

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2012

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

For the transition period from ____ to ____

Commission file number: 000-54402

BIORESTORATIVE THERAPIES, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

91-1835664
(I.R.S. Employer
Identification No.)

555 Heritage Drive
Jupiter, Florida
(Address of Principal Executive Offices)

33458
(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

| | | | |
|-------------------------|---|---------------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company | <input type="checkbox"/> |

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

As of August 9, 2012, there were 684,579,411 shares of the issuer's common stock outstanding.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

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BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Balance Sheets

| | June 30, 2012 (unaudited) | December 31, 2011 |
|---|--|------------------------------|
| Assets | | |
| Current Assets: | | |
| Cash | \$ 12,571 | \$ 71,508 |
| Prepaid expenses and other current assets | 34,553 | 46,915 |
| Total Current Assets | 47,124 | 118,423 |
| Property and equipment, net | 78,516 | 94,827 |
| Intangible assets, net | 1,212,263 | 3,308 |
| Security deposit | 4,415 | 4,415 |
| Total Assets | <u>\$ 1,342,318</u> | <u>\$ 220,973</u> |
| Liabilities and Stockholders' Deficiency | | |
| Current Liabilities: | | |
| Accounts payable | \$ 439,995 | \$ 426,184 |
| Accrued expenses and other current liabilities | 838,576 | 440,229 |
| Notes payable, net of debt discount of \$187,709 and \$149,043 at June 30, 2012 and December 31, 2011, respectively | 4,321,476 | 3,040,957 |
| Total Current Liabilities | 5,600,047 | 3,907,370 |
| Commitments and contingencies | | |
| Stockholders' Deficiency: | | |
| Preferred stock, \$0.01 par value; Authorized, 1,000,000 shares; none issued and outstanding at June 30, 2012 and December 31, 2011 | - | - |
| Common stock, \$0.001 par value; Authorized, 1,500,000,000 and 800,000,000 shares at June 30, 2012 and December 31, 2011, respectively; Issued 701,010,445 and 635,614,845 shares at June 30, 2012 and December 31, 2011, respectively; Outstanding 673,079,411 and 607,683,811 shares at June 30, 2012 and December 31, 2011, respectively | 701,010 | 635,615 |
| Additional paid-in capital | 5,738,292 | 3,234,486 |
| Deficit accumulated during development stage | (10,665,031) | (7,524,498) |
| Treasury stock, at cost, 27,931,034 shares at June 30, 2012 and December 31, 2011 | (32,000) | (32,000) |
| Total Stockholders' Deficiency | (4,257,729) | (3,686,397) |
| Total Liabilities and Stockholders' Deficiency | <u>\$ 1,342,318</u> | <u>\$ 220,973</u> |

See Notes to these Condensed Consolidated Financial Statements

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statements of Operations

(unaudited)

| | For The Three Months Ended June 30, | | For The Six Months Ended June 30, | | Period from December 30, 2008 (Inception) to June 30, |
|--|--|-----------------------|--------------------------------------|-----------------------|--|
| | 2012 | 2011 | 2012 | 2011 | 2012 |
| Revenues | \$ 10,000 | \$ - | \$ 10,000 | \$ - | \$ 10,000 |
| Operating Expenses | | | | | |
| Marketing and promotion | 30,609 | 17,033 | 70,596 | 61,838 | 378,414 |
| Payroll and benefits | 536,810 | 338,344 | 1,041,228 | 881,775 | 3,182,266 |
| Consulting expense | 409,000 | 239,397 | 827,966 | 435,255 | 3,048,574 |
| General and administrative | 371,698 | 443,456 | 730,502 | 676,968 | 2,822,591 |
| Research and development | 54,723 | - | 56,773 | - | 80,393 |
| Total Operating Expenses | 1,402,840 | 1,038,230 | 2,727,065 | 2,055,836 | 9,512,238 |
| Loss From Operations | (1,392,840) | (1,038,230) | (2,717,065) | (2,055,836) | (9,502,238) |
| Other Income (Expense) | | | | | |
| Other income | - | - | - | - | 11,457 |
| Interest expense | (164,061) | (58,848) | (291,158) | (83,253) | (579,656) |
| Amortization of debt discount | (89,250) | (107,762) | (155,387) | (178,848) | (711,483) |
| Gain on settlement of note and payables, net | - | - | 23,077 | - | 106,525 |
| Total Other Expense | (253,311) | (166,610) | (423,468) | (262,101) | (1,173,157) |
| Net Loss | <u>\$ (1,646,151)</u> | <u>\$ (1,204,840)</u> | <u>\$ (3,140,533)</u> | <u>\$ (2,317,937)</u> | <u>\$ (10,675,395)</u> |
| Net Loss Per Share | | | | | |
| - Basic and Diluted | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | |
| Weighted Average Number of Common Shares Outstanding | | | | | |
| - Basic and Diluted | <u>681,703,449</u> | <u>510,697,493</u> | <u>629,927,402</u> | <u>492,397,418</u> | |

See Notes to these Condensed Consolidated Financial Statements

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statement of Changes in Stockholders' Deficiency
For the Six Months Ended June 30, 2012

