increased to 15% per annum.

Subsequent to March 31, 2011, the Company repaid certain notes payable at maturity with an aggregate principal balance of approximately $117,000.

Subsequent to March 31, 2011, the maturity date of four notes payable with an aggregate principal balance of $175,000 was extended to November 2011 through January 2012 and the investors received an aggregate of 875,000 shares of common stock. Also subsequent to March 31, 2011, the Company exercised its option to extend the maturity date of seven notes payable with an aggregate principal amount of $1,425,000 for an additional three month period. All of the extended notes bear a 15% interest rate per annum payable monthly and are now payable on various dates from August 2011 to January 2012.

CEO Compensation

Effective May 31, 2011 (the "Modification Date") , the Company's employment agreement with its CEO was amended to provide that the option granted to him on December 23, 2010 for the purchase of 50,000,000 shares of common stock (the "Original Grant") was null and void. In addition, concurrently, the Company granted to the CEO 35,000,000 shares of common stock (the "Modified Grant"). The shares vest at such time as the Company receives equity and/or debt financing in an aggregate amount equal to three times the tax payable in connection with the grant. The Company has agreed to be responsible for the payment of all taxes incurred by the CEO as a result of the grant, as well as all taxes incurred as a result of such tax payments on the CEO's behalf. The Company will not recognize any incremental compensation expense for the modification of the grant because (1) the grant date fair value of the immediately vested Original Grant was fully recognized on the grant date; and (2) the fair value of the Modified Grant was less than the fair value of the Original Grant, both as of the Modification Date.

Note 9 - Subsequent Events – Continued

Scientific Advisory Board

Effective June 10, 2011, the Company established a Scientific Advisory Board and reserved 5,000,000 shares of common stock to be issued to members ("Advisors") pursuant to the Plan, as either options or restricted stock grants.

Pursuant to a June 10, 2011 agreement between the Company and its first appointed Advisor, the Advisor is entitled to: (1) an immediate grant of a vested five-year option to purchase 500,000 shares of common stock at an exercise price of $0.024 per share; and (2) a grant on each successive anniversary date, on which he remains an Advisor, of a vested five-year option to purchase 250,000 shares of common stock at an exercise price per share equal to the fair market value of the common stock on the date of grant.

Pursuant to a June 24, 2011 agreement between the Company and its second appointed Advisor, the Advisor is entitled to: (1) an immediate grant of a five-year option to purchase 2,000,000 shares of common stock at an exercise price of $0.025 per share; of which 667,000 shares are immediately exercisable, 667,000 are exercisable on the first anniversary of the grant and 666,000 are exercisable on the second anniversary of the grant; and (2) a grant on the third anniversary of the award and each subsequent anniversary, on which he remains an Advisor, of a vested five-year option to purchase 250,000 shares of common stock at an exercise price per share equal to the fair market value of the common stock on the date of grant.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 8, 2011

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Name: Mark Weinreb
Title: Chief Executive Officer

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA
JUN 13 1997
No C12576-97
/s/ Dean Heller
DEAN HELLER, SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

STEM CELL ASSURANCE, INC.

ARTICLE I

The name of the corporation is Stem Cell Assurance, Inc. (the "Corporation").

ARTICLE II

The amount of total authorized capital stock which the Corporation shall have authority to issue is 800,000,000 shares of common stock, each with $0.001 par value, and 1,000,000 shares of preferred stock, each with $0.01 par value. To the fullest extent permitted by the laws of the State of Nevada (currently set forth in NRS 78.195), as the same now exists or may hereafter be amended or supplemented, the Board of Directors may fix and determine the designations, rights, preferences or other variations of each class or series within each class of capital stock of the Corporation.

ARTICLE III

The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all the powers of the Corporation except as otherwise provided in the Bylaws, these Articles of Incorporation or by the laws of the State of Nevada. The number of members of the Board of Directors shall be set in accordance with the Company's Bylaws; however, the initial Board of Directors shall consist of one member. The name and address of the person who shall serve as the director until the first annual meeting of stockholders and until his successors are duly elected and qualified is as follows:

Name	Address
Bob Ferguson	904 - 850 Burrord Street Vancouver, British Columbia V6Z 1X8 CANADA

ARTICLE IV

The name and address of the incorporator of the Corporation is Craig A. Stoner, 455 Sherman Street, Suite 300, Denver, Colorado 80203.

ARTICLE V

To the fullest extent permitted by the laws of the State of Nevada (currently set forth in NRS 78.037), as the same now exists or may hereafter be amended or supplemented, no director or officer of the Corporation shall be liable to the Corporation or to its stockholders for damages for breach of fiduciary duty as a director or officer.

ARTICLE VI

The Corporation shall indemnify, to the fullest extent permitted by applicable law in effect from time to time, any person against all liability and expense (including attorneys' fees) incurred by reason of the fact that he is or was a director or officer of the Corporation, he is or was serving at the request of the Corporation as a director, officer, employee, or agent of, or in any similar managerial or fiduciary position of, another corporation, partnership, joint venture, trust or other enterprise. The Corporation shall also indemnify any person who is serving or has served the Corporation as a director, officer, employee, or agent of the Corporation. To the extent and in the manner provided in any bylaw, resolution of the shareholders or directors, contract, or otherwise, so long as such provision is legally permissible.

ARTICLE VII

The owners of shares of stock of the Corporation shall not have a preemptive right to acquire unissued shares, treasury shares or securities convertible into such shares.

ARTICLE VIII

Only the shares of capital stock of the Corporation designated at issuance as having voting rights shall be entitled to vote at meetings of stockholders of the Corporation, and only stockholders of record of shares having voting rights shall be entitled to notice of and to vote at meetings of stockholders of the Corporation.

ARTICLE IX

The initial resident agent of the Corporation shall be the Corporation Trust Company of Nevada, whose street address is 1 East 1st Street, Reno, Nevada 89501.

ARTICLE X

The provisions of NRS 78.378 to 78.3793 inclusive, shall not apply to the Corporation.

ARTICLE XI

The purposes for which the Corporation is organized and its powers are as follows:

To engage in all lawful business; and

To have, enjoy, and exercise all of the rights, powers, and privileges conferred upon corporations incorporated pursuant to Nevada law, whether now or hereafter in effect, and whether or not herein specifically mentioned.

ARTICLE XII

One-third of the votes entitled to be cast on any matter by each shareholder voting group entitled to vote on a matter shell constitute a quorum of that voting group for action on that matter by shareholders.

ARTICLE XIII

The holder of a bond, debenture or other obligation of the Corporation may have any of the rights of a stockholder in the Corporation to the extent determined appropriate by the Board of Directors at the time of issuance of such bond, debenture or other obligation.

IN WITNESS HEREOF, the undersigned Incorporator has executed these Articles of Incorporation this 11th day of June, 1997.

By: */s/ Craig A. Stoner*
Craig A. Stoner
Incorporator

STATE OF COLORADO)
CITY AND) ss:
COUNTY OF DENVER)

Personally appeared before me this 11th day of June, 1997, Craig A. Stoner who, being first duly sworn, declared that he executed the foregoing Articles of Incorporation and that the statements therein are true and correct to the best of his knowledge and belief.

Witness my hand and official seal.

Fay M. Matsukage
Notary Public

My commission expires:

1-12-99

Address:
455 Sherman Street
Suite 300
Denver, Colorado 80237

May 31, 2011

Mr. Mark Weinreb
c/o Stem Cell Assurance, Inc.
555 Heritage Drive, Suite 130
Jupiter, Florida 33458

Dear Mr. Weinreb:

Reference is made to the Employment Agreement, dated as of October 4, 2010, between Stem Cell Assurance, Inc. (the "Company") and Mark Weinreb (the "Employee"), as amended (the "Employment Agreement").

The parties hereby agree that Paragraph 4.4 of the Employment Agreement is null and void and deleted in its entirety and replaced with the following:

"4.4 The Company shall grant to the Employee Fifteen Million (15,000,000) Common Shares which shall vest three months from the Commencement Date. The Common Shares granted to the Employee, as well as other Common Shares that may be granted to the Employee, shall be included in a Company registration statement on Form S-8 (including pursuant to a reoffer prospectus), which the Company will file within one year of the Commencement Date (provided, however, that, at the request of the Employee, the reoffer prospectus to be filed with respect to the Employee's Common Shares shall not be filed prior to May 12, 2012) . The Company shall pay any tax liability, on behalf of the Employee, that may result from this grant. In the event the Board of Directors of the Company, in its sole discretion, determines to grant the Employee additional Common Shares of the Company from time to time, the Company agrees to pay any tax liability, on behalf of the Employee, that may result from such grant. To the extent that any of the amounts paid on behalf of the Employee under this Paragraph 4.4 are includable in the Employee's income for United States federal, state or local tax purposes, the Company shall pay the Employee an amount to compensate the Employee for the tax obligations the Employee incurs as a result of such payments (including the payments made pursuant to this sentence such that the Employee shall have no tax liability in connection with any such grants). Such payment shall be made no later than the date on which such tax obligation is payable. The Employee shall be eligible to receive annual equity incentive grants or options to purchase the Company's Common Shares under the Company's 2010 Equity Participation Plan (the "Plan") or any other plan adopted by the Board. All shares within the Plan shall be registered in a registration statement on Form S-8 which the Company will file within one year of the Commencement Date."

Except as amended hereby, the Employment Agreement shall continue in full force and effect in accordance with its terms.

Very truly yours,

STEM CELL ASSURANCE, INC.

By: /s/ Richard Proodian
Richard Proodian
Chief Financial Officer
Agreed:

/s/ Mark Weinreb
Mark Weinreb

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made this 20th day of January, 2010, between **ORANGE COAST, LLC**, a Delaware limited liability company ("**Landlord**"), and **STEM CELL ASSURANCE, INC.**, a Nevada corporation ("**Tenant**").

Address: 555 Heritage Drive, Jupiter, Florida

Premises: That portion of the Project, containing approximately 1,766 rentable square feet, as determined by Landlord, as shown on Exhibit A.

Project: The real property on which the building (the "**Building**") in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on **Exhibit B**.

Base Rent: Months 1 - 12: $30.00 per rentable square foot of the Premises
Months 13- 24: $30.90 per rentable square foot of the Premises
Months 25 - 36: $31.83 per rentable square foot of the Premises

Tenant shall also be required to pay all Florida sales and/or use tax attributable to the Base Rent amounts set forth above.

Rentable Area of Premises: 1,766 sq. ft.

Rentable Area of Project: 44,855 sq. ft. **Tenant's Share of Operating Expenses:** 3.94%

Security Deposit: $4,415.00

Target Commencement Date: February 1, 2011

Rent Adjustment Percentage: 3%

Base Term: Beginning on the Commencement Date and ending 36 months from the first day of the first full month of the Term (as defined in Section 2) hereof.

Permitted Use: Research and development laboratory, related office and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

Address for Rent Payment:
385 E. Colorado Boulevard
Suite 299
Pasadena, CA 91101
Attention: Accounts Receivable

Landlord's Notice Address:
385 E. Colorado Boulevard Suite 299
Pasadena, CA 91101
Attention: Corporate Secretary

Tenant's Notice Address:
555 Heritage Drive, Suite 130
Jupiter, FL 33458
Attention: Lease Administrator

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

[X] EXHIBIT A-PREMISES DESCRIPTION
[X] EXHIBIT B-DESCRIPTION OF PROJECT
[X] EXHIBIT C-INTENTIONALLY OMITTED
[X] EXHIBIT D-COMMENCEMENT DATE
[X] EXHIBIT E-RULES AND REGULATIONS
[X]EXHIBIT F-TENANT'S PERSONAL PROPERTY
[X] EXHIBIT G - SHARED AREA

1. **Lease of Premises**. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "Common Areas." Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of the Premises for the Permitted Use.

2. **Delivery; Acceptance of Premises; Commencement Date**. Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 30 days of the Target Commencement Date for any reason other than Force Majeure delays and delays caused by Tenant, this Lease may be terminated by Landlord or Tenant by written notice to the other, and if so terminated by either: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. If neither Landlord nor Tenant elects to void this Lease within 5 business days of the lapse of such 30 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The "Commencement Date" shall be the date Landlord Delivers the Premises to Tenant. The "Rent Commencement Date" shall be the date 12 months after the Commencement Date (the first day of the 13th month of the Base Term). Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, the Rent Commencement Date and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as Exhibit D; provided however Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "Term" of this Lease shall be the Base Term described on page 1 of this Lease and the Extension Term which Tenant may elect pursuant to Section 41 hereof.

Except as set forth in this Lease, if applicable: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

3. **Rent**.

(a) Base Rent. The Base Rent for the month in which the Rent Commencement Date occurs and the Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, equal monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof after the Rent Commencement Date, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease. With each installment of Base Rent and any other sums owed by Tenant to Landlord under this Lease, Tenant shall also pay to Landlord all Florida Sales Tax attributable thereto.

Notwithstanding anything to the contrary contained herein, Tenant shall only be required to pay Base Rent with respect to laboratory portion of the Premises, consisting of approximately 1,463 rentable square feet of the Premises, commencing on the Rent Commencement Date through the expiration of the 14th month of the Base Term. Tenant shall not be required to pay Base Rent with respect to the office portion of the Premises, consisting of approximately 303 rentable square feet, for the 13th and 14th months of the Base Term. Tenant shall commence paying Base Rent with respect to the entire 1,766 rentable square feet of the Premises on the first day of the 15th month of the Base Term.

(b) Additional Rent. In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "Operating Expenses" (as defined in Section 5) and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**. Base Rent shall be increased during the Base Term as provided for in the schedule set forth on page 1 of this Lease. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the "Annual Estimate"), which may be revised by Landlord from time to time during such calendar year. Commencing on the Commencement Date, and thereafter on the first day of each month of the Term, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "Operating Expenses" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Project (including, without duplication, Taxes (as defined in Section 9) reasonable reserves consistent with good business practice for future repairs and replacements, capital repairs and improvements amortized over the lesser of 7 years and the useful life of such capital items, and the costs of Landlord's third party property manager or, if there is no third party property manager, administration rent in the amount of 5.0% of Base Rent), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;

(b) capital expenditures for expansion of the Project;

(c) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured;

(d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(i) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(j) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(k) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(l) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7).