(unaudited)

| | Common Stock | | Additional Paid-In Capital | Deficit Accumulated During Development Stage | Treasury Stock | | Total |
|---|--------------------|-------------------|----------------------------------|--|---------------------|--------------------|-----------------------|
| | Shares | Amount | | | Shares | Amount | |
| Balance - December 31, 2011 | 635,614,845 | \$ 635,615 | \$ 3,234,486 | \$ (7,524,498) | (27,931,034) | \$ (32,000) | \$ (3,686,397) |
| Shares issued for consulting services - (at \$0.008) | 2,423,100 | 2,423 | 17,593 | - | - | - | 20,016 |
| Shares issued as debt discount in connection with notes payable - (at \$0.007) | 2,010,000 | 2,010 | 12,239 | - | - | - | 14,249 |
| Shares issued as debt discount in connection with notes payable - (at \$0.008) | 1,125,000 | 1,125 | 7,799 | - | - | - | 8,924 |
| Warrants issued as debt discount in connection with notes payable - (at \$0.007) | - | - | 140,441 | - | - | - | 140,441 |
| Warrant issued in partial exchange for intangible asset - April 2012 (at \$0.015) | - | - | 226,500 | - | - | - | 226,500 |
| Shares and warrants issued in exchange of notes payable - (at \$0.020) | 30,000,000 | 30,000 | 623,640 | - | - | - | 653,640 |
| Shares issued as debt discount in connection with notes payable - (at \$0.012) | 250,000 | 250 | 2,780 | - | - | - | 3,030 |
| Shares issued for consulting services - (at \$0.016) | 2,587,500 | 2,587 | 38,813 | - | - | - | 41,400 |
| Warrants issued as debt discount in connection with notes payable - (at \$0.014) | - | - | 27,409 | - | - | - | 27,409 |
| Shares and warrants issued for cash - (at \$0.025) | 27,000,000 | 27,000 | 648,000 | - | - | - | 675,000 |
| Stock-based compensation | - | - | 758,592 | - | - | - | 758,592 |
| Net loss | - | - | - | (3,140,533) | - | - | (3,140,533) |
| Balance - June 30, 2012 | <u>701,010,445</u> | <u>\$ 701,010</u> | <u>\$ 5,738,292</u> | <u>\$ (10,665,031)</u> | <u>(27,931,034)</u> | <u>\$ (32,000)</u> | <u>\$ (4,257,729)</u> |

See Notes to these Condensed Consolidated Financial Statements.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statements of Cash Flows

(unaudited)

| | For The Six Months Ended June 30, | | Period from December 30, 2008 (Inception) to June 30, |
|---|--------------------------------------|--------------------|--|
| | 2012 | 2011 | 2012 |
| Cash Flows From Operating Activities | | | |
| Net loss | \$ (3,140,533) | \$ (2,317,937) | \$ (10,675,395) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Amortization of debt discount | 155,387 | 178,848 | 711,483 |
| Depreciation and amortization | 36,389 | 52,403 | 181,571 |
| Loss on sale of property and equipment | - | - | 21,614 |
| Stock-based compensation | 820,008 | 344,168 | 3,102,159 |
| Loss on extinguishment | 53,640 | - | 53,640 |
| Gain on settlement of note and payables, net | (23,077) | - | (106,525) |
| Changes in operating assets and liabilities: | | | |
| Prepaid expenses and other current assets | 12,362 | (58,170) | (34,553) |
| Security deposit | - | (4,415) | (4,415) |
| Accounts payable | 13,811 | 148,292 | 382,514 |
| Accrued expenses and other current liabilities | 421,424 | 236,057 | 974,153 |
| Total Adjustments | 1,489,944 | 897,183 | 5,281,641 |
| Net Cash Used in Operating Activities | (1,650,589) | (1,420,754) | (5,393,754) |
| Cash Flows From Investing Activities | | | |
| Purchases of property and equipment | (2,533) | (17,772) | (165,776) |
| Proceeds from sale of property and equipment | - | - | 32,000 |
| Acquisition of intangible assets | (1,000,000) | - | (1,003,676) |
| Net Cash Used in Investing Activities | (1,002,533) | (17,772) | (1,137,452) |
| Cash Flows From Financing Activities | | | |
| Proceeds from notes payable | 1,969,185 | 1,637,500 | 5,542,824 |
| Repayments of notes payable | (50,000) | (209,863) | (535,222) |
| Advances from officer | 22,000 | - | 48,000 |
| Repayment of advances from officer | (22,000) | - | (48,000) |
| Proceeds from exercise of warrants | - | - | 1,875 |
| Repurchase of common stock | - | - | (32,000) |
| Sales of common stock and warrants for cash | 675,000 | - | 1,566,300 |
| Net Cash Provided by Financing Activities | 2,594,185 | 1,427,637 | 6,543,777 |
| Net (Decrease) Increase In Cash | (58,937) | (10,889) | 12,571 |
| Cash - Beginning | 71,508 | 18,074 | - |
| Cash - Ending | \$ 12,571 | \$ 7,185 | \$ 12,571 |

See Notes to these Condensed Consolidated Financial Statements

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Condensed Consolidated Statements of Cash Flows — Continued

(unaudited)

| | For The Six Months Ended June 30, | | Period from December 30, 2008 (Inception) to June 30, |
|--|--------------------------------------|------------|--|
| | 2012 | 2011 | 2012 |
| Supplemental Disclosures of Cash Flow Information: | | | |
| Cash paid during the period for: | | | |
| Interest | \$ 266,381 | \$ 36,274 | \$ 469,378 |
| Non-cash investing and financing activities: | | | |
| Shares issued as debt discount in connection with notes payable | \$ 26,203 | \$ 235,490 | \$ 724,371 |
| Warrants issued as debt discount in connection with notes payable | \$ 167,850 | \$ - | \$ 167,850 |
| Shares issued in connection with reverse recapitalization | \$ - | \$ - | \$ 362,000 |
| Shares issued pursuant to reverse recapitalization and subsequently cancelled | \$ - | \$ - | \$ 146,195 |
| Shares issued (issuable) 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 |
| Property and equipment returned in connection with settlement of note payable, net | \$ - | \$ - | \$ 226,043 |
| Shares and warrants issued in exchange of notes payable | \$ 600,000 | \$ - | \$ 600,000 |
| Warrant issued as partial consideration for intangible asset | \$ 226,500 | \$ - | \$ 226,500 |

See Notes to these Condensed Consolidated Financial Statements

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 1 – Business Organization and Nature of Operations

BioRestorative Therapies, Inc. (and including its subsidiaries, the “Company”) is a development stage enterprise whose primary activities since inception have been the development of its business plan, negotiating strategic alliances and other agreements, raising capital and the sponsorship of research and development activities.