(m) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord’s failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(n) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(o) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(p) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(q) costs incurred in the sale or refinancing of the Project;

(r) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein, except as otherwise may be set forth in Section 9 below; and

(s) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "Annual Statement") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 30 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Project is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year shall be computed as though the Project had been 95% occupied on average during such year.

"**Tenant's Share**" shall be the percentage set forth on the first page of this Lease as Tenant's Share as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "Rent."

6. Security Deposit. The Security Deposit shall be held by Landlord without obligation for interest thereon as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages under Chapter 83, Florida Statutes, 2006, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord's right to use the Security Deposit under this Section 6 includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to its original amount. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee; no interest shall accrue thereon. The Security Deposit shall be the property of Landlord, but shall be paid to Tenant when Tenant's obligations under this Lease have been completely fulfilled. Landlord shall be released from any obligation with respect to the Security Deposit upon transfer of this Lease and the Premises to a person or entity assuming Landlord's obligations under this Section 6. Tenant hereby waives the provisions of any law, now or hereafter in force, including, without limitation, Chapter 83, Florida Statutes, 2006, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. The Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 90 days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6 or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

7. Use. The Premises shall be used solely for the Permitted Use set forth in the basic lease provisions on page 1 of this Lease, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Tenant, at its sole expense, shall make any alterations or modifications to the interior or the exterior of the Premises or the Project that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's use or occupancy of the Premises. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement.

8. Holding Over. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 200% of Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. Taxes. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "Taxes"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof (subject to the obligations of Tenant to pay to Landlord any Florida Sales Tax on Base Rent and any other sums owed by Tenant to Landlord hereunder pursuant to the terms of Section 3(a) above), or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project including ad valorem real estate taxes, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking**. Subject to all matters of record, Force Majeure, a Taking (as defined inSection 19 below) and the exercise by Landlord of its rights hereunder, Tenant shall have the right, in common with other tenants of the Project, to use its pro rata share of the parking spaces at the Project not specifically allocated to other tenants of the Project, which parking spaces shall be located in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project.

11. **Utilities, Services**. Landlord shall provide, subject to the terms of this Section 11, water, electricity, heat, light, power, telephone, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), refuse and trash collection and janitorial services (collectively, "**Utilities**"). Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. Landlord may cause, at Tenant's expense, any Utilities to be separately metered or charged directly to Tenant by the provider. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators with not less than the capacity of the emergency generators located in the Building as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative backup generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other then by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems and shall not be otherwise unreasonably withheld. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to 3% of all charges incurred by Tenant or its contractors or agents in connection with any Alteration to cover Landlord's overhead and expenses for plan review, coordination, scheduling and supervision. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup. This Lease expressly provides that the interest of the Landlord shall not be subject to liens for improvements made by the Tenant and the Tenant shall notify the contractor making any such improvements of such provision in this Lease in accordance with Section 713.10, Florida Statutes, 2006.

Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant' Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to be paid as administrative rent a fee of $1,000 per occurrence for its time and effort in preparing and negotiating such a waiver of lien.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on Exhibit F attached hereto and any items agreed by Landlord in writing to be included on Exhibit F in the future, (y)"**Tenant's Property**" means Removable Installations and, other than Installations, any personal property or equipment of Tenant that may be removed without material damage to the Premises, and (z) "**Installations**" means all property of any kind paid for with by Landlord, all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch.

13. **Landlord's Repairs**. Landlord, as an Operating Expense, shall maintain all of the structural, exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 24 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall make a commercially reasonable effort to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, hurricane, sinkhole, tornado, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens**. Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant. In connection with any improvements made by the Tenant to the Premises: (a) Tenant shall not allow any Notice of Commencement to be filed pursuant to Section 713.13, Florida Statutes, 2006, unless the form and content thereof (including description of the Premises) is approved in writing by Landlord; and (b) upon the request of Landlord, any liens filed shall be transferred promptly by Tenant at its expense to bond or other security pursuant to Section 713.24, Florida Statutes, 2006.

16. **Indemnification**. Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or gross negligence of Landlord. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project or such lesser coverage amount as Landlord may elect provided such coverage amount is not less than 90% of such full replacement cost. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance policy shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, invitees and contractors (collectively, “Landlord Parties”), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in “Best's Insurance Guide”; shall not be cancelable for nonpayment of premium unless 30 days prior written notice shall have been given to Landlord from the insurer; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Copies of such policies (if requested by Landlord), or certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a “blanket policy” with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the others insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project.

18. **Restoration**. If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "Restoration Period"). If the Restoration Period is estimated to exceed 12 months (the "Maximum Restoration Period"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction. Unless Landlord so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "Hazardous Materials Clearances"); provided however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly reenter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, Landlord may terminate this Lease if the Premises are damaged during the last 1 year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage, or if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of Tenant's business. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would in Landlord's reasonable judgment, either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default**. Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) Payment Defaults. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due.

(b) Insurance. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) Abandonment. Tenant shall abandon the Premises.

(d) Improper Transfer. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) Liens. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 10 days after any such lien is filed against the Premises.

(f) Insolvency Events. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "Proceeding for Relief"); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) Estoppel Certificate or Subordination Agreement Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 days after a second notice requesting such document.

(h) Other Defaults. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 10 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 10 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 10 day period and thereafter diligently prosecutes the same to completion; provided, however that such cure shall be completed no later than 30 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Payment By Landlord; Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "Default Rate"), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum equal to 6% of the overdue Rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies**. Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

(i) Terminate this Lease, or at Landlord's option, Tenant's right to possession only, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor;

(ii) Upon any termination of this Lease, whether pursuant to the foregoing Section 21(c)(i) or otherwise, Landlord may recover from Tenant the following:

(A) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(B) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(C) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(D) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including, but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 21 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 21(c)(ii) (A) and (B) above, the "worth at the time of award" shall be computed by allowing interest at the Default Rate. As used in Section 21(c)(ii)(C) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(iii) Landlord may continue this Lease in effect after Tenant's Default and recover rent as it becomes due (Landlord and Tenant hereby agreeing that Tenant has the right to sublet or assign hereunder, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease following a Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies hereunder, including the right to recover all Rent as it becomes due.

(iv) Whether or not Landlord elects to terminate this Lease following a Default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. Upon Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

(v) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d) hereof, at Tenant's expense.

(vi) Landlord shall have a lien for rent upon the Property of the Tenant in accordance with Chapter 83, Florida Statutes, 2006, et. seq.

(vii) Landlord may remove Tenant from the Premises in the manner provided in Chapter 83, Florida Statutes, 2006, et. seq., regardless of whether Landlord elects to terminate the Lease.

(viii) Landlord may pursue such other remedies as may be available at law and/or in equity.

(d) **Effect of Exercise**. Exercise by Landlord of any remedies hereunder or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, it being understood that such surrender and/or termination can be effected only by the express written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same and shall not be deemed a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of Rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. To the greatest extent permitted by law, Tenant waives the service of notice of Landlord's intention to re-enter, re-take or otherwise obtain possession of the Premises as provided in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. Any reletting of the Premises or any portion thereof shall be on such terms and conditions as Landlord in its sole discretion may determine. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or collect rent due in respect of such reletting or otherwise to mitigate any damages arising by reason of Tenant's Default.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in thisSection 22 Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 25% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises, then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the "Assignment Date"), Tenant shall give Landlord a notice (the "Assignment Notice") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its sole and absolute discretion, if the proposed assignment, hypothecation or other transfer or subletting concerns more than (together with all other then effective subleases) 50% of the Premises, (iii) refuse such consent, in its reasonable discretion, if the proposed subletting concerns (together with all other then effective subleases) 50% or less of the Premises (provided that Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting), or (iv) terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (an "**Assignment Termination**"). If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord's notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect. If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to One Thousand Five Hundred Dollars ($1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents.

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the rental payable under this Lease, (excluding however, any Rent payable under this Section)("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, constitute a Default under this Lease, and, in any event, shall be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as Exhibit E. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Tenant hereby appoints Landlord attorney-in-fact for Tenant irrevocably (such power of attorney being coupled with an interest) to execute, acknowledge and deliver any such instrument and instruments for and in the name of Tenant and to cause any such instrument to be recorded. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "Holder" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $5,000. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) Prohibition/Compliance/Indemnity. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse longterm or short-term effect on the Premises or the Project.

(b) **Business**. Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) Testing. Landlord shall have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Control Areas**. Tenant shall be allowed to utilize up to its pro rata share of the Hazardous Materials inventory within any control area or zone (located within the Premises), as designated by the applicable building code, for chemical use or storage. As used in the preceding sentence, Tenant's pro rata share of any control areas or zones located within the Premises shall be determined based on the rentable square footage that Tenant leases within the applicable control area or zone. For purposes of example only, if a control area or zone contains 10,000 rentable square feet and 2,000 rentable square feet of a tenant's premises are located within such control area or zone (while such premises as a whole contains 5,000 rentable square feet), the applicable tenant's pro rata share of such control area would be 20%.

(f) **Underground Tanks**. If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(g) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(h) **Definitions**. As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Landlord shall not be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, sinkholes or subsidence, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of Landlord ("**Force Majeure**").

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "Broker") in connection with this transaction and that no Broker brought about this transaction, other than Applefield Waxman. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35 claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

39**. Landlord's Right to Relocate Tenant**. Landlord shall have the right to relocate Tenant, upon 90 days' prior written notice, from all or part of the Premises to another area in the Project designated by Landlord (the "Relocation Premises"), provided that: (a) the size of the Relocation Premises is at least equal to the size of the Premises; and, (b) Landlord pays the reasonable costs of moving Tenant and improving the Relocation Premises to a substantially similar standard as that of the Premises, and reimburses Tenant for all reasonable costs directly incurred by Tenant as a result of relocation, including without limitation all costs incurred by Tenant replacing Tenant's letterhead, promotional materials, business cards and similar items. Tenant shall cooperate with Landlord in all reasonable ways to facilitate relocation.

40**. Right to Expand**.

(a) Right of First Offer. Tenant shall have the right, but not the obligation, to expand the Premises (the "Expansion Right") to include the Expansion Premises upon the terms and conditions in this Section. For purposes of this Section 40(a) "Expansion Premises" shall mean that certain space in the Project, commonly known as Rooms 134, 133 and 167, containing approximately 655 rentable square feet, as shown on Exhibit A, which is not occupied by a tenant or which is occupied by an existing tenant whose lease is expiring within 6 months or less and such tenant does not wish to renew (whether or not such tenant has a right to renew) its occupancy of such space. If the Expansion Premises shall become available, Landlord shall, at such time as Landlord shall elect so long as Tenant's rights hereunder are preserved, deliver to Tenant written notice (the "**Expansion Notice**") of the availability of such Expansion Premises, together with the terms and conditions on which Landlord is prepared to lease Tenant such Expansion Premises. Tenant shall be entitled to exercise its Expansion Right under the terms of this Section 40(a) only with respect to the entire Expansion Premises identified in the Expansion Notice. Tenant shall have 5 business days following delivery of the Expansion Notice to deliver to Landlord written notification of Tenant's exercise of the Expansion Right ("**Acceptance Notice**"). Provided that no right to expand is exercised by any tenant with superior rights, Tenant shall be entitled to lease such Expansion Premises upon the terms and conditions set forth in the Expansion Notice. Tenant's failure to deliver an Acceptance Notice to Landlord within the 5 business day period provided for above shall be deemed to be an election by Tenant not to exercise Tenant's Expansion Right with respect to the Expansion Space, in which case Tenant shall have no further rights under this Section 40(a), this Section 40(a) shall be null and void and of no further force or effect, and Landlord shall have the right to lease the Expansion Space to any third party on any terms and conditions acceptable to Landlord.

(b) Amended Lease. If: (i) Tenant fails to timely deliver notice accepting the terms of an Expansion Notice, or (ii) after the expiration of a period of 10 days after Tenant's delivery of an Acceptance Notice, no lease amendment or lease agreement for the Expansion Premises, acceptable to both parties each in their sole and absolute discretion, has been executed, Tenant shall be deemed to have waived its right to lease such Expansion Premises.

(c) **Exceptions**. Notwithstanding the above, the Expansion Right shall, at Landlord's option, not be in effect and may not be exercised by Tenant:

(i) during any period of time that Tenant is in Default under any provision of the Lease; or

(ii) if Tenant has been in Default under any provision of the Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period prior to the date on which Tenant seeks to exercise the Expansion Right.

(d) **Termination**. The Expansion Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Expansion Right, if, after such exercise, but prior to the commencement date of the lease of such Expansion Premises, (i) Tenant fails to timely cure any default by Tenant under the Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Expansion Right to the date of the commencement of the lease of the Expansion Premises, whether or not such Defaults are cured.

(e) **Rights Personal**. Expansion Rights are personal to Tenant and are not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the Lease.

(f) **No Extensions**. The period of time within which any Expansion Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Expansion Rights.

41. **Right to Extend Term**. Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Right**. Tenant shall have 1 right (an "Extension Right") to extend the term of this Lease for 3 years (an "Extension Term") on the same terms and conditions as this Lease (other than with respect to Base Rent) by giving Landlord written notice of its election to exercise the Extension Right at least 9 months prior to the expiration of the Base Term of the Lease.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "Market Rate" shall mean the then market rental rate as determined by Landlord and agreed to by Tenant, which shall in no event be less than the Base Rent payable as of the date immediately preceding the commencement of such Extension Term increased by 103% multiplied by such Base Rent.

If, on or before the date which is 120 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 41(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 41(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.

(b) **Arbitration**.

(i) Within 10 days of Tenant's notice to Landlord of its election (or deemed election) to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater Jupiter metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Jupiter metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal**. The Extension Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the Lease.

(d) **Exceptions**. Notwithstanding anything set forth above to the contrary, the Extension Right shall not be in effect and Tenant may not exercise the Extension Right:

(i) during any period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured.

(e) No Extensions. The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right.

(f) Termination. The Extension Right shall terminate and be of no further force or effect even after Tenant's due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

42. **Shared Area**.

(a) License. During the Term, Landlord hereby grants to Tenant, and Tenant hereby accepts, a non-exclusive license (**License**") to use that certain area of the Project described as the "Shared Area" on Exhibit G attached hereto, subject to the terms and provisions of this Section 42.