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 GAAP 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 the Company as of June 30, 2012, for the three and six months ended June 30, 2012 and 2011 and for the period from December 30, 2008 (inception) to June 30, 2012. The results of operations for the three and six months ended June 30, 2012 are not necessarily indicative of the operating results for the full year ending December 31, 2012. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related disclosures of the Company as of December 31, 2011 and for the year then ended, and for the period from December 30, 2008 (inception) to December 31, 2011, which were filed with the Securities and Exchange Commission on Form 10-K on April 16, 2012.

Note 2 – Going Concern and Management Plans

As of June 30, 2012, the Company had a working capital deficiency and a stockholders’ deficiency of \$5,552,923 and \$4,257,729, respectively. The Company has not generated significant revenues and incurred net losses of \$10,675,395 during the period from December 30, 2008 (inception) through June 30, 2012. 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 continue to raise additional capital through private debt and equity investors. The Company is currently a development stage company 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 GAAP, 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.

Subsequent to June 30, 2012, the Company raised \$262,500 and \$150,000 through debt and equity financing, respectively, and extended the maturities of \$112,500 of notes. As a result, the Company expects that the cash it has available will fund its operations only until September 2012. The Company currently has notes payable aggregating \$272,500 which are past their maturity dates. The Company is currently in the process of negotiating extensions or discussing conversions to equity with respect to these notes. See Note 9 – Subsequent Events for additional details.

Note 3 – Summary of Significant Accounting Policies

Principles of Consolidation

The unaudited condensed consolidated financial statements of the Company include the accounts of Stem Cell Cayman Ltd. (“Cayman”), Stem Pearls, LLC and Lipo Rejuvenation Centers, Inc. All significant intercompany transactions have been eliminated in the consolidation. On April 16, 2012, Lipo Rejuvenation Centers, Inc., an inactive entity, was dissolved.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 3 – Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with GAAP 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. 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 the valuation allowance related to the Company's deferred tax assets. Certain of the Company's estimates, including the carrying amount of the intangible assets, could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company's estimates, and could cause actual results to differ from those estimates.

Concentrations and 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 June 30, 2012, the Company had \$1,242 deposited with an offshore financial institution which is not insured by the FDIC.

For the three and six months ended June 30, 2012, 100% of the Company's revenues were derived from one customer.

As of June 30, 2012, 79% of the face value of the Company's notes payable were sourced from a single entity and the earliest maturity date associated with these notes is November 2012.

Intangible Assets

Intangible assets are comprised of trademarks and licenses with estimated useful lives of 10 and 17.7 years (20 year life of underlying patent, less 2.3 years elapsed since patent application), respectively. Once placed into service, the Company amortizes the cost of the intangible assets over their estimated useful lives on a straight line basis.

Revenue Recognition

For the three and six months ended June 30, 2012, the Company's revenue was entirely attributable to sublicense fees. The Company recognizes sublicensing revenue when all of the following have occurred: (i) persuasive evidence of an arrangement exists, (ii) the service is completed without further obligation, (iii) the sales price to the customer is fixed or determinable, and (iv) collectability is reasonably assured. See Note 4 – Intangible Assets for additional details.

Net Loss Per Common Share

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

The Company's weighted average number of common shares as of June 30, 2012 includes issued and outstanding common shares and the underlying shares issuable upon the exercise of the 22,000,000 and 2,000,000 exercisable options and warrants, respectively, with an exercise price of \$0.01 per share or less during the period of time that the restricted stock value exceed \$0.01 per share. See Note 8, Stockholders' Deficiency. In accordance with ASC 260 – Earnings Per Share ("ASC 260"), the Company has given effect to the issuance of these options and warrants in computing basic and diluted net loss per share.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 3 – Summary of Significant Accounting Policies - Continued

Net Loss Per Common Share - Continued

Potentially dilutive securities realizable from the exercise of options and warrants for the purchase of 125,950,000 and 127,000,000 shares, respectively, as of June 30, 2012 were excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive. As of June 30, 2011, potentially dilutive securities realizable from the vesting of 40,000,000 shares of restricted stock and the exercise of warrants and options for the purchase of 2,000,000 and 29,150,000 shares, respectively, are excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

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 shares underlying the Company's 2010 Equity Participation Plan (the "Plan") are not currently registered, the fair value of the Company's restricted equity instruments was estimated by management based on observations of the cash sales prices of both restricted shares and freely tradable shares.

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 2012 presentation. These reclassifications have no impact on previously reported earnings.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the condensed consolidated financial statements, except as disclosed in Note 9.

Note 4 – Intangible Assets

Intangible assets consist of the following:

| | Patents and Trademarks | Licenses | Accumulated Amortization | Total |
|---|-----------------------------------|---------------------|-------------------------------------|---------------------|
| Balance as of January 1, 2012 | \$ 3,676 | \$ - | \$ (368) | \$ 3,308 |
| Purchase of licenses | - | 1,226,500 | - | 1,226,500 |
| Amortization expense | - | - | (17,545) | (17,545) |
| Balance as of June 30, 2012 | <u>\$ 3,676</u> | <u>\$ 1,226,500</u> | <u>\$ (17,913)</u> | <u>\$ 1,212,263</u> |
| Weighted average amortization period at June 30, 2012 in years | <u>8.5</u> | <u>17.4</u> | | |

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
(A COMPANY IN THE DEVELOPMENT STAGE)

Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 4 – Intangible Assets - Continued

Amortization of intangible assets consists of the following:

| | Patents and Trademarks | Licenses | Accumulated Amortization |
|--|-----------------------------------|------------------|-------------------------------------|
| Balance as of January 1, 2012 | \$ 368 | \$ - | \$ 368 |
| Amortization expense | 184 | 17,361 | 17,545 |
| Balance as of June 30, 2012 | <u>\$ 552</u> | <u>\$ 17,361</u> | <u>\$ 17,913</u> |
| Range of estimated useful lives in years | <u>10.0</u> | <u>17.7</u> | |

On January 27, 2012, the Company entered into a license agreement with Regenerative Sciences, LLC (“RS”) (as amended on March 21, 2012, the “RS Agreement”). On April 6, 2012, the Company and RS closed on the RS Agreement. Pursuant to the RS Agreement, the Company obtained, among other things, a worldwide, exclusive, royalty-bearing license from RS to utilize or sublicense a certain medical device for the administration of specific cells and/or cell products to the disc and/or spine (and other parts of the body) and a worldwide (excluding Asia and Argentina), exclusive, royalty-bearing license to utilize or sublicense a certain method for culturing cells. The RS Agreement provides that the Company must achieve certain milestones or pay certain minimum amounts in order to maintain the exclusive nature of the licenses. The RS Agreement also provides for an exclusive, royalty-bearing sublicense of the technology to RS for use for orthopedic purposes and a non-exclusive, royalty-bearing sublicense of the technology to RS for use in accordance with protocols established by the Company (1) at a single facility in the Cayman Islands (or, under certain circumstances, at a different non-U.S. facility), and (2) at U.S. facilities, if and only if, upon resolution of an FDA action, RS has the legal right to exploit the technology in the U.S. and the Company does not yet have such legal right. Further, the RS Agreement provides that RS will furnish certain training, assistance and consultation services with regard to the licensed technology. In addition, the Company has agreed to reimburse RS for 25% of its legal fees associated with its pending court action with the FDA, subject to a maximum of \$4,500 per month and \$100,000 in the aggregate.

Pursuant to the RS Agreement, on the closing date, the Company made a payment to RS consisting of a license fee of \$1,000,000, net of a sublicensing fee of \$10,000, which RS owed to the Company (which was recorded as revenue in the condensed consolidated statements of operations), and issued to RS a warrant for the purchase of 50,000,000 shares of common stock of the Company (the “RS Warrant”). The vesting of the RS Warrant was divided into three tranches. The first tranche to purchase 15,000,000 shares of common stock was immediately exercisable. The exercise of the second and third tranches to purchase 17,500,000 shares of common stock each is subject to specified performance criteria. The exercise price for the initial tranche is \$0.03 per share and the exercise price for the second and third tranches is the greater of \$0.03 per share or the then fair market value of the common stock, as defined in the RS Agreement. The initial tranche had a grant date value of \$226,500 using the Black-Scholes model, which was recognized immediately. The Company recorded the \$1,000,000 cash payment and the \$226,500 value of the first tranche of the warrant as an intangible asset with an estimated useful life of 17.7 years (20 year life of the underlying pending patent less 2.3 years since patent application).

The Company has not made an accounting entry related to the second and third tranches as it is not currently probable that the specified performance criteria will be met. When, and if, the second and third tranches of the RS Warrant vest (or when vesting becomes probable), the grant date value of these tranches will be added to the value of the intangible asset after calculating the grant date values using the Black-Scholes option pricing model using the final exercise prices as inputs to the model.

Amortization expense for the three and six months ended June 30, 2012 was \$17,453 and \$17,545, respectively. During the three and six months ended June 30, 2011, amortization expense was \$92 and \$184, respectively.

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Notes to Condensed Consolidated Financial Statements
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Note 5 – Accrued Expenses and Other Current Liabilities

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

| | <u>June 30, 2012</u> <u>(unaudited)</u> | <u>December 31, 2011</u> |
|-----------------------------------|--|--------------------------|
| Accrued loan interest | \$ 58,361 | \$ 39,283 |
| Credit card payable | 8,489 | 17,026 |
| Accrued payroll and payroll taxes | 630,380 | 204,417 |
| Accrued severance | - | 46,154 |
| Other accrued expenses | 98,765 | 89,200 |
| Deferred rent | 42,581 | 44,149 |
| Total | <u><u>\$ 838,576</u></u> | <u><u>\$ 440,229</u></u> |

Note 6 – Notes Payable

During the six months ended June 30, 2012, the Company issued an additional \$1,969,185 of notes payable. In connection with the financings, 2,260,000 shares of common stock, with a relative fair value of \$17,279, and five-year warrants to purchase 22,250,000 shares of common stock at exercise prices ranging from \$0.03 to \$0.05 per share, with a relative fair value of \$167,850 using the Black-Scholes model, were issued to the lenders and were recorded as a debt discount. These notes are payable 3-12 months from the date of issuance and have a rate of interest of 10-15% per annum payable monthly (except as discussed below).

Included as part of the \$1,969,185 of notes payable is a one-year note dated June 6, 2012 with a principal amount of \$350,000 and interest of 15% per annum payable at maturity. The holder of the note is entitled to, in addition to a warrant, (a) mandatory prepayment of the note in an amount equal to 10.5% of Cosmetic Revenues (as defined in the note); and (b) five years of royalty payments associated with Cosmetic Revenues, ranging from 2.8% of Cosmetic Revenues from the initial order, to 1.75% of Cosmetic Revenues during the remainder of the initial two year period, to 1.05% of Cosmetic Revenues (1.75% if the note is not repaid by the 18 month anniversary of the note) subject to a \$175,000 maximum (no maximum if the note is not repaid by maturity) during each of the final three years. Given that the Company has not yet generated any Cosmetic Revenues, it is not deemed probable for accounting purposes that royalty payments will be due.

During the six months ended June 30, 2012, the maturity dates of certain notes payable with an aggregate principal balance of \$1,672,500, that were near or at maturity, were extended to May 2012 through June 2013 and the investors received an aggregate of 1,125,000 shares of common stock with a relative fair value of \$8,924. All of the extended notes bear a 15% interest rate per annum payable monthly.

During the six months ended June 30, 2012, the Company repaid a note payable with a principal amount of \$50,000.

During the six months ended June 30, 2012, the Company and certain investors agreed to exchange certain notes payable with an aggregate principal balance of \$600,000 for an aggregate of 30,000,000 shares of common stock and five-year warrants to purchase an aggregate of 12,000,000 shares of common stock at an exercise price of \$0.03 per share. The common stock and warrants had an aggregate grant date value of \$653,640 and, as a result, the Company recorded a loss on extinguishment of \$53,640. The investors received piggyback registration rights related to the stock and the stock issuable pursuant to the warrants.