(b) Use. Tenant shall exercise its rights under this Section 42 and use the Shared Area in a manner that complies with all applicable Legal Requirements and any and all rules and regulations which may be adopted by Landlord from time to time including, without limitation, any schedule(s) which may be implemented by Landlord for the use of the Shared Area by all parties entitled to use the same.

Tenant shall use the Shared Area in a manner that will not interfere with the rights of any other tenants, other licensees or Landlord's service providers. Landlord assumes no responsibility for enforcing Tenant's rights or for protecting the Shared Area from interference or use from any person including, without limitation, other tenants or licensees of the Project. Landlord may terminate the License granted to Tenant hereunder at any time during the Term for Tenant's failure to comply with the terms of this Section 42 or any rules and regulations adopted by Landlord with respect to the Shared Area.

(c) **Relocation and Modification of Shared Area**. Tenant acknowledges and agrees that Landlord shall have the right at any time and from time to time to reconfigure, relocate, modify or remove the Shared Area and/or to revise, expand or discontinue any of the services (if any) provided therein, and to add, change, reconfigure, remove or relocate any of the Equipment (as hereinafter defined) located therein. If Landlord ceases to maintain the existence of the Shared Area, the rights granted to Tenant pursuant to this Section 42 shall terminate.

(d) **Waiver**.

(i) Landlord's sole obligation for providing any equipment, systems, furnishings or personal property to the Shared Area whether or not affixed to the Building (collectively, "Equipment") shall be (i) to provide such Equipment as is determined by Landlord in its sole and absolute discretion, and (ii) to contract with a third party to maintain the Equipment that is deemed by Landlord (in its sole and absolute discretion) to need periodic maintenance per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to provide Tenant with operational Equipment, back-up Equipment or back-up utilities or to supervise, oversee or confirm that the third party maintaining the Equipment is maintaining the Equipment as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the Equipment when such Equipment is not operational, including any delays thereto due to the inability to obtain parts or replacements, Landlord shall have no obligation to provide Tenant with alternative or back-up Equipment. Tenant expressly acknowledges and agrees that Landlord does not guaranty that the Equipment will be operational at all times, will function or perform adequately and Landlord shall not be liable for any damages resulting from the failure of such Equipment.

(ii) Tenant acknowledges and agrees that there are no warranties of any kind, whether express or implied, made by Landlord or otherwise with respect to the Shared Area or any Equipment or services (if any) provided therein, and Tenant disclaims any and all such warranties.

(e) Tenant acknowledges and agrees that Landlord is under no obligation to provide any type of instruction or implement any training programs relating to the use of the Shared Area for Tenant or any other parties entitled to use the Shared Area.

43. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "Tenant," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent audited annual financial statements within 90 days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within 45 days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders.

(d) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC**. Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "OFAC Rules"), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement**. This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Radon Disclosure**. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

[Signatures on next page]

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

Witnessed as to Tenant
in the presence of:

/s/ Mandy D. Clark
Name: Mandy Clark

-and-

/s/ Richard M. Proodian
Name: Richard M. Proodian

STEM CELL ASSURANCE, INC.,
a Nevada corporation

By: */s/ Mark Weinreb*
Its: Chief Executive Officer

LANDLORD:

Witnessed as to Landlord
in the presence of:

/s/ Charles Murphy
Name: Charles Murphy

-and-

/s/ Nina Khiev
Name: Nina Khiev

ORANGE COAST, LLC
a Delaware limited liability company

By: */s/ Eric S. Johnson*
Its: Vice President Real Estate Legal Affairs

EXHIBIT A TO LEASE
DESCRIPTION OF PREMISES

.

=Lab Premises = Office Premises = Expansion Premises

EXHIBIT B TO LEASE
DESCRIPTION OF PROJECT

Parcel WK3C of "ABACOA — REPLAT OF PARCELS WK3A, WK3B, WK3C", according to the Plat thereof, as recorded in Plat Book 92, Pages 197 and 198, inclusive, of the Public Records of Palm Beach County, Florida.

EXHIBIT C TO LEASE

INTENTIONALLY OMITTED

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made this _____day of _____, 2009, between **ORANGE COAST, LLC**, a Delaware limited liability company ("**Landlord**"), **STEM CELL ASSURANCE, INC.**, a Nevada corporation ("**Tenant**"), and is attached to and made a part of the Lease dated January 17, 2011 (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is February 1, 2011, the Rent Commencement Date is March 1, 2012, and the termination date of the Base Term of the Lease shall be midnight on January 31, 2014.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

STEM CELL ASSURANCE, INC.,
a Nevada corporation

By: _____
Name: _____
Its: _____

LANDLORD:

ORANGE COAST, LLC,
a Delaware limited liability company

By: **ALEXANDRIA REAL ESTATE EQUITIES, L.P.,**
a Delaware limited liability partnership, managing member

By: **ARE-QRS CORP.,** a Maryland corporation
general partner

By: _____
Name: _____
Its: _____

EXHIBIT E TO LEASE

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited Explosives or other articles deemed extra hazardous shall not be brought into the Project.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no “For Sale” or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. Tenant shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

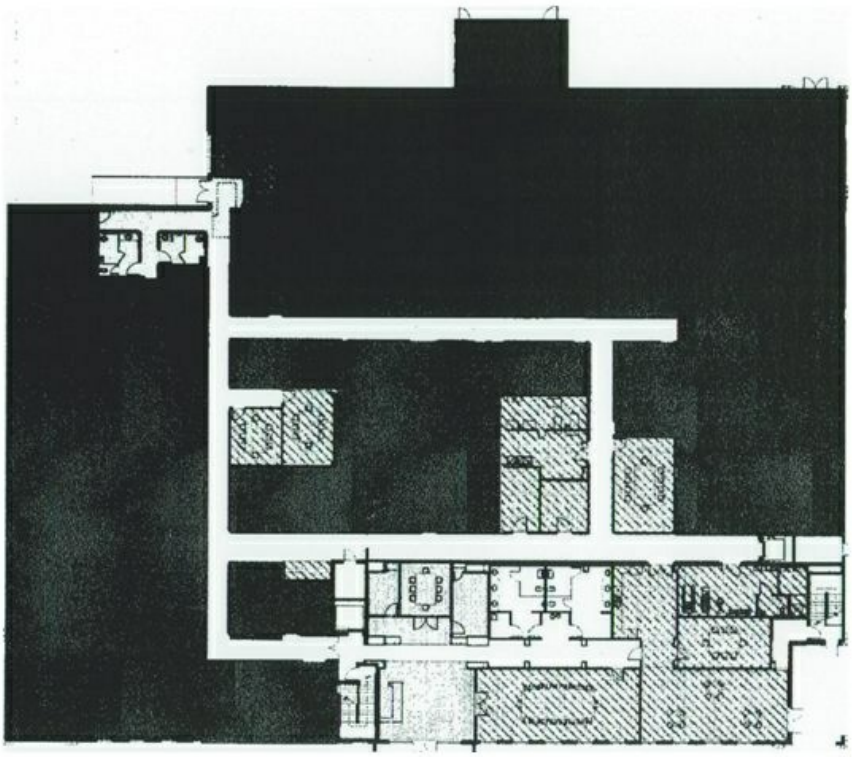
None.

EXHIBIT G TO LEASE

SHARED AREA

(Attached)

SHARED AREA



Hatched area denotes Shared Area

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (this **"First Amendment")** is made as of March 11, 2011, by and between **ORANGE COAST, LLC,** a Delaware limited liability company **("Landlord"),** and **STEM CELL ASSURANCE, INC.,** a Nevada corporation **("Tenant").**

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement dated as of January 20, 2010 **("Lease"),** wherein Landlord leased to Tenant certain premises containing approximately 1,766 rentable square feet (the **"Original Premises")** located at 555 Heritage Drive, Jupiter, Florida, as more particularly described therein. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. Landlord and Tenant desire, subject to the terms and conditions set forth below, to increase the size of the Original Premises by an additional 655 rentable square feet as more particularly described on Exhibit A hereto (the **"Expansion Premises").**

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Expansion Premises.** Commencing on the Expansion Premises Commencement Date (defined below), Landlord leases to Tenant, and Tenant leases from Landlord, the Expansion Premises. The **"Expansion Premises Commencement Date"** shall mean the earlier of (i) the date that Landlord delivers the Expansion Premises to Tenant or (ii) the date Tenant conducts any business in the Expansion Premises or any part thereof. It is estimated that the Expansion Premises Commencement Date will occur on March 1, 2011 (the **"Estimated Expansion Premises Commencement Date").** If Landlord fails to timely deliver the Expansion Premises to Tenant on or before the Estimated Expansion Premises Commencement Date, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and the Lease shall not be void or voidable. Upon the request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Expansion Premises Commencement Date when such is established in the form of the "Acknowledgement of Expansion Premises Commencement Date" attached to this First Amendment as Exhibit B; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder.

2. **Definition of Premises and Rentable Area of Premises.**

(a) Commencing on the Expansion Premises Commencement Date, the defined term **"Premises"** on Page 1 of the Lease is deleted in its entirety and replaced with the following:

> **"Premises:** That portion of the Building containing approximately (i) 1,766 rentable square feet, as determined by Landlord, as shown on Exhibit A as the Lab Premises and the Office Premises (together, the **"Original Premises")** and (ii) 655 rentable square feet, as determined by Landlord, known as Suites 134, 133 and 167 as shown on Exhibit A as the Expansion Premises **("Expansion Premises")**."

(b) Commencing on the Expansion Premises Commencement Date, the defined term **"Rentable Area of Premises"** on Page 1 of the Lease is deleted in its entirety and replaced with the following:

"Rentable Area of Premises: 2,421 sq. ft."

3. **Base Rent and Operating Expenses.**

(a) With respect to the Expansion Premises, Tenant shall continue to pay Base Rent and Tenant's Share of Operating Expenses as provided in the Lease.

(b) The second and third sentences of the second paragraph of Section 3(a) of the Lease are hereby deleted in their entirety and replaced with the following:

"Tenant shall not be required to pay Base Rent with respect to the office portion of the Premises, consisting of approximately 958 rentable square feet, for the 13h and 14th months of the Base Term. Tenant shall commence paying Base Rent with respect to the entire 2,421 rentable square feet of the Premises on the first day of the 15th month of the Base Term."

4. **Definition of Tenant's Share.** Commencing on the Expansion Premises Commencement Date, the defined term "**Tenant's Share**" on Page 1 of the Lease is deleted in its entirety and replaced with the following:

"Tenant's Share: 5.40%"

5. **Base Term.** The Base Term of the Lease with respect to the Expansion Premises shall expire on the expiration of the Base Term as set forth on Page 1 of the Lease.

6. **AS-IS.** Effective as of the Expansion Premises Commencement Date and except for Landlord's Work (defined below): (i) Tenant shall accept the Expansion Premises in its as-is condition as of such date; (ii) except as expressly set forth in the Lease, Landlord shall have no obligation for any defects in the Expansion Premises; and (iii) Tenant's taking possession of the Expansion Premises shall be conclusive evidence that Tenant accepts the Expansion Premises and that the Expansion Premises were in good condition at the time of delivery.

Landlord shall replace the water damaged ceiling tiles in the Expansion Premises with building standard ceiling tiles **("Landlord's Work").** Tenant acknowledges that Landlord shall require access to the Expansion Premises in order to complete Landlord's Work. In the performance of Landlord's Work, Landlord shall use commercially reasonable efforts not to interfere with the operation of Tenant's business. Landlord and its contractors and agents shall have the right to enter the Expansion Premises to complete Landlord's Work and Tenant shall cooperate with Landlord in connection with the same.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Expansion Premises or the Project, and/or the suitability of the Expansion Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Expansion Premises or the Project are suitable for the Permitted Use. This First Amendment constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein.

7. **Right To Expand.** Section 40 of the Lease is hereby deleted in its entirety and is of no further force and effect.

8. **Miscellaneous.**

(a) This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This First Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

(c) This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

(d) Landlord and Tenant each represent and warrant that it has not dealt with any broker, agent or other person (collectively **"Broker")** in connection with this transaction, and that no Broker brought about this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

(e) Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

TENANT:

STEM CELL ASSURANCE, INC.,
a Nevada corporation

By: */s/ Mark Weinreb*
Name: Mark Weinreb
Its: CEO

Witnessed as to Tenant in the presence of:

/s/ Chris Kalaitzidis
Name: Chris Kalaitzidis
-and-
/s/ Sharon Weinreb
Name: Sharon Weinreb

LANDLORD:

ORANGE COAST, LLC,
a Delaware limited liability company

By: /s/*Gary Dean*
Name: Gary Dean
Title: VP – RE legal Affairs

Witnessed as to Landlord in the presence of:

/s/ Charles Murphy, Charles Murphy
-and-
/s/ Teryll Sacks, Teryll Sacks

EXHIBIT A
EXPANSION PREMISES

= Expansion Premises

EXHIBIT B

ACKNOWLEDGMENT OF EXPANSION PREMISES COMMENCEMENT DATE

This **ACKNOWLEDGEMENT OF EXPANSION PREMISES COMMENCEMENT DATE** is made as of this 27th day of April, 2011, between **ORANGE COAST, LLC**, A Delaware limited liability company **("Landlord")**, and **STEM CELL ASSURANCE, INC.**, a Nevada corporation **("Tenant")**, and is attached to and made a part of the Lease dated as of January 20, 2010, as amended by the First Amendment dated as of March 11, 2011 (as amended, the **"Lease")**, by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the **"Expansion Premises Commencement Date"** is March 2, 2011 and the termination date of the Base Term of the Lease shall be midnight on January 31, 2014. In case of a conflict between this Acknowledgement of Expansion Premises Commencement Date and the Lease, this Acknowledgement of Expansion Premises Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGEMENT OF EXPANSION PREMISES COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

STEM CELL ASSURANCE, INC.
a Nevada corporation

By: /s/ Mark Weinreb
Name: Mark Weinreb
Its: Chairman & CEO

Witnessed as to Tenant in the presence of:

/s/ Mandy D. Clark
Name:
-and-

/s/ Elaine de Castro Franco
Name:

LANDLORD:

ORANGE COAST, LLC
a Delaware limited liability company

By: /s/ Gary Dean
Name: Gary Dean
Its: VP – Re Legal Affairs

Witnessed as to Landlord in the presence of:

/s/ Charles Murphy
Name: Charles Murphy

-and-

/s/ Nina Khiev
Name: Nina Khiev

STOCK GRANT AGREEMENT made as of the 21st day of April, 2011 between **STEM CELL ASSURANCE, INC.**, a Nevada corporation (the "Company"), and **JOEL SAN ANTONIO** (the "Grantee").