The Company recorded amortization of debt discount of \$89,250 and \$155,387 during the three and six months ended June 30, 2012, respectively, and \$107,762 and \$178,848 during the three and six months ended June 30, 2011, respectively. Aggregate amortization of debt discount from December 30, 2008 (inception) to June 30, 2012 was \$711,483.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
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Note 7 – Commitments and Contingencies

Operating Lease

Rent expense amounted to approximately \$23,000 and \$50,000 for the three and six months ended June 30, 2012, respectively, and \$20,000 and \$44,000 for the three and six months ended June 30, 2011, respectively. Rent expense for the period from December 30, 2008 (inception) to June 30, 2012 was approximately \$182,000. Rent expense is reflected in general and administrative expenses 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.

Patent Assignment and Research Agreement

Effective June 15, 2012, the Company entered into an assignment agreement (the "Assignment Agreement") with the University of Utah Research Foundation (the "Foundation"), whereby the Foundation assigned all of its right, title and interest in specified patents to the Company in exchange for a cash payment of \$15,000. The Company also agreed to pay the Foundation a royalty on Patent Revenue (as defined in the Assignment Agreement).

Effective June 15, 2012, the Company entered into a research agreement (the "Research Agreement") with the University of Utah (the "University"). The Research Agreement has a term of three years. Pursuant to the Research Agreement, the University will perform certain research services to be used by the Company. Pursuant to the Research Agreement, the Company will pay the University a fee of \$500,000 for each twelve month period of the agreement, payable monthly. In addition, the Company will pay to the University a 5% royalty, over a 20 year period commencing on June 15, 2012, on the net sales of all products and/or methods directly arising from inventions and improvements conceived or reduced to practice by the University in the course of performing research during the term of the Research Agreement. The Research Agreement can be cancelled without penalty upon (a) the second anniversary of the Research Agreement if eventual FDA approval does not appear likely or (b) other conditions specified in the Research Agreement.

During the three and six months ended June 30, 2012, the Company recorded research and development expense of \$35,833 in connection with the Assignment Agreement and Research Agreement.

Consulting Agreements

Marketing Consulting Services

On January 1, 2012, an agreement for marketing consulting services, dated February 17, 2011, as amended on July 1, 2011 and September 1, 2011, was further extended to December 31, 2012. Pursuant to the extended agreement, the Company will pay a cash fee of \$10,000 per month and the Company granted an immediately vested, five-year warrant to purchase 2,000,000 shares of common stock at an exercise price of \$0.02 per share. The grant date value of \$12,800 was recognized immediately.

On April 18, 2012, the marketing consulting services agreement was further amended. The Company agreed to pay a \$20,000 bonus (\$10,000 on August 31, 2012 and \$10,000 on December 31, 2012), and issue a five-year warrant to purchase 15,000,000 shares of common stock at an exercise price of \$0.03 per share. The warrant vests on January 1, 2013 and has a grant date value of \$226,500, which will be recognized proportionate to the vesting period.

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Notes to Condensed Consolidated Financial Statements
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Note 7 – Commitments and Contingencies – Continued

Consulting Agreements - Continued

Business Advisory Services

On April 9, 2012, the Company issued a warrant to a shareholder in lieu of reimbursing certain costs associated with a contemplated financing that did not occur. The immediately vested, five-year warrant entitles the shareholder to purchase 4,000,000 shares of common stock at an exercise price of \$0.03 per share. The warrant had a grant date value of \$60,400 which was recognized immediately.

On April 18, 2012, a previous agreement for business advisory services, dated February 17, 2011, was extended for nine months until December 31, 2012. Pursuant to the extension, the Company agreed to pay an additional \$90,000 fee (\$10,000 monthly), a \$20,000 bonus (\$10,000 on August 31, 2012 and \$10,000 on December 31, 2012) and issue a five-year warrant to purchase 12,000,000 shares of common stock at an exercise price of \$0.03 per share. The warrant vests on January 1, 2013 and has a grant date value of \$181,200, which will be recognized proportionate to the vesting period.

On May 22, 2012, the Company entered into a one year agreement with a consultant to provide business advisory services whereby the consultant (a) was issued 87,500 shares of common stock and the Company recognized the \$1,400 fair value immediately and (b) became entitled to 87,500 shares of common stock in the event the Company's common stock is listed on the OTC Bulletin Board ("OTCBB"). It is not currently probable that the specified performance criteria will be met and, as a result, the Company has not recognized any expense associated with the latter shares.

On June 1, 2012, the Company entered into a three-month agreement with a consultant to provide business advisory services pursuant to which the consultant is entitled to receive an aggregate of 7,500,000 shares of common stock (2,500,000 shares per month). The agreement was subject to termination on June 30, 2012, or July 31, 2012, upon five days prior written notice from the Company to the consultant. The agreement had not been terminated as of the date of this report and the Company recognized the \$40,000 fair value of the shares issued in connection with services performed in June.

Investor Relations Services

On April 3, 2012, the Company entered into a six-month agreement with a consultant to provide investor relations services whereby the consultant will be paid \$15,000 per month. Unless the agreement is terminated 30 days prior to the end of the six-month period, the agreement will continue, with the consultant being paid \$10,000 per month, subject to a 60 day termination notice. During the three and six months ended June 30, 2012, the Company recorded consulting expense of \$45,000.

Employment Agreements

Chief Executive Officer (the "CEO")

On February 10, 2012, the Board approved (1) the extension of the CEO's employment agreement for an additional two years (through October 2015) at the same compensation as the third year; (2) an option grant to the CEO, as described below; and (3) the payment of a \$70,000 discretionary bonus to the CEO in connection with the signing of the RS Agreement. The employment agreement shall be extended for successive one year periods unless either party provides ninety days written notice to the other party. The discretionary bonus was paid on April 13, 2012. The Company granted a ten-year option to the CEO to purchase an aggregate of 50,000,000 shares of common stock at an exercise price of \$0.021 per share. The option vests to the extent of one-third of the shares immediately, one-third on the first anniversary of the date of grant and one-third on the second anniversary of the date of grant. See Note 8 – Stockholders' Deficiency – Stock Options – Employee Awards for additional details.

Former Chief Financial Officer (the "Former CFO")

On January 4, 2012, the Company agreed to settle the remaining \$46,154 due pursuant to the Former CFO's termination agreement for \$23,077 and the Company recorded a \$23,077 gain on settlement of the payable.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
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Note 8 – Stockholders’ Deficiency

Shareholder Actions

On February 10, 2012, the shareholders of the Company approved (a) an increase in the authorized common stock to 1,500,000,000 shares from 800,000,000 shares; and (b) giving the Board the discretion to effect a reverse stock split of the Company’s common stock by a ratio of not less than 1-for-10 and not more than 1-for-150. The Board has not yet approved a reverse stock split.

Common Stock Issuances

During the six months ended June 30, 2012, the Company issued an aggregate of 27,000,000 shares of common stock at a price of \$0.025 per unit to investors for aggregate gross proceeds of \$675,000. In connection with the purchases, the Company issued warrants for the purchase of an aggregate of 7,750,000 shares of common stock, which are exercisable over a period of five years at exercise prices ranging from \$0.030 to \$0.035 per share of common stock. The warrants had an aggregate grant date value of \$96,431.

See Note 6, Notes Payable for details associated with common stock issued in conjunction with the issuance, extension and exchange of notes payable.

Warrant and Option Valuation

The Company has computed the fair value of warrants and options granted using the Black-Scholes option pricing model. Option forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate will be adjusted periodically based on the extent to which actual option forfeitures differ, or are expected to differ, from the previous estimate, when it is material. The expected term used for warrants is the contractual life and the expected term used for options is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the “simplified” method to develop an estimate of the expected term of “plain vanilla” employee option grants. Since the Company’s stock has not been publicly traded for a long period of time, the Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Stock Warrants

See Note 6, Notes Payable for details associated with the issuance of warrants in connection with note issuances and the extension of debt maturities. See Note 7, Commitments and Contingencies for details associated with the issuance of warrants as compensation. See Note 8, Stockholders’ Deficiency – Common Stock Issuances for details associated with the issuance of warrants in connection with common stock issuances.

In applying the Black-Scholes option pricing model to warrants granted, the Company used the following weighted average assumptions (excludes the impact of the second and third tranches of the RS Warrant; see Note 4 for additional details):

| | Three Months Ended | Six Months Ended |
|-------------------------|---------------------------|-------------------------|
| | June 30, 2012 | June 30, 2012 |
| Risk free interest rate | 0.76% | 0.76% |
| Expected term (years) | 5.00 | 5.00 |
| Expected volatility | 183.00% | 182.93% |
| Expected dividends | 0.00% | 0.00% |

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
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Notes to Condensed Consolidated Financial Statements
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Note 8 – Stockholders’ Deficiency – Continued

Stock Warrants – Continued

The weighted average estimated fair value of the warrants granted during the three and six months ended June 30, 2012 was approximately \$0.013 per share. There were no warrants granted during the three and six months ended June 30, 2011.

The Company recorded stock-based compensation expense of \$180,312 and \$193,112 during the three and six months ended June 30, 2012, respectively, and \$246,299 during the period from December 30, 2008 (inception) to June 30, 2012, related to stock warrants issued as compensation, which is reflected as consulting expense in the condensed consolidated statement of operations. As of June 30, 2012, there was \$287,888 of unrecognized stock-based compensation expense related to stock warrants that will be amortized over a weighted average period of 0.5 years.

A summary of the warrant activity during the six months ended June 30, 2012 is presented below:

| | Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Life In Years | Aggregate Intrinsic Value |
|--------------------------------|-----------------------|--|--|---------------------------------|
| Outstanding, December 31, 2011 | 4,000,000 | \$ 0.020 | | |
| Granted | 125,000,000 | 0.030[1] | | |
| Exercised | - | - | | |
| Forfeited | - | - | | |
| Outstanding, June 30, 2012 | 129,000,000 | \$ 0.030 | 4.7 | \$ 12,000 |
| Exercisable, June 30, 2012 | 67,000,000 | \$ 0.030 | 4.7 | \$ 12,000 |

The following table presents information related to stock warrants at June 30, 2012:

| Warrants Outstanding | | Warrants Exercisable | |
|----------------------|-----------------------|---|--------------------------------------|
| Exercise Price | Number of Warrants | Weighted Average Remaining Life In Years | Exercisable Number of Warrants |
| \$ 0.010 | 2,000,000 | 2.1 | 2,000,000 |
| 0.020 | 2,000,000 | 4.5 | 2,000,000 |
| 0.030 | 86,000,000 | 6.7 | 59,000,000 |
| 0.035 | 2,000,000 | 4.8 | 2,000,000 |
| 0.050 | 2,000,000 | 4.9 | 2,000,000 |
| Variable[1] | 35,000,000 | - | - |
| | 129,000,000 | 4.7 | 67,000,000 |

[1] – Warrants to purchase 35,000,000 shares of common stock, which have an exercise price which is the greater of \$0.03 per share or the fair market value of the common stock on the date certain performance criteria is met, have not been included in the calculation of the weighted average price of options granted. See Note 4 – Intangible Assets.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
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Notes to Condensed Consolidated Financial Statements
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Note 8 – Stockholders’ Deficiency – Continued

Stock Options

In applying the Black-Scholes option pricing model to stock options granted, the Company used the following weighted average assumptions:

| | Three Months Ended | | Six Months Ended | |
|-------------------------|--------------------|---------------|------------------|---------------|
| | June 30, 2012 | June 30, 2011 | June 30, 2012 | June 30, 2011 |
| Risk free interest rate | 0.92% | 1.63% | 0.91% | 1.63% |
| Expected term (years) | 5.95 | 4.44 | 5.40 | 4.44 |
| Expected volatility | 183.00% | 207.00% | 182.06% | 207.00% |
| Expected dividends | 0.00% | 0.00% | 0.00% | 0.00% |

The weighted average estimated fair value of the stock options granted during the three and six months ended June 30, 2012 was approximately \$0.015 and \$0.008 per share, respectively. The weighted average estimated fair value of the stock options granted during the three and six months ended June 30, 2011 was approximately \$0.008 per share.