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of a Stock Bonus and Restricted Stock pursuant to the Company's 2010 Equity Participation Plan (the "Plan");

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee (the "Grant") an award of shares of common stock of the Company upon the following terms and conditions:

1. **DEFINED TERMS**. All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT**. Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby grants to the Grantee the following:

(i) pursuant to Section 16 of the Plan, a Stock Bonus award of Two Million Five Hundred Thousand (2,500,000) shares of common stock of the Company, $.001 par value per share (the "Bonus Shares"), and

(ii) pursuant to Section 15 of the Plan, a Restricted Stock award of Two Million Five Hundred Thousand (2,500,000) shares of common stock of the Company, $.001 par value per share (the "Restricted Shares" and, together with the Bonus Shares, the "Shares").

3. **VESTING OF SHARES**. The Bonus Shares shall vest on the date hereof and the certificate representing the Bonus Shares will be issued to the Grantee concurrently herewith. The Restricted Shares shall vest one year from the date hereof (the "Vesting Time") provided that the Grantee continues to serve as a member of the Board of Directors of the Company through the Vesting Time. The Grantee shall forfeit all of the Restricted Shares if he does not continuously serve as a member of the Board of Directors of the Company through the Vesting Time. Until the Vesting Time, the Company shall hold the certificate representing the Restricted Shares.

4. **INCORPORATION BY REFERENCE**. The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **REPRESENTATIONS BY GRANTEE**.

(a) The Grantee represents and warrants that the Shares to be acquired pursuant to the terms hereof are being acquired for the Grantee's own account, for investment and not for distribution or resale to others. The Grantee will not sell, assign, transfer, encumber or otherwise dispose of any of the Shares unless (i) a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect thereto is in effect and the prospectus included therein meets the requirements of Section 10 of the Securities Act, or (ii) the Company has received a written opinion of its counsel that, after an investigation of the relevant facts, such counsel is of the opinion that such proposed sale, assignment, transfer, encumbrance or disposition does not require registration under the Securities Act.

(b) The Grantee understands that the Shares are not being registered under the Securities Act and may not be sold, assigned, transferred, encumbered, or disposed of unless they are subsequently registered thereunder or an exemption from such registration is available.

(c) The Grantee represents and warrants that he, alone, or with his purchaser representative, if any, has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the acquisition of the Shares contemplated hereby. The Grantee will execute and deliver to the Company such documents as the Company may reasonably request in order to confirm the accuracy of the foregoing.

(d) The Grantee understands that the Shares are not being registered under the Securities Act in part on the ground that the issuance thereof is exempt under Section 4(2) of the Securities Act as a transaction by an issuer not involving any public offering and that the Company's reliance on such exemption is predicated in part on the foregoing representations and warranties of the Grantee.

(e) The Grantee represents that he has reviewed all information regarding the Company that has been filed with the Pink OTC Markets and the Securities and Exchange Commission, including the risk factors set forth therein. The Grantee also represents that he has been furnished by the Company with all information regarding the Company which he had requested or desired to know; that all documents which could be reasonably provided have been made available for his inspection and review; that he has been afforded the opportunity to ask questions of and receive answers from duly authorized representatives of the Company concerning the Company, and any additional information which he had requested; and that he has had the opportunity to consult with his own tax or financial advisor concerning an investment in the Company.

6. **LEGEND**. The following restrictive legend will be placed on any instrument, certificate or other document evidencing the Shares:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended. The shares have been acquired for investment and may not be offered, sold or otherwise transferred in the absence of an effective registration statement with respect to the shares or the exemption from the registration requirements of said act that is then applicable to the shares, as to which a prior opinion of counsel may be required by the issuer or the transfer agent."

7. **NOTICES**. Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 555 Heritage Drive, Suite 130, Jupiter, Florida 33458, Attention: Chief Executive Officer and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

8. **BINDING EFFECT**. This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

9. **ENTIRE AGREEMENT**. This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

10. **GOVERNING LAW**. This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, excluding choice of law rules thereof.

11. **EXECUTION IN COUNTERPARTS**. This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

12. **FACSIMILE SIGNATURES**. Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

13. **INTERPRETATION; HEADINGS**. The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[***Remainder of page intentionally left blank; signature page follows***]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Mark Weinreb, Chief Executive Officer

/s/ Joel San Antonio
Joel San Antonio

2200 Highway 121
Bedford, Texas 76021

Address of Grantee

STOCK GRANT AGREEMENT made as of the 21st day of April, 2011 between **STEM CELL ASSURANCE, INC.**, a Nevada corporation (the "Company"), and **A. JEFFREY RADOV** (the "Grantee").

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of a Stock Bonus and Restricted Stock pursuant to the Company's 2010 Equity Participation Plan (the "Plan");

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee (the "Grant") an award of shares of common stock of the Company upon the following terms and conditions:

1. **DEFINED TERMS**. All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT**. Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby grants to the Grantee the following:

(i) pursuant to Section 16 of the Plan, a Stock Bonus award of Two Million Five Hundred Thousand (2,500,000) shares of common stock of the Company, $.001 par value per share (the "Bonus Shares"), and

(ii) pursuant to Section 15 of the Plan, a Restricted Stock award of Two Million Five Hundred Thousand (2,500,000) shares of common stock of the Company, $.001 par value per share (the "Restricted Shares" and, together with the Bonus Shares, the "Shares").

3. **VESTING OF SHARES**. The Bonus Shares shall vest on the date hereof and the certificate representing the Bonus Shares will be issued to the Grantee concurrently herewith. The Restricted Shares shall vest one year from the date hereof (the "Vesting Time") provided that the Grantee continues to serve as a member of the Board of Directors of the Company through the Vesting Time. The Grantee shall forfeit all of the Restricted Shares if he does not continuously serve as a member of the Board of Directors of the Company through the Vesting Time. Until the Vesting Time, the Company shall hold the certificate representing the Restricted Shares.

4. **INCORPORATION BY REFERENCE**. The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **REPRESENTATIONS BY GRANTEE**.

(a) The Grantee represents and warrants that the Shares to be acquired pursuant to the terms hereof are being acquired for the Grantee's own account, for investment and not for distribution or resale to others. The Grantee will not sell, assign, transfer, encumber or otherwise dispose of any of the Shares unless (i) a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect thereto is in effect and the prospectus included therein meets the requirements of Section 10 of the Securities Act, or (ii) the Company has received a written opinion of its counsel that, after an investigation of the relevant facts, such counsel is of the opinion that such proposed sale, assignment, transfer, encumbrance or disposition does not require registration under the Securities Act.

(b) The Grantee understands that the Shares are not being registered under the Securities Act and may not be sold, assigned, transferred, encumbered, or disposed of unless they are subsequently registered thereunder or an exemption from such registration is available.

(c) The Grantee represents and warrants that he, alone, or with his purchaser representative, if any, has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the acquisition of the Shares contemplated hereby. The Grantee will execute and deliver to the Company such documents as the Company may reasonably request in order to confirm the accuracy of the foregoing.

(d) The Grantee understands that the Shares are not being registered under the Securities Act in part on the ground that the issuance thereof is exempt under Section 4(2) of the Securities Act as a transaction by an issuer not involving any public offering and that the Company's reliance on such exemption is predicated in part on the foregoing representations and warranties of the Grantee.

(e) The Grantee represents that he has reviewed all information regarding the Company that has been filed with the Pink OTC Markets and the Securities and Exchange Commission, including the risk factors set forth therein. The Grantee also represents that he has been furnished by the Company with all information regarding the Company which he had requested or desired to know; that all documents which could be reasonably provided have been made available for his inspection and review; that he has been afforded the opportunity to ask questions of and receive answers from duly authorized representatives of the Company concerning the Company, and any additional information which he had requested; and that he has had the opportunity to consult with his own tax or financial advisor concerning an investment in the Company.

6. **LEGEND**. The following restrictive legend will be placed on any instrument, certificate or other document evidencing the Shares:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended. The shares have been acquired for investment and may not be offered, sold or otherwise transferred in the absence of an effective registration statement with respect to the shares or the exemption from the registration requirements of said act that is then applicable to the shares, as to which a prior opinion of counsel may be required by the issuer or the transfer agent."

7. **NOTICES**. Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 555 Heritage Drive, Suite 130, Jupiter, Florida 33458, Attention: Chief Executive Officer and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

8. **BINDING EFFECT**. This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

9. **ENTIRE AGREEMENT**. This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

10. **GOVERNING LAW**. This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, excluding choice of law rules thereof.

11. **EXECUTION IN COUNTERPARTS**. This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

12. **FACSIMILE SIGNATURES**. Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

13. **INTERPRETATION; HEADINGS**. The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[***Remainder of page intentionally left blank; signature page follows***]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Mark Weinreb, Chief Executive Officer

/s/ A. Jeffrey Radov
A. Jeffrey Radov

8 Walworth Avenue
Scarsdale, New York 10583

Address of Grantee

STOCK GRANT AGREEMENT, made as of the 31st day of May, 2011, between **STEM CELL ASSURANCE, INC.**, a Nevada corporation (the "Company"), and **MARK WEINREB** (the "Grantee").

WHEREAS, the Grantee is an employee of the Company or a parent or subsidiary thereof;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of Restricted Stock pursuant to the Company's 2010 Equity Participation Plan (the "Plan").

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee (the "Grant") an award of shares of common stock of the Company upon the following terms and conditions:

1. **DEFINED TERMS**. All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT**. Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby grants to the Grantee pursuant to Section 15 of the Plan a Restricted Stock award of Thirty-Five Million (35,000,000) shares of common stock of the Company, $.001 par value per share (the "Shares"). The provisions of Section 4.4 of the Employment Agreement, dated as of October 4, 2010, between the Company and the Grantee, as amended by the provisions of the letter agreement of even date between the Company and the Grantee (the "Letter Agreement"), shall apply to the Shares.

3. **VESTING OF SHARES**. The Shares shall vest at such time as the Company hereafter obtains equity and/or debt financing in an aggregate amount equal to or greater than three (3) times the amount of tax payable in connection with the Company's grant of the Shares (the "Tax"), such Tax amount to be determined following a valuation of the Shares as of the date hereof (the receipt of such financing being hereinafter referred to as the "Vesting Time") provided that the Grantee remains continuously employed by the Company through the Vesting Time. The Grantee shall forfeit all of the Shares if he does not remain continuously employed by the Company through the Vesting Time. Until the Vesting Time, the Company shall hold the certificate representing the Shares.

4. **INCORPORATION BY REFERENCE**. The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **REPRESENTATIONS BY GRANTEE**.

(a) The Grantee represents and warrants that the Shares to be acquired pursuant to the terms hereof are being acquired for the Grantee's own account, for investment and not for distribution or resale to others. The Grantee will not sell, assign, transfer, encumber or otherwise dispose of any of the Shares unless (i) a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect thereto is in effect and the prospectus included therein meets the requirements of Section 10 of the Securities Act, or (ii) the Company has received a written opinion of its counsel that, after an investigation of the relevant facts, such counsel is of the opinion that such proposed sale, assignment, transfer, encumbrance or disposition does not require registration under the Securities Act.

(b) The Grantee understands that, except as provided for in the Letter Agreement, the Grantee, the Shares are not being registered under the Securities Act and may not be sold, assigned, transferred, encumbered, or disposed of unless they are subsequently registered thereunder or an exemption from such registration is available.

(c) The Grantee represents and warrants that he, alone, or with his purchaser representative, if any, has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the acquisition of the Shares contemplated hereby. The Grantee will execute and deliver to the Company such documents as the Company may reasonably request in order to confirm the accuracy of the foregoing.

(d) The Grantee understands that the Shares are not being registered under the Securities Act in part on the ground that the issuance thereof is exempt under Section 4(2) of the Securities Act as a transaction by an issuer not involving any public offering and that the Company's reliance on such exemption is predicated in part on the foregoing representations and warranties of the Grantee.

(e) The Grantee represents that he has reviewed all information regarding the Company that has been filed with the Pink OTC Markets and the Securities and Exchange Commission, including the risk factors set forth therein. The Grantee also represents that he has been furnished by the Company with all information regarding the Company which he had requested or desired to know; that all documents which could be reasonably provided have been made available for his inspection and review; that he has been afforded the opportunity to ask questions of and receive answers from duly authorized representatives of the Company concerning the Company, and any additional information which he had requested; and that he has had the opportunity to consult with his own tax or financial advisor concerning an investment in the Company.

6. **LEGEND**. The following restrictive legend will be placed on any instrument, certificate or other document evidencing the Shares:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended. The shares have been acquired for investment and may not be offered, sold or otherwise transferred in the absence of an effective registration statement with respect to the shares or the exemption from the registration requirements of said act that is then applicable to the shares, as to which a prior opinion of counsel may be required by the issuer or the transfer agent."

7. **NOTICES**. Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the Company, 555 Heritage Drive, Suite 130, Jupiter, Florida 33458, Attention: Secretary, and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

8. **BINDING EFFECT**. This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

9. **ENTIRE AGREEMENT**. This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

10. **GOVERNING LAW**. This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, excluding choice of law rules thereof.

11. **EXECUTION IN COUNTERPARTS**. This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

12. **FACSIMILE SIGNATURES**. Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

13. **INTERPRETATION; HEADINGS**. The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[***Remainder of page intentionally left blank; signature page follows***]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Richard Proodian
Name: Richard Proodian
Title: Chief Financial Officer

/s/ Mark Weinreb
Mark Weinreb

9 Colgate Lane
Woodbury, New York 11797

Address of Grantee

SCIENTIFIC ADVISORY BOARD AGREEMENT

SCIENTIFIC ADVISORY BOARD AGREEMENT, dated as of June 10, 2011, by and between**NAIYER IMAM, M.D.** (the "Advisor"), having an address at 6185 Steeplechase Drive, Roanoke, Virginia, and **STEM CELL ASSURANCE, INC**., a Nevada corporation (the "Company"), having offices at 555 Heritage Drive, Suite 130, Jupiter, Florida 33458.

WHEREAS, the Company's goal is to become a medical center of excellence using cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic), allowing patients to undergo cellular-based treatments and other procedures;

WHEREAS, the Company seeks to benefit from the Advisor's expertise by retaining the Advisor as a member of the Company's Scientific Advisory Board.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Advisor hereby agree as follows:

1. **Relationship**. The Advisor is hereby engaged by the Company (a) to provide advice to the Company as a member of its Scientific Advisory Board (the "Advisory Board"), (b) to attend any scheduled meetings of the Advisory Board, and (c) to assist the management of the Company in its work for the Company (the "Services"). The Advisor shall not be, and shall not represent himself to anyone as, an employee of the Company or entitled to any employment rights or benefits from the Company. The Advisor agrees to use his best efforts to perform Services hereunder and to advance the interests of the Company.

2. **Compensation**.

(a) As compensation for the Services, the Advisor shall be granted (i) upon the execution of this Agreement, pursuant to the Company's 2010 Equity Participation Plan (the "Plan") and a Stock Option Agreement of even date, options for the purchase of five hundred thousand (500,000) shares of the Company's common stock, $.001 par value (the "Common Stock"), which option shall be exercisable for a period of five (5) years from the date hereof at an exercise price of two and four-tenths cents ($.024) per share (the "Initial Option") and (ii) on or about each anniversary of the date hereof during the Term (as hereinafter defined), pursuant to the Plan and a Stock Option Agreement, dated as of the date of each grant, options for the purchase of two hundred fifty thousand (250,000) shares of Common Stock, which options shall be exercisable for a period of five (5) years from the respective dates of grant at exercise prices equal to the Fair Market Value of the Common Stock (as defined in the Plan) at the time of the respective grants (the "Additional Options" and together with the Initial Option, the "Options").

(b) The Initial Option, the Additional Options and the shares of Common Stock issuable upon the exercise of the Options (the "Option Shares") are intended to be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Regulation D and shall bear a "restricted legend." In connection with the Advisor's acquisition of the Initial Option and any Additional Options and Option Shares, the Advisor represents and warrants to the Company that (i) the Advisor is an "accredited investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act; (ii) the Advisor will not sell or otherwise transfer the Options or the Option Shares without registration under the Securities Act or an exemption therefrom; (iii) the Advisor has such knowledge and experience in financial and business matters that the Advisor is capable of evaluating the merits and risks of the Advisor's investment in the Options and the Option Shares and is able to bear such risks; (iv) the Advisor is acquiring the Initial Option and any Additional Options and Option Shares for the Advisor's own account, for investment purposes only and not with a view to distribute or resell such securities in whole or in part.

(c) The Company shall reimburse the Advisor for all reasonable travel and related expenses required by the Company for the performance of the Services if approved in advance and upon presentation of satisfactory invoices and receipts therefor, including attendance at Advisory Board meetings.

(d) The Advisor shall be solely responsible for all reporting and paying of any and all, federal, state and local taxes, and for any contributions and withholding and any other claim related to or arising out of any compensation paid by the Company to the Advisor hereunder.

3. **Term and Termination**. The term of this Agreement shall commence as of the date hereof and shall continue until terminated by either party for any reason upon ten (10) days written notice to the other party (the "Term").

4. **Confidentiality**. The Advisor agrees to execute and perform the Confidentiality, Proprietary Information and Inventions Agreement in the form attached hereto as Annex A.

5. **Advisor's Representations and Warranties**. The Advisor represents and warrants to the Company as follows:

(a) The Advisor is not under any legal obligation, including any obligation of confidentiality or non-competition, which prevents the Advisor from executing or fully performing this Agreement, or which would render such execution or performance a breach of contract with any third party, or which would give any third party any rights in any intellectual property which might be developed by the Advisor hereunder; and

(b) The Advisor's performance hereunder will not give rise to any right or claim by any third party, including, but not limited to, any of the Advisor's employers or any person to whom the Advisor has provided or currently provides consulting services, to any intellectual or other property or rights of the Company.

6. **Indemnification**. The Advisor agrees to indemnify the Company and its directors, officers and controlling stockholders (each, an "Indemnified Person") against, and to hold each Indemnified Person harmless from, any claims or suits by a third party or third parties against the Company and any liabilities or judgments based thereon, either arising from the Advisor's performance of Services for the Company under this Agreement or arising from any use by the Company of information or products resulting from the Advisor's performance of Services under this Agreement.

7. **Notices**. Notices to any party hereunder shall be deemed to be sufficiently given if delivered personally or sent by certified mail, return receipt requested, with proper postage affixed, to the address of such party set forth herein, or to such other address as may be specified by either party by notice to the other party hereto. Notices shall be deemed given when delivered, if delivered personally, or on the third business day after mailing, as provided above.

8. **Severability**. In the event any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the remaining provisions will be valid and binding to the fullest extent possible, and in any event, this Agreement shall be interpreted to be valid and binding to the fullest extent possible.

9. **Miscellaneous**.

(a) This Agreement shall be governed by, and construed pursuant to, the laws of the State of Florida, applicable to agreements made and performed wholly within such state.

(b) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and there are no representations, warranties or commitments except as set forth herein. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, of the parties hereto relating to the subject matter hereof. This Agreement may be amended only by a writing executed by the parties hereto.

(c) The Company may use the Advisor's name; provided that the Company may only use the Advisor's name in written material prepared by the Company with the Advisor's prior written consent (which consent may be given by e-mail), except that such prior written consent shall not be required for filings with the OTC Markets or the Securities and Exchange Commission and other governmental agencies, the inclusion of the Advisor on the Company's website, or reference to the Advisor in any Company private placement of securities.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Mark Weinreb, Chief Executive Officer

ADVISOR

/s/Naiyer Imam
Naiyer Imam, M.D.

Annex A

STEM CELL ASSURANCE, INC.

Confidentiality, Proprietary Information and Inventions Agreement

I recognize that the goal of Stem Cell Assurance, Inc., a Nevada corporation (the "Company"), is to become a medical center of excellence using cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic), allowing patients to undergo cellular-based treatments and other procedures (the "Business"). Any entity with which the Company enters into, or seeks or considers entering into, a business relationship in furtherance of the Business is referred to as a "Business Partner".

I understand that, as part of my performance of duties as a Scientific Advisory Board member of the Company (the "Engagement"), I will have access to confidential or proprietary information of the Company and the Business Partners, and I may make new contributions and inventions of value to the Company. I further understand that my Engagement creates in me a duty of trust and confidentiality to the Company with respect to any information: (1) related, applicable or useful to the business of the Company, including the Company's anticipated research and development or such activities of its Business Partners; (2) resulting from tasks performed by me for the Company; (3) resulting from the use of equipment, supplies or facilities owned, leased or contracted for by the Company; or (4) related, applicable or useful to the business of any partner, client or customer of the Company, which may be made known to me or learned by me during the period of my Engagement.

For purposes of this Agreement, the following definitions apply:

"Proprietary Information" shall mean information relating to the Business or the business of any Business Partner and generally unavailable to the public that has been created, discovered, developed or otherwise has become known to the Company or in which property rights have been assigned or otherwise conveyed to the Company or a Business Partner, which information has economic value or potential economic value to the business in which the Company is or will be engaged. Proprietary Information shall include, but not be limited to, trade secrets, processes, formulas, writings, data, know-how, negative know-how, improvements, discoveries, developments, designs, inventions, techniques, technical data, patent applications, customer and supplier lists, financial information, business plans or projections and any modifications or enhancements to any of the above.

"Inventions" shall mean all Business-related discoveries, developments, designs, improvements, inventions, formulas, software programs, processes, techniques, know-how, negative know-how, writings, graphics and other data, whether or not patentable or registrable under patent, copyright or similar statutes, that are related to or useful in the business or future business of the Company or its Business Partners or result from use of premises or other property owned, leased or contracted for by the Company. Without limiting the generality of the foregoing, Inventions shall also include anything related to the Business that derives actual or potential economic value from not being generally known to the public or to other entities who can obtain economic value from its disclosure or use.

As part of the consideration for my Engagement or continued Engagement, as the case may be, and the compensation received by me from the Company from time to time, I hereby agree as follows:

1. **Proprietary Information and Inventions**. All Proprietary Information and Inventions related to the Business shall be the sole property of the Company and its assigns, and the Company or its Business Partners, as the case may be, and their assigns shall be the sole owner of all patents, trademarks, service marks, copyrights and other rights (collectively referred to herein as "Rights") pertaining to Proprietary Information and Inventions. I hereby assign to the Company any rights I may have or acquire in Proprietary Information and/or Inventions and/or Rights pertaining to the Proprietary Information and/or Inventions which Rights arise in the course of my Engagement. I further agree as to all Proprietary Information and/or Inventions to which Rights arise in the course of my Engagement to assist the Company or any entity designated by it in every proper way (but at the Company's expense) to obtain and from time to time enforce Rights relating to said Proprietary Information and/or Inventions in any and all countries. I will execute all documents for use in applying for, obtaining and enforcing such Rights in such Proprietary Information and/or Inventions as the Company may desire, together with any assignments thereof to the Company or entities designated by it. My obligation to assist the Company or any entity designated by it in obtaining and enforcing Rights relating to Proprietary Information and/or Inventions shall continue beyond the cessation of my Engagement ("Cessation of my Engagement). In the event the Company is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or enforce any Right relating to Proprietary Information and/or to an Invention, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agents and attorneys-in-fact to act for and in my behalf and stead in the execution and filing of any such application and in furthering the application for and enforcement of Rights with the same legal force and effect as if such acts were performed by me. I hereby acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of my Engagement and which are protectable by copyright are "works for hire" as that term is defined in the United States Copyright Act (17 USCA, Section 101).

2. **Confidentiality**. At all times, both during my Engagement and after the Cessation of my Engagement, whether the cessation is voluntary or involuntary, for any reason or no reason, or by disability, I will keep in strictest confidence and trust all Proprietary Information, and I will not disclose or use or permit the use or disclosure of any Proprietary Information or Rights pertaining to Proprietary Information, or anything related thereto, without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company. I recognize that the Company has received and in the future will receive from third parties (including Business Partners) their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties (including Business Partners), during my Engagement and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence, and I will not disclose or use or permit the use or disclosure of any such confidential or proprietary information without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company consistent with the Company's agreement with such third party.

3. **Noncompetition and Nonsolicitation**. During my Engagement, and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee, stockholder, manager or member of any company or commercial enterprise, directly or indirectly, engage in any activity in the United States or Canada that the Company shall determine in good faith is in competition with the Company concerning its work in the Business. It is understood and agreed that the foregoing shall not preclude me from engaging in any activity, directly or indirectly, whether in concert with others or as a partner, officer, director, consultant, agent, employee, stockholder, manager or member of any company or commercial enterprise so long as such activity, company or commercial enterprise is not engaging in the Business. During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I will not, either directly or indirectly, either alone or in concert with others, solicit or encourage any employee of or consultant to the Company to leave the Company or engage directly or indirectly in competition with the Company in the Business. During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I agree not to plan or otherwise take any preliminary steps, either alone or in concert with others, to set up or engage in any business enterprise that would be in competition with the Company in the Business. The following shall not be deemed to be competitive with the Company: (i) my ownership of stock, partnership interests or other securities of any entity not in excess of two percent (2%) of any class of such interests or securities which is publicly traded; and (ii) my continued research engagements for academic institutions.

4. **Delivery of Company Property and Work Product**. In the event of the Cessation of my Engagement, I will deliver to the Company all biological materials, devices, records, sketches, reports, memoranda, notes, proposals, lists, correspondence, equipment, documents, photographs, photostats, negatives, undeveloped film, drawings, specifications, tape recordings or other electronic recordings, programs, data and other materials or property of any nature belonging to the Company or its clients or customers, and I will not take with me, or allow a third party to take, any of the foregoing or any reproduction of any of the foregoing.

5. **No Conflict**. I represent, warrant and covenant that my performance of all the terms of this Agreement and the performance of my duties for the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my Engagement. I have not entered into, and I agree that I will not enter into, any agreement, either written or oral, in conflict herewith.

6. **No Use of Confidential Information**. I represent, warrant and covenant that I have not brought and will not bring with me to the Company or use in my Engagement any materials or documents of a former employer, or any entity for which I have acted as an independent contractor or consultant, that are not generally available to the public, unless I have obtained written authorization from any such former employer or other entity for their possession and use. I understand and agree that, in my service to the Company, I am not to breach any obligation of confidentiality that I have to former employers or other entities.

7. **Equitable Relief**. I acknowledge that irreparable injury may result to the Company from my violation or continued violation of the terms of this Agreement and, in such event, I expressly agree that the Company shall be entitled, in addition to damages and any other remedies provided by law, to an injunction or other equitable remedy respecting such violation or continued violation by me.

8. **Severability**. If any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable or otherwise invalid as written, the same shall be enforced and validated to the extent permitted by law. All provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

9. **Miscellaneous**. This Agreement shall be governed by and construed under the laws of the State of Florida applied to contracts made and performed wholly within such state. No implied waiver of any provision within this Agreement shall arise in the absence of a waiver in writing, and no waiver with respect to a specific circumstance, event or occasion shall be construed as a continuing waiver as to similar circumstances, events or occasions. This Agreement, together with the Scientific Advisory Board Agreement dated this date, contains the sole and entire agreement and understanding between the Company and me with respect to the subject matter hereof and supersedes and replaces any prior agreements to the extent any such agreement is inconsistent herewith. This Agreement can be amended, modified, released or changed in whole or in part only by a written agreement executed by the Company and me. This Agreement shall be binding upon me and my heirs, executors, assigns and administrators, and it shall inure to the benefit of the Company and each of its successors or assigns. This Agreement shall be effective as of the first day of my being retained to render services to the Company, even if such date precedes the date I sign this Agreement.

10. **Thorough Understanding of Agreement**. I have read all of this Agreement and understand it completely, and by my signature below I represent that this Agreement is the only statement made by or on behalf of the Company upon which I have relied in signing this Agreement.