Employee Awards

On February 10, 2012, the Company granted ten-year options to employees to purchase an aggregate of 54,000,000 shares of common stock at an exercise price of \$0.021 per share, pursuant to the Plan. The options vest as follows: (i) an option granted to the CEO to purchase 50,000,000 shares of common stock vests to the extent of one-third of the shares immediately, one-third on the first anniversary of the date of grant and one-third on the second anniversary of the date of grant; and (ii) options to purchase an aggregate of 4,000,000 shares of common stock vest to the extent of one-half of the shares immediately and one-half on the first anniversary of the date of grant. The aggregate grant date value of \$421,200 will be recognized proportionate to the vesting periods.

On May 3, 2012, the Company granted ten-year options to two employees to purchase an aggregate of 7,550,000 shares of common stock at an exercise price of \$0.028 per share, pursuant to the Plan. Options to purchase 1,550,000 shares vest as follows: (i) 25,000 shares immediately, (ii) 525,000 shares on the first anniversary date, (iii) 500,000 shares on the second anniversary date and (iv) 500,000 shares on the third anniversary date. On June 15, 2012, options to purchase 1,000,000 shares vested as a result of the execution of the Research Agreement. The aggregate grant date value of \$117,010 will be recognized proportionate to the vesting period. Options to purchase the remaining 5,000,000 shares vest subject to the satisfaction of certain performance conditions.

The Company recorded employee stock-based compensation expense of \$53,538 and \$223,612 during the three and six months ended June 30, 2012, respectively, and \$22,463 during the three and six months ended June 30, 2011. During the period from December 30, 2008 (inception) to June 30, 2012, the Company recorded \$687,861 related to employee stock option grants, which is reflected as payroll and benefits expense in the condensed consolidated statement of operations. As of June 30, 2012, there was \$319,660 of unrecognized employee stock-based compensation expense related to stock option grants that will be amortized over a weighted average period of 2.0 years.

Non-Employee Director Awards

On February 10, 2012, the Company granted ten-year options to non-employee directors to purchase an aggregate of 60,000,000 shares of common stock at an exercise price of \$0.021 per share, pursuant to the Plan. The options vest to the extent of one-half of the shares immediately and one-half on the first anniversary of the date of grant. The aggregate grant date value of \$468,000 will be recognized proportionate to the vesting period.

The Company recorded non-employee director stock-based compensation expense of \$58,500 and \$325,000 during the three and six months ended June 30, 2012, respectively, and \$0 during the three and six months ended June 30, 2011, respectively. During the period from December 30, 2008 (inception) to June 30, 2012, the Company recorded \$483,403 related to non-employee director stock option grants. As of June 30, 2012, there was \$143,000 of unrecognized non-employee director stock-based compensation expense related to stock option grants that will be amortized over a weighted average period of 0.6 years.

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
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Notes to Condensed Consolidated Financial Statements
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Note 8 – Stockholders’ Deficiency – Continued

Stock Options – Continued

Consultant Awards

On June 11, 2012, the Company granted a five-year, immediately vested option to an advisor on its Scientific Advisory Board to purchase 250,000 shares of common stock at an exercise price of \$0.022 per share, pursuant to the Plan. The grant date value of \$3,300 will be recognized immediately.

The Company recorded consultant and advisory board stock-based compensation expense of \$4,518 and \$6,544 during the three and six months ended June 30, 2012, respectively, and \$9,532 during the three and six months ended June 30, 2011. During the period from December 30, 2008 (inception) to June 30, 2012, the Company recorded \$18,510 related to consultant and advisory board stock option grants, which is reflected as consulting expense in the condensed consolidated statement of operations. As of June 30, 2012, there was \$4,461 of unrecognized consultant and advisory board stock-based compensation expense related to stock option grants that will be amortized over a weighted average period of 1.0 years.

Option Award Summary

A summary of the option activity during the six months ended June 30, 2012 is presented below:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Life In Years | Intrinsic Value |
|--------------------------------|----------------------|--|--|--------------------|
| Outstanding, December 31, 2011 | 26,150,000 | \$ 0.012 | | |
| Granted | 121,800,000 | 0.021 | | |
| Exercised | - | - | | |
| Forfeited | - | - | | |
| Outstanding, June 30, 2012 | <u>147,950,000</u> | <u>\$ 0.020</u> | <u>9.4</u> | <u>\$ 132,000</u> |
| Exercisable, June 30, 2012 | <u>75,325,666</u> | <u>\$ 0.018</u> | <u>9.1</u> | <u>\$ 132,000</u> |

The following table presents information related to stock options at June 30, 2012:

| Options Outstanding | | Options Exercisable | |
|---------------------|----------------------|---|-------------------------------------|
| Exercise Price | Number of Options | Weighted Average Remaining Life In Years | Exercisable Number of Options |
| \$ 0.010 | 22,000,000 | 8.6 | 22,000,000 |
| 0.020 | 1,500,000 | 9.2 | 1,400,000 |
| 0.021 | 114,000,000 | 9.6 | 48,666,666 |
| 0.022 | 250,000 | 4.9 | 250,000 |
| 0.024 | 500,000 | 3.9 | 500,000 |
| 0.025 | 2,150,000 | 4.5 | 1,484,000 |
| 0.028 | 7,550,000 | 9.8 | 1,025,000 |
| | <u>147,950,000</u> | 9.1 | <u>75,325,666</u> |

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Notes to Condensed Consolidated Financial Statements
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Note 8 – Stockholders’ Deficiency – Continued

Common Stock Awards

Employee Awards

The Company recorded employee stock-based compensation expense of \$0 during the three and six months ended June 30, 2012, and \$0 and \$123,900 during the three and six months ended June 30, 2011, respectively. During the period from December 30, 2008 (inception) to June 30, 2012, the Company recorded \$123,900 related to employee stock grants, which is reflected as payroll and benefits expense in the condensed consolidated statement of operations. As of June 30, 2012, there was no unrecognized employee stock-based compensation expense related to stock grants.