IN WITNESS WHEREOF, I have caused this Agreement to be signed on the date written below.

DATED: June 13, 2011

ADVISOR:

/s/ Naiyer Imam
Name: Naiyer Imam, M.D.
Address: 6185 Steeplechase Drive
Roanoke, VA 24018

STOCK OPTION AGREEMENT, made as of the 10th day of June, 2011, between **STEM CELL ASSURANCE, INC.**, a Nevada corporation (the "Company"), and **NAIYER IMAM, M.D.** (the "Optionee").

WHEREAS, the Optionee is a member of the Scientific Advisory Board of the Company;

WHEREAS, the Company desires to provide to the Optionee an additional incentive to promote the success of the Company.

NOW, **THEREFORE**, in consideration of the foregoing, the Company hereby grants to the Optionee the right and option to purchase shares of Common Stock of the Company under and pursuant to the terms and conditions of the Company's 2010 Equity Participation Plan (the "Plan") and upon and subject to the following terms and conditions:

1. **GRANT OF OPTION**. The Company hereby grants to the Optionee the right and option (the "Option") to purchase up to Five Hundred Thousand (500,000) shares of Common Stock of the Company (the "Option Shares") during the period commencing on the date hereof and terminating at 5:00 P.M. on the fifth anniversary of the date hereof.

2. **NATURE OF OPTION**. The Option is not intended to meet the requirements of Section 422 of the Internal Revenue Code of 1986, as amended, relating to "incentive stock options".

3. **EXERCISE PRICE**. The exercise price of each of the Option Shares shall be Two and Four-Tenths Cents ($.024) (the "Exercise Price"). The Company shall pay all original issue or transfer taxes on the exercise of the Option.

4. **EXERCISE OF OPTIONS**. The Option shall be exercised in accordance with the provisions of the Plan. As soon as practicable after the receipt of notice of exercise and payment of the Exercise Price as provided for in the Plan, the Company shall tender to the Optionee a certificate issued in the Optionee=s name evidencing the number of Option Shares covered thereby.

5. **TRANSFERABILITY**. The Option shall not be transferable other than by will or the laws of descent and distribution and, during the Optionee=s lifetime, shall not be exercisable by any person other than the Optionee.

6. **INCORPORATION BY REFERENCE**. The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

7. **NOTICES**. Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the Company, 555 Heritage Drive, Suite 130, Jupiter, Florida 33458, Attention: Chief Executive Officer, and to the Optionee at the address indicated below. Notices shall be deemed to have been given on the date of hand delivery or mailing, except notices of change of address, which shall be deemed to have been given when received.

8. **BINDING EFFECT**. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

9. **ENTIRE AGREEMENT**. This Stock Option Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

10. **GOVERNING LAW**. This Stock Option Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, excluding choice of law rules thereof.

11. **EXECUTION IN COUNTERPARTS**. This Stock Option Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

12. **FACSIMILE SIGNATURES**. Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

13. **INTERPRETATION; HEADINGS**. The provisions of this Stock Option Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Option Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Option Agreement.

[***Remainder of page intentionally left blank; signature page follows***]

IN WITNESS WHEREOF, the parties have executed this Stock Option Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Name: Mark Weinreb
Title: Chief Executive Officer

/s/ Naiyer Imam, M.D.
Signature of Optionee

Naiyer Imam, M.D.
Name of Optionee

6185 Steeplechase Drive
Roanoke, VA 24018
Address of Optionee

TERMINATION AGREEMENT, dated as of June 15, 2011 (the "Agreement"), by and between**STEM CELL ASSURANCE, INC.**, a Nevada corporation (the "Company"), and **RICHARD M. PROODIAN** (the "Executive").

RECITALS

WHEREAS, the Executive serves as Chief Financial Officer and Vice President of Finance of the Company, and as a director and/or officer of one (1) or more of the Company's subsidiaries.

WHEREAS, the Company and the Executive desire that the Executive's employment with the Company and officership and directorship with any and all of the Company's subsidiaries terminate upon and subject to the terms and conditions set forth herein.

NOW, THEREFORE, upon the agreements and covenants set forth herein, the parties hereto agree as follows:

1. **RESIGNATION; SEVERANCE; COMPANY COVENANTS**.

1.1 The Executive hereby resigns as Chief Financial Officer and Vice President of Finance of the Company and from any and all positions as officer or director of the Company's subsidiaries, effective as of the Agreement Effective Date (as hereinafter defined).

1.2 Subject to the terms and conditions of this Agreement, effective with the Agreement Effective Date, the Company agrees to pay to the Executive, as severance, an aggregate amount equal to the difference between fifty thousand dollars ($50,000) and any amounts payable to him as an employee for the period after June 15, 2011 (the "Severance Amount") payable in equal installments through December 31, 2011 in accordance with the Company's standard payroll practices and subject to all applicable withholding requirements. If Employee dies before payment in full, the remaining payments shall be made to his designated beneficiary or, if no beneficiary has been designated, then to his estate.

1.3 The amount to be paid to the Executive pursuant to Section 1.2 hereof shall constitute the sole and exclusive rights and remedy of the Executive, and the Executive shall not be entitled to any other or further compensation, rights or benefits hereunder, including accrued and unpaid salary, reimbursement of expenses, or issuance of shares, or otherwise, subject to any rights under COBRA.

2. **WAIVER AND RELEASE**. As consideration for this Agreement and the rights granted to the Executive herein, the Executive hereby makes the following acknowledgments and agreements. For purposes of this Section 2, the term "Company" shall include the Company and each and every of its subsidiaries, affiliates, divisions, parents, and respective predecessors, successors and assigns and their respective directors, officers, representatives, shareholders, members, managers, agents, employees, consultants and independent contractors, past, present and future.

2.1 The terms and conditions of this Agreement have been fully explained to the Executive and he has entered into this Agreement with the assistance and advice of counsel.

2.2 The Executive has been advised that he has twenty-one (21) days to consider this Agreement and decide for himself whether or not he wants to sign it and he has signed it knowingly and voluntarily.

2.3 The Executive has consulted with an attorney of his choice concerning this Agreement and the implications to the Executive of signing or not signing it.

2.4 The Executive has carefully considered other alternatives to executing this Agreement, and has decided that he wants to sign it.

2.5 The Executive is entitled to change his mind and revoke this Agreement within seven (7) days of signing it (the "Revocation Period"). This Agreement will not become effective and the Executive will not receive any of the benefits set out herein until the eighth day after the Executive signs it (the "Agreement Effective Date"). Any revocation within the Revocation Period must be submitted, in writing, to the Chief Executive Officer of the Company and state, "I hereby revoke my acceptance of the Termination Agreement between the Company and me." The revocation must be received by the Chief Executive Officer by the end of the Revocation Period. If the last day of the Revocation Period is a Saturday, Sunday, or legal holiday in the state of Florida, then the Revocation Period shall not expire until the next following day which is not a Saturday, Sunday, or legal holiday and the Agreement Effective Date shall be likewise extended. In the event of a timely revocation by the Executive, this Agreement shall be deemed null and void.

2.6 By entering into this Agreement, the parties do not admit, and specifically deny, any liability or wrongdoing, or violation of any law, statute, order, regulation or policy.

2.7 The Executive acknowledges that he knows that there are various federal, state and local laws which prohibit employment discrimination on the basis of age, sex, race, color, creed, national origin, marital status, religion, disability or veteran status and that these laws are enforced through the Federal Equal Employment Opportunity Commission, the Florida Commission on Human Relations and various city, county and local human rights agencies. In addition, the Executive acknowledges that he knows that there are other federal, state and local laws of other types or description regarding employment, including, but not limited to, claims arising from or derivative of the Executive's employment with the Company. For the consideration set forth in this Agreement, to which the Executive is not otherwise entitled, the Executive intends to voluntarily give up any rights he may have under these or any other law with respect to his employment with the Company or the cessation of his employment, including his rights under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §621 et. seq. ("ADEA"), and Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000 et. seq. ("Title VII"). The parties agree that this is not an acknowledgment that the Company has violated any law or regulation and the Company specifically denies having done so.

2.8 The consideration set forth herein is in full and complete satisfaction of all claims whatsoever. The Executive hereby releases, waives, and forever discharges any and all claims of any kind against the Company and each and every of its subsidiaries, affiliates, divisions, parents, and respective predecessors, successors and assigns and their respective directors, officers, representatives, shareholders, members, managers, agents, employees, consultants and independent contractors, past, present and future, arising from the Executive's employment and/or separation from employment with the Company, or from any other matter whatsoever up to and including the date of this Agreement, whether known or unknown, that he may have or had, including, but not limited to, fraud, claims arising under ADEA, Title VII, the Civil Rights Act of 1866, 42 U.S.C. §1981, 42 U.S.C. §1983, The Equal Pay Act, as amended, 29 U.S.C. §206(d)(1), the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §201 et. seq., the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et. seq., the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §1001 et. seq., the Americans with Disabilities Act, 42 U.S.C. §12101 et. seq., the Civil Rights Act of 1991, 105 Stat. 1071, Executive Order 11246, and any other federal, state and local fair employment practice law, workers' compensation law, unemployment insurance law, and any other employee relations duties and obligations, whether imposed by express or implied contract, tort (including, but not limited to, all intentional torts, negligence, negligent hiring, training, supervision or retention), common law, equity, public policy statute, executive order or law, any claims for physical or emotional distress or injuries, or any other duty obligation of any kind or description, as well as any rights or claims the Executive or his attorney or other representative have or may have for costs, expenses, attorneys' fees or otherwise.

2.9 This Agreement has been executed freely, knowingly and voluntarily by the Executive without duress, coercion, or undue influence, with a full understanding of its terms. The Executive acknowledges and agrees that, prior to executing this Agreement, he has been provided with sufficient time in which to consider this Agreement and that, in deciding to execute this Agreement, he has relied on his own judgment and further acknowledges that he is fully aware of its contents and of its legal effects.

2.10 **BY SIGNING THIS AGREEMENT, THE EXECUTIVE STATES THAT: HE HAS READ IT; HE UNDERSTANDS IT AND KNOWS THAT HE IS GIVING UP IMPORTANT RIGHTS; HE AGREES WITH EVERYTHING IN IT; HE WAS TOLD, IN WRITING, TO CONSULT AN ATTORNEY BEFORE SIGNING IT; HE HAS BEEN ADVISED THAT HE HAS 21 DAYS TO REVIEW THE AGREEMENT AND THINK ABOUT WHETHER OR NOT HE WANTS TO SIGN IT; AND HE HAS SIGNED IT KNOWINGLY AND VOLUNTARILY.**

3. **RESTRICTIVE COVENANTS**. In consideration of the Company's covenants set forth in Section 1.2, and in order to induce the Company to execute this Agreement, the Executive agrees as set forth below. For purposes of this Section 3, the term "Company" shall include the Company and each and every of its subsidiaries, affiliates, divisions, parents, and respective predecessors, successors and assigns and their respective directors, officers, representatives, shareholders, members, managers, agents, employees, consultants and independent contractors, past, present and future.

3.1 The Executive agrees that he will not in any way disparage the Company, or make or solicit any comments, statements or the like, that may be considered to be derogatory or detrimental to the good name or business reputation of the Company. The Executive similarly agrees not to otherwise take or condone any action which is intended, or would reasonably be expected, to harm the Company, to impair the Company's reputation, or to lead to unwanted or unfavorable publicity to the Company.

3.2 The Executive will not at any time within two (2) years of the date hereof, without the prior written consent of the Company (which consent the Executive acknowledges and agrees will require the approval of the Board of Directors of the Company), directly or indirectly, whether individually or as a principal, officer, stockholder, equity participant, employee, partner, joint venturer, member, manager, director or agent of, or lender, consultant or independent contractor to, any entity, or in any other capacity, other than on behalf of or for the benefit of the Company, or any entity over which the Company has control:

(a) anywhere in the Western Hemisphere, engage or participate in a business which is similar to or competitive with, directly or indirectly, the current or proposed business of the Company (as described in the Company's Form 10 Registration Statement filed with the Securities and Exchange Commission), and shall not make any investments in any such similar or competitive entity, except that the foregoing shall not restrict the Executive from acquiring up to one percent (1%) of the outstanding voting stock of any entity whose securities are listed on a stock exchange or Nasdaq;

(b) cause or seek to persuade any director, officer, employee, customer, client, account, agent or supplier of, or consultant or independent contractor to, the Company, or others with whom the Company has had a business relationship (collectively, "Business Associates"), to discontinue or materially modify the status, employment or relationship of such person or entity with the Company following the date hereof, or to become employed in any activity similar to or competitive with the business activities of the Company;

(c) cause or seek to persuade any prospective customer, client, employee, officer, director, account or other Business Associate of the Company (which at the date hereof was then actively being solicited by the Company) to determine not to enter into a business relationship with the Company or to materially modify its contemplated business relationship;

(d) except with the written consent of the Chief Executive Officer of the Company (which consent may be withheld in his sole discretion), hire, retain or associate in a business relationship with, directly or indirectly, any director, officer or employee of the Company; or

(e) solicit or cause or authorize to be solicited, or accept, for or on behalf of the Executive or any third party, any business from, or the entering into a business relationship with, (I) others who are, or were within one (1) year prior to the date hereof, a customer, client, account or other Business Associate of the Company or (II) any prospective customer, client, account or other Business Associate of the Company which at or about the date hereof was actively being solicited by the Company.

3.3 (a) From and after the date hereof, the Executive will treat and hold in confidence and not disclose any and all Confidential Information (as hereinafter defined) and refrain from using any of the Confidential Information, and shall deliver promptly to the Company or destroy, at the written request and option of the Company, all tangible embodiments (and all copies) of the Confidential Information which are in his possession. In the event that the Executive is requested or required (by oral question or written request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar legal proceeding) to disclose any Confidential Information, he will notify the Company promptly of the request or requirement so that the Company may seek a protective order.

(b) For purposes hereof, the term "Confidential Information" shall mean (i) the terms and provisions of this Agreement and (ii) confidential or proprietary information and trade secrets of the Company including, without limitation, all correspondence, memoranda, files, manuals, books, lists, financial, operating or marketing records, forms, concepts, sales presentations, marketing programs, marketing strategy, business practices, bidding information, methods of operation, trademarks, patents, patent applications, other intellectual property rights, licenses, software and other technical information, customer leads, supplier lists, supplier leads, contract proposals, documents identifying past, present and future customers, hiring and training methods, personnel records, investment policies, pricing and cost information, financial and other confidential and proprietary information concerning the Company's operations and expansion plans, other trade secrets, any analyses, compilations or reports with regard to the foregoing, and all other information relating to the Company, whether such information is in written form or on magnetic tape, floppy disks, cd-roms or other means of storing electronic data. Confidential Information shall not include any information (i) which has been publicly disclosed by means other than by a breach of a confidentiality agreement, or (ii) which is subsequently disclosed by any third party not in breach of a confidentiality agreement.

3.4 The parties recognize that, because of the nature of the subject matter of this Section 3, it would be impracticable and extremely difficult to determine actual damages to the Company in the event of a breach or threatened breach of any provision hereof by the Executive. Accordingly, in such event, the Company shall have the following rights and remedies:

(a) The right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, by way of injunctive relief or otherwise, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company, that money damages will not provide an adequate remedy to the Company and that the Company shall not be required to post any bond or other security in connection therewith;

(b) The right and remedy to require the Executive to account for and pay over to the Company all monies and other consideration derived or received by the Executive as the result of any transactions constituting a breach of any of the provisions of this Section 3, and the Executive hereby agrees to account for and pay over such monies and other consideration to the Company; and

(c) The right to recover attorneys' fees incurred in any action or proceeding in which it seeks to enforce its rights hereunder.

3.5 Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

3.6 The Executive shall not, without the prior written consent of the Company, sell, transfer or otherwise dispose of, directly or indirectly, any securities of the Company during the 180 day period following the consummation of any public or private offering of the Company's securities, or other Company financing, or for such longer period of time as any of the Company's officers and/or directors so agree. The underwriters, placement agents and/or subscribers in connection with such offering or financing are intended third-party beneficiaries of this Section 3.6 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party to this Agreement. The Executive shall execute such agreements as may be reasonably requested by the underwriters, placement agents and/or subscribers in connection with such offering or financing that are consistent with this Section 3.6 or that are necessary to give further effect thereto.

3.7 The Executive agrees that, from and after the Agreement Effective Date, he shall not, directly or indirectly, sell, transfer or otherwise dispose of (a) more than two hundred fifty thousand (250,000) shares of Common Stock of the Company on any particular day and/or (b) more than five million (5,000,000) shares of Common Stock of the Company during any three (3) calendar month period (in each case subject to adjustment for stock splits, reverse stock splits, stock dividends, recapitalizations and the like). The foregoing restriction is in addition to the volume limitations provided for under applicable law. Concurrently with the execution of this Agreement, the Executive is delivering to the Company the certificates representing all shares of stock owned, directly or indirectly, by him so that a legend may be placed on such certificates with respect to the foregoing restrictions.

3.8 The restrictive covenants contained in this Agreement are material elements of the consideration to be paid by the Company under this Agreement and are reasonable and properly required for the adequate protection of the Company.

3.9 The Executive understands that, in the event of any violation of the covenants set forth in this Section 3, the Company's obligation to pay the Severance Amount shall terminate and be of no further force or effect, and the Executive shall be obligated to reimburse the Company for all Severance Amounts paid.

4. **COOPERATION**. The Executive agrees to provide, for a period of one year following the Agreement Effective Date, reasonable support and cooperation to the Company, including litigation support, concerning any business matter of which he has knowledge by virtue of his employment with the Company prior to the date hereof.

5. **AFFIRMATIONS**. The Executive affirms that he has not filed, caused to be filed, or presently is a party to any claim, complaint, or action against the Company in any forum. The Executive furthermore affirms that he has no known workplace injuries or occupational diseases.

6. **RETURN OF PROPERTY**. The Executive certifies that he has returned all Company property, including, without limitation, office, door and file keys, identification cards, credit cards, business cards, computer access codes, instructional manuals, any cell phones or computers the Company purchased for his use, and any bank wiring code devices.

7. **CHOICE OF LAW; JURISDICTION; WAIVER OF TRIAL BY JURY**. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, excluding choice of law principles thereof. The Company and the Executive hereby irrevocably consent and submit to the exclusive jurisdiction of any federal or state court located within Palm Beach County, Florida over any dispute arising out of or relating to this Agreement and each party hereby irrevocably agrees that all claims in respect of such dispute or any legal action related thereto may be heard and determined in such courts. Each party hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection that such party may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. In connection with any controversy arising out of or relating to the Agreement, each of the Company and the Executive irrevocably (a) consents to service of process out of the aforementioned courts, (b) WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) AND ANY OBJECTION THAT IT OR HE MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE AFOREMENTIONED COURTS, (c) agrees that service of process in any such action may, to the fullest extent permitted by applicable law, be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its or his address as provided in Section 11, and (d) agrees that nothing in the Agreement shall affect the right to effect service of process in any other manner permitted by applicable law.

8. **ENTIRE AGREEMENT.** This Agreement contains the full and complete understanding and agreement of the parties hereto with respect to the subject matter contained herein and supersedes all prior or contemporaneous written or oral understandings or agreements with respect to the subject matter hereof. No modification of this Agreement shall be binding unless made in writing and signed by the party sought to be charged.

9. **BINDING EFFECT.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors, assigns and legal representatives.

10. **WAIVER; SEVERABILITY.** The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. If any provision of this Agreement, or part thereof, shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and not in any way affect or render invalid or unenforceable any other provisions of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision, or part thereof, had been reformed, and any court of competent jurisdiction is authorized to so reform such invalid or unenforceable provision, so that it would be valid, legal and enforceable to the fullest extent permitted by applicable law.

11. **NOTICES; DELIVERIES**. Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes when hand delivered or sent by certified or registered mail, return receipt requested and postage prepaid, or overnight mail or courier as follows:

If to the Company:

555 Heritage Drive
Jupiter, Florida 33458
Attn: Chief Executive Officer

with a copy to:

Certilman Balin Adler & Hyman, LLP
90 Merrick Avenue
East Meadow, New York 11554
Attention: Fred Skolnik, Esq.

If to the Executive, at:

113 Nottingham Place'
Boynton Beach, Florida 33426

or such other address as shall be furnished in writing by either party, and any notice, delivery or communication given pursuant to the provisions hereof shall be deemed to have been given as of the date delivered or so mailed or transmitted.

12. **COUNTERPARTS; HEADINGS**. This Agreement may be executed in counterparts, each of which shall be an original, but all of which taken together shall constitute one agreement. The headings contained in this Agreement are solely for the convenience of the parties, and are not intended to and do not limit, construe or modify any of the terms and conditions hereof.

13. **FACSIMILE; EMAIL**. Signatures hereon which are transmitted via facsimile, email or other electronic image shall be deemed original signatures.

14. **REPRESENTATION BY COUNSEL; INTERPRETATION.** Each party acknowledges that it or he has been represented by counsel, or has been afforded the opportunity to be represented by counsel, in connection with this Agreement. Accordingly, any rule or law or any legal decision that would require the interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived by the parties. The provisions of this Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Mark Weinreb, Chief Executive Officer

/s/ Richard M. Proodian
Richard M. Proodian

STATE OF NEW YORK)
) ss:
COUNTY OF NASSAU)

On the 21st day of June in the year 2011, before me, a Notary Public in and for said state, personally appeared Mark Weinreb, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

/s/ Evelyn Graham
Notary Public: State of New York

STATE OF)
) ss:
COUNTY OF)

On the 17th day of June in the year 2011, before me, a Notary Public in and for said state, personally appeared Richard M. Proodian, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

/s/ C Proodian
Notary Public: State of Florida

STEM CELL ASSURANCE, INC.
SHAREHOLDER AGREEMENT AND IRREVOCABLE PROXY

This Shareholder Agreement and Irrevocable Proxy is by and between Richard M. Proodian ("Proodian") and Mark Weinreb ("Weinreb"). Proodian and Weinreb agree that the 21,522,609 shares of common stock, par value $.001 per share (the "Common Stock"), of Stem Cell Assurance, Inc. (the "Company") owned by Proodian, and any and all shares of capital stock issued in connection with a stock dividend, stock split, reverse stock split, recapitalization, merger, consolidation, conversion or similar transaction (collectively, "Shares"), shall be voted as determined by Weinreb.

Proodian hereby appoints Weinreb his attorney and proxy, with full power of substitution, in the name and stead of Proodian, to vote as proxy all of the Shares at any and all meetings of the stockholders of the Company, including any adjournments or postponements thereof, and/or in any and all written consents in lieu of a meeting of stockholders, in such manner as Weinreb may determine in his sole discretion.

The foregoing irrevocable proxy is hereby declared to be irrevocable and to be a power coupled with an interest that shall survive the death, disability, incompetence or bankruptcy of Proodian.

This Shareholder Agreement and Irrevocable Proxy shall expire three (3) years from the date hereof and shall be binding upon the legal representatives, successors, assigns and transferees of Proodian.

This Shareholder Agreement and Irrevocable Proxy may only be amended by a writing executed by the parties.

Dated: June 15, 2011

/s/ Richard M. Proodian
Richard M. Proodian

/s/ Mark Weinreb
Mark Weinreb

SCIENTIFIC ADVISORY BOARD AGREEMENT

SCIENTIFIC ADVISORY BOARD AGREEMENT, dated as of June 24, 2011, by and between**AMIT PATEL, M.D.** (the "Advisor"), having an address at 1040 Chartwell Ct, SLC, UT 84103, and **STEM CELL ASSURANCE, INC**., a Nevada corporation (the "Company"), having offices at 555 Heritage Drive, Suite 130, Jupiter, Florida 33458.

WHEREAS, the Company's goal is to become a medical center of excellence using cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic), allowing patients to undergo cellular-based treatments and other procedures;

WHEREAS, the Company seeks to benefit from the Advisor's expertise by retaining the Advisor as a member of the Company's Scientific Advisory Board.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Advisor hereby agree as follows:

1. **Relationship**. The Advisor is hereby engaged by the Company (a) to provide advice to the Company as a member of its Scientific Advisory Board (the "Advisory Board"), (b) to attend any scheduled meetings of the Advisory Board, and (c) to assist the management of the Company in its work for the Company (the "Services"). The Advisor shall not be, and shall not represent himself to anyone as, an employee of the Company or entitled to any employment rights or benefits from the Company. The Advisor agrees to use his best efforts to perform Services hereunder and to advance the interests of the Company.

2. **Compensation**.

(a) As compensation for the Services, the Advisor shall be granted (i) upon the execution of this Agreement, pursuant to the Company's 2010 Equity Participation Plan (the "Plan") and a Stock Option Agreement of even date, options for the purchase of two million (2,000,000) shares of the Company's common stock, $.001 par value (the "Common Stock"), which options shall be exercisable for a period of five (5) years from the date hereof at an exercise price of two and one-half cents ($.025) per share (the "Initial Option") and will become exercisable as follows: (A) six hundred sixty-seven thousand (667,000) shares of Common Stock upon the date hereof, (B) six hundred sixty-seven thousand (667,000) shares of Common Stock on the one year anniversary of the date hereof, and (C) six hundred sixty-six thousand (666,000) shares of Common Stock on the two year anniversary of the date hereof, and (ii) on or about the three year anniversary of the date hereof and each subsequent anniversary of the date hereof, in each case during the Term (as hereinafter defined), pursuant to the Plan and a Stock Option Agreement, dated as of the date of each grant, options for the purchase of two hundred fifty thousand (250,000) shares of Common Stock (the "Additional Options" and together with the Initial Option, the "Options"). Each of the Additional Options shall be exercisable for a period of five (5) years from the respective dates of grant at exercise prices equal to the Fair Market Value (as defined in the Plan) of the Common Stock at the time of the respective grants.

(b) The Initial Option, the Additional Options and the shares of Common Stock issuable upon the exercise of the Options (the "Option Shares") are intended to be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Regulation D and shall bear a "restricted legend." In connection with the Advisor's acquisition of the Initial Option and any Additional Options and Option Shares, the Advisor represents and warrants to the Company that (i) the Advisor is an "accredited investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act; (ii) the Advisor will not sell or otherwise transfer the Options or the Option Shares without registration under the Securities Act or an exemption therefrom; (iii) the Advisor has such knowledge and experience in financial and business matters that the Advisor is capable of evaluating the merits and risks of the Advisor's investment in the Options and the Option Shares and is able to bear such risks; (iv) the Advisor is acquiring the Initial Option and any Additional Options and Option Shares for the Advisor's own account, for investment purposes only and not with a view to distribute or resell such securities in whole or in part.

(c) The Company shall reimburse the Advisor for all reasonable travel and related expenses required by the Company for the performance of the Services if approved in advance and upon presentation of satisfactory invoices and receipts therefor, including attendance at Advisory Board meetings.

(d) The Advisor shall be solely responsible for all reporting and paying of any and all, federal, state and local taxes, and for any contributions and withholding and any other claim related to or arising out of any compensation paid by the Company to the Advisor hereunder.

3. **Term and Termination**. The term of this Agreement shall commence as of the date hereof and shall continue until terminated by either party for any reason upon ten (10) days written notice to the other party (the "Term").

4. **Confidentiality**. The Advisor agrees to execute and perform the Confidentiality, Proprietary Information and Inventions Agreement in the form attached hereto as Annex A.

5. **Advisor's Representations and Warranties**. The Advisor represents and warrants to the Company as follows:

(a) The Advisor is not under any legal obligation, including any obligation of confidentiality or non-competition, which prevents the Advisor from executing or fully performing this Agreement, or which would render such execution or performance a breach of contract with any third party, or which would give any third party any rights in any intellectual property which might be developed by the Advisor hereunder; and

(b) The Advisor's performance hereunder will not give rise to any right or claim by any third party, including, but not limited to, any of the Advisor's employers or any person to whom the Advisor has provided or currently provides consulting services, to any intellectual or other property or rights of the Company.

6. **Indemnification**. The Advisor agrees to indemnify the Company and its directors, officers and controlling stockholders (each, an "Indemnified Person") against, and to hold each Indemnified Person harmless from, any claims or suits by a third party or third parties against the Company and any liabilities or judgments based thereon, either arising from the Advisor's performance of Services for the Company under this Agreement or arising from any use by the Company of information or products resulting from the Advisor's performance of Services under this Agreement.

7. **Notices**. Notices to any party hereunder shall be deemed to be sufficiently given if delivered personally or sent by certified mail, return receipt requested, with proper postage affixed, to the address of such party set forth herein, or to such other address as may be specified by either party by notice to the other party hereto. Notices shall be deemed given when delivered, if delivered personally, or on the third business day after mailing, as provided above.

8. **Severability**. In the event any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the remaining provisions will be valid and binding to the fullest extent possible, and in any event, this Agreement shall be interpreted to be valid and binding to the fullest extent possible.

9. **Miscellaneous**.

(a) This Agreement shall be governed by, and construed pursuant to, the laws of the State of Florida, applicable to agreements made and performed wholly within such state.

(b) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and there are no representations, warranties or commitments except as set forth herein. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, of the parties hereto relating to the subject matter hereof. This Agreement may be amended only by a writing executed by the parties hereto.

(c) The Company may use the Advisor's name; provided that the Company may only use the Advisor's name in written material prepared by the Company with the Advisor's prior written consent (which consent may be given by e-mail), except that such prior written consent shall not be required for filings with the OTC Markets or the Securities and Exchange Commission and other governmental agencies, the inclusion of the Advisor on the Company's website, or reference to the Advisor in any Company private placement of securities.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Mark Weinreb, Chief Executive Officer

ADVISOR

/s/ Amit Patel
Amit Patel, M.D.

Annex A

STEM CELL ASSURANCE, INC.

Confidentiality, Proprietary Information and Inventions Agreement

I recognize that the goal of Stem Cell Assurance, Inc., a Nevada corporation (the "Company"), is to become a medical center of excellence using cell and tissue regenerative therapy protocols, primarily involving a patient's own (autologous) adult stem cells (non-embryonic), allowing patients to undergo cellular-based treatments and other procedures (the "Business"). Any entity with which the Company enters into, or seeks or considers entering into, a business relationship in furtherance of the Business is referred to as a "Business Partner".

I understand that, as part of my performance of duties as a Scientific Advisory Board member of the Company (the "Engagement"), I will have access to confidential or proprietary information of the Company and the Business Partners, and I may make new contributions and inventions of value to the Company. I further understand that my Engagement creates in me a duty of trust and confidentiality to the Company with respect to any information: (1) related, applicable or useful to the business of the Company, including the Company's anticipated research and development or such activities of its Business Partners; (2) resulting from tasks performed by me for the Company; (3) resulting from the use of equipment, supplies or facilities owned, leased or contracted for by the Company; or (4) related, applicable or useful to the business of any partner, client or customer of the Company, which may be made known to me or learned by me during the period of my Engagement.

For purposes of this Agreement, the following definitions apply:

"Proprietary Information" shall mean information relating to the Business or the business of any Business Partner and generally unavailable to the public that has been created, discovered, developed or otherwise has become known to the Company or in which property rights have been assigned or otherwise conveyed to the Company or a Business Partner, which information has economic value or potential economic value to the business in which the Company is or will be engaged. Proprietary Information shall include, but not be limited to, trade secrets, processes, formulas, writings, data, know-how, negative know-how, improvements, discoveries, developments, designs, inventions, techniques, technical data, patent applications, customer and supplier lists, financial information, business plans or projections and any modifications or enhancements to any of the above. Brown Adipose Only

"Inventions" shall mean all Business-related discoveries, developments, designs, improvements, inventions, formulas, software programs, processes, techniques, know-how, negative know-how, writings, graphics and other data, whether or not patentable or registrable under patent, copyright or similar statutes, that are related to or useful in the business or future business of the Company or its Business Partners or result from use of premises or other property owned, leased or contracted for by the Company. Without limiting the generality of the foregoing, Inventions shall also include anything related to the Business that derives actual or potential economic value from not being generally known to the public or to other entities who can obtain economic value from its disclosure or use.

As part of the consideration for my Engagement or continued Engagement, as the case may be, and the compensation received by me from the Company from time to time, I hereby agree as follows:

1. **Proprietary Information and Inventions**. All Proprietary Information and Inventions related to the Business shall be the sole property of the Company and its assigns, and the Company or its Business Partners, as the case may be, and their assigns shall be the sole owner of all patents, trademarks, service marks, copyrights and other rights (collectively referred to herein as "Rights") pertaining to Proprietary Information and Inventions. I hereby assign to the Company any rights I may have or acquire in Proprietary Information and/or Inventions and/or Rights pertaining to the Proprietary Information and/or Inventions which Rights arise in the course of my Engagement. I further agree as to all Proprietary Information and/or Inventions to which Rights arise in the course of my Engagement to assist the Company or any entity designated by it in every proper way (but at the Company's expense) to obtain and from time to time enforce Rights relating to said Proprietary Information and/or Inventions in any and all countries. I will execute all documents for use in applying for, obtaining and enforcing such Rights in such Proprietary Information and/or Inventions as the Company may desire, together with any assignments thereof to the Company or entities designated by it. My obligation to assist the Company or any entity designated by it in obtaining and enforcing Rights relating to Proprietary Information and/or Inventions shall continue beyond the cessation of my Engagement ("Cessation of my Engagement). In the event the Company is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or enforce any Right relating to Proprietary Information and/or to an Invention, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agents and attorneys-in-fact to act for and in my behalf and stead in the execution and filing of any such application and in furthering the application for and enforcement of Rights with the same legal force and effect as if such acts were performed by me. I hereby acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of my Engagement and which are protectable by copyright are "works for hire" as that term is defined in the United States Copyright Act (17 USCA, Section 101).

2. **Confidentiality**. At all times, both during my Engagement and after the Cessation of my Engagement, whether the cessation is voluntary or involuntary, for any reason or no reason, or by disability, I will keep in strictest confidence and trust all Proprietary Information, and I will not disclose or use or permit the use or disclosure of any Proprietary Information or Rights pertaining to Proprietary Information, or anything related thereto, without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company. I recognize that the Company has received and in the future will receive from third parties (including Business Partners) their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties (including Business Partners), during my Engagement and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence, and I will not disclose or use or permit the use or disclosure of any such confidential or proprietary information without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company consistent with the Company's agreement with such third party.

3. **Noncompetition and Nonsolicitation**. During my Engagement, and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee, stockholder, manager or member of any company or commercial enterprise, directly or indirectly, engage in any activity in the United States or Canada that the Company shall determine in good faith is in competition with the Company concerning its work in the Business. It is understood and agreed that the foregoing shall not preclude me from engaging in any activity, directly or indirectly, whether in concert with others or as a partner, officer, director, consultant, agent, employee, stockholder, manager or member of any company or commercial enterprise so long as such activity, company or commercial enterprise is not engaging in the Business. During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I will not, either directly or indirectly, either alone or in concert with others, solicit or encourage any employee of or consultant to the Company to leave the Company or engage directly or indirectly in competition with the Company in the Business. During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I agree not to plan or otherwise take any preliminary steps, either alone or in concert with others, to set up or engage in any business enterprise that would be in competition with the Company in the Business. The following shall not be deemed to be competitive with the Company: (i) my ownership of stock, partnership interests or other securities of any entity not in excess of two percent (2%) of any class of such interests or securities which is publicly traded; and (ii) my continued research engagements for academic institutions.

4. **Delivery of Company Property and Work Product**. In the event of the Cessation of my Engagement, I will deliver to the Company all biological materials, devices, records, sketches, reports, memoranda, notes, proposals, lists, correspondence, equipment, documents, photographs, photostats, negatives, undeveloped film, drawings, specifications, tape recordings or other electronic recordings, programs, data and other materials or property of any nature belonging to the Company or its clients or customers, and I will not take with me, or allow a third party to take, any of the foregoing or any reproduction of any of the foregoing.

5. **No Conflict**. I represent, warrant and covenant that my performance of all the terms of this Agreement and the performance of my duties for the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my Engagement. I have not entered into, and I agree that I will not enter into, any agreement, either written or oral, in conflict herewith.

6. **No Use of Confidential Information**. I represent, warrant and covenant that I have not brought and will not bring with me to the Company or use in my Engagement any materials or documents of a former employer, or any entity for which I have acted as an independent contractor or consultant, that are not generally available to the public, unless I have obtained written authorization from any such former employer or other entity for their possession and use. I understand and agree that, in my service to the Company, I am not to breach any obligation of confidentiality that I have to former employers or other entities.

7. **Equitable Relief**. I acknowledge that irreparable injury may result to the Company from my violation or continued violation of the terms of this Agreement and, in such event, I expressly agree that the Company shall be entitled, in addition to damages and any other remedies provided by law, to an injunction or other equitable remedy respecting such violation or continued violation by me.

8. **Severability**. If any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable or otherwise invalid as written, the same shall be enforced and validated to the extent permitted by law. All provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

9. **Miscellaneous**. This Agreement shall be governed by and construed under the laws of the State of Florida applied to contracts made and performed wholly within such state. No implied waiver of any provision within this Agreement shall arise in the absence of a waiver in writing, and no waiver with respect to a specific circumstance, event or occasion shall be construed as a continuing waiver as to similar circumstances, events or occasions. This Agreement, together with the Scientific Advisory Board Agreement dated this date, contains the sole and entire agreement and understanding between the Company and me with respect to the subject matter hereof and supersedes and replaces any prior agreements to the extent any such agreement is inconsistent herewith. This Agreement can be amended, modified, released or changed in whole or in part only by a written agreement executed by the Company and me. This Agreement shall be binding upon me and my heirs, executors, assigns and administrators, and it shall inure to the benefit of the Company and each of its successors or assigns. This Agreement shall be effective as of the first day of my being retained to render services to the Company, even if such date precedes the date I sign this Agreement.

10. **Thorough Understanding of Agreement**. I have read all of this Agreement and understand it completely, and by my signature below I represent that this Agreement is the only statement made by or on behalf of the Company upon which I have relied in signing this Agreement.

IN WITNESS WHEREOF, I have caused this Agreement to be signed on the date written below.

DATED: June 20, 2011

ADVISOR:

/s/ Amit Patel
Name: Amit Patel, M.D.
Address:

STOCK OPTION AGREEMENT, made as of the 24th day of June, 2011, between **STEM CELL ASSURANCE, INC.**, a Nevada corporation (the "Company"), and **AMIT PATEL, M.D.** (the "Optionee").

_____

WHEREAS, the Optionee is a member of the Scientific Advisory Board of the Company;

WHEREAS, the Company desires to provide to the Optionee an additional incentive to promote the success of the Company.

NOW, **THEREFORE**, in consideration of the foregoing, the Company hereby grants to the Optionee the right and option to purchase shares of Common Stock of the Company under and pursuant to the terms and conditions of the Company's 2010 Equity Participation Plan (the "Plan") and upon and subject to the following terms and conditions:

1. **GRANT OF OPTION**. The Company hereby grants to the Optionee the right and option (the "Option") to purchase up to Two Million (2,000,000) shares of Common Stock of the Company (the "Option Shares") during the following periods:

(a) All or any part of Six Hundred Sixty-Seven Thousand (667,000) shares of Common Stock may be purchased during the period commencing on the date hereof and terminating at 5:00 P.M. on June 24, 2016 (the "Expiration Date").

(b) All or any part of Six Hundred Sixty-Seven Thousand (667,000) shares of Common Stock may be purchased during the period commencing at 12:01 A.M on June 24, 2012 and terminating at 5:00 P.M. on the Expiration Date.

(c) All or any part of Six Hundred Sixty-Six Thousand (666,000) shares of Common Stock may be purchased during the period commencing at 12:01 A.M on June 24, 2013 and terminating at 5:00 P.M. on the Expiration Date.

2. **NATURE OF OPTION**. The Option is not intended to meet the requirements of Section 422 of the Internal Revenue Code of 1986, as amended, relating to "incentive stock options".

3. **EXERCISE PRICE**. The exercise price of each of the Option Shares shall be Two and One-Half Cents ($.025) (the "Exercise Price"). The Company shall pay all original issue or transfer taxes on the exercise of the Option.

4. **EXERCISE OF OPTIONS**. The Option shall be exercised in accordance with the provisions of the Plan. As soon as practicable after the receipt of notice of exercise and payment of the Exercise Price as provided for in the Plan, the Company shall tender to the Optionee a certificate issued in the Optionee=s name evidencing the number of Option Shares covered thereby.

5. **TRANSFERABILITY**. The Option shall not be transferable other than by will or the laws of descent and distribution and, during the Optionee~~'~~s lifetime, shall not be exercisable by any person other than the Optionee.

6. **INCORPORATION BY REFERENCE**. The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

7. **NOTICES**. Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the Company, 555 Heritage Drive, Suite 130, Jupiter, Florida 33458, Attention: Chief Executive Officer, and to the Optionee at the address indicated below. Notices shall be deemed to have been given on the date of hand delivery or mailing, except notices of change of address, which shall be deemed to have been given when received.

8. **BINDING EFFECT**. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

9. **ENTIRE AGREEMENT**. This Stock Option Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

10. **GOVERNING LAW**. This Stock Option Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, excluding choice of law rules thereof.

11. **EXECUTION IN COUNTERPARTS**. This Stock Option Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

12. **FACSIMILE SIGNATURES**. Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

13. **INTERPRETATION; HEADINGS**. The provisions of this Stock Option Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Option Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Option Agreement.

[***Remainder of page intentionally left blank; signature page follows***]

IN WITNESS WHEREOF, the parties have executed this Stock Option Agreement as of the day and year first above written.

STEM CELL ASSURANCE, INC.

By: /s/ Mark Weinreb
Name: Mark Weinreb
Title: Chief Executive Officer

/s/ Amit Patel
Signature of Optionee

Amit Patel, M.D.
Name of Optionee

1040 Chartwell Ct
SLC, UT 84103
Address of Optionee

Exhibit 21

List of Subsidiaries

Name of Subsidiary	**Jurisdiction of Incorporation/Organization**
Stem Cell Cayman Ltd.	Cayman Islands
Stem Pearls, LLC	Florida
Lipo Rejuvenation Centers, Inc.	Florida