Non-Employee Director Awards

The Company recorded non-employee director stock-based compensation expense of \$0 and \$10,325 during the three and six months ended June 30, 2012, respectively, and \$51,625 during the three and six months ended June 30, 2011. During the period from December 30, 2008 (inception) to June 30, 2012, the Company recorded \$245,015 related to non-employee director stock grants. As of June 30, 2012, there was no unrecognized non-employee director stock-based compensation expense related to stock grants.

Consultant Awards

During the three and six months ended June 30, 2012, the Company issued 2,587,500 and 5,010,600 shares of common stock, respectively, valued at \$41,400 and \$61,415, respectively, in connection with business advisory services agreements.

The Company recorded consultant and advisory board stock-based compensation expense of \$41,400 and \$61,415 during the three and six months ended June 30, 2012, respectively, and \$50,990 and \$136,648 during the three and six months ended June 30, 2011, respectively. During the period from December 30, 2008 (inception) to June 30, 2012, the Company recorded \$1,460,395 related to consultant and advisory board stock grants, which is reflected as consulting expenses in the condensed consolidated statement of operations. As of June 30, 2012, there was no unrecognized consultant and advisory board stock-based compensation expense related to stock grants.

Stock Award Summary

On April 2, 2012, the CEO’s 35,000,000 share stock grant vested as a result of the Company raising in excess of \$2,000,000 of financing since November 4, 2011. The Company has agreed to fund the CEO’s tax liability (approximately \$115,000) in connection with such vesting. The tax liability is unpaid as of the date of this report and is a component of Accrued Payroll and Payroll Taxes (see Note 5 – Accrued Expenses and Other Current Liabilities) in the condensed consolidated balance sheet as of June 30, 2012.

On April 21, 2012, an aggregate of 5,000,000 shares of common stock related to the two non-employee directors’ stock grants vested.

A summary of common stock award activity for the six months ended June 30, 2012 is presented below:

| | <u>Number of Shares</u> | <u>Weighted Average Grant Date Fair Value</u> | <u>Total Grant Date Fair Value</u> |
|-------------------------------|-----------------------------|---|--|
| Non-vested, December 31, 2011 | 40,000,000 | \$ 0.00826 | \$ 330,400 |
| Granted | 5,010,600 | 0.01226 | 61,415 |
| Vested | (45,010,600) | 0.00870 | (391,815) |
| Forfeited | - | - | - |
| Non-vested, June 30, 2012 | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> |

BIORESTORATIVE THERAPIES, INC. & SUBSIDIARIES
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Note 9 – Subsequent Events

Notes Payable

On July 24, 2012, the Company issued an investor a note payable in the amount of \$37,500, which consisted of \$12,500 of new proceeds and \$25,000 of extended note proceeds. In connection with the note, 250,000 shares of common stock, with a relative fair value of \$3,030, and five-year warrants to purchase an aggregate of 250,000 shares of common stock at an exercise price of \$0.03 per share, with a relative fair values of \$3,280, were issued and were recorded as a debt discount. The note is payable 6 months from the date of issuance and has a rate of interest of 15% per annum, payable monthly.

On August 8, 2012, the Company issued an investor a note payable in the amount of \$250,000. In connection with the note, a five-year warrant to purchase an aggregate of 3,000,000 shares of common stock at an exercise price of \$0.05 per share, with a relative fair value of \$37,851, was issued and was recorded as a debt discount. The note is payable 12 months from the date of issuance and has a rate of interest of 8% per annum, payable at maturity. The holder of the note is entitled to, in addition to the warrant, (a) mandatory prepayment of the note in an amount equal to 5% of Cosmetic Revenues (as defined in the note); and (b) five years of royalty payments associated with Cosmetic Revenues, ranging from 1% of Cosmetic Revenues during the initial two year period to 0.5% of Cosmetic Revenues, subject to a \$100,000 annual maximum, during each of the final three years. Given that the Company has not yet generated any Cosmetic Revenues, it is not deemed probable for accounting purposes that royalty payments will be due.

Subsequent to June 30, 2012, the maturity dates of certain notes payable with an aggregate principal balance of \$112,500 (inclusive of the \$25,000 of extended note proceeds discussed above) were extended to September 2012 through January 2013 and the investors received an aggregate of 250,000 shares of common stock with a relative fair value of \$3,448. All of the extended notes bear a 15% interest rate per annum payable monthly.

Issuance of Common Stock

Subsequent to June 30, 2012, the Company issued an aggregate of 6,000,000 shares of common stock at a price of \$0.025 per share to investors for aggregate gross proceeds of \$150,000. In consideration of the purchase, the Company issued warrants for the purchase of an aggregate of 2,500,000 shares of common stock, which are exercisable over a period of five years at exercise prices ranging from \$0.030 to \$0.050 per share of common stock. The warrants had an aggregate grant date value of \$37,520.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the results of operations and financial condition of BioRestorative Therapies, Inc. (and including its subsidiaries, "BRT" or the "Company") as of June 30, 2012 and December 31, 2011 and for the three and six months ended June 30, 2012 and 2011 should be read in conjunction with our financial statements and the notes to those financial statements that are included elsewhere in this Quarterly Report on Form 10-Q. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us," "we," "our," and similar terms refer to BRT. This Quarterly Report contains forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this Quarterly Report 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 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors That May Affect Results and Financial Condition") of our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission (the "SEC") on April 16, 2012.

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.

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 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. 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 have also entered into a license agreement which permits us to use technology for adult stem cell treatment of disc and spine conditions, including bulging and herniated discs. The technology is an advanced stem cell injection procedure that may offer relief from lower back pain, buttock and leg pain, and numbness and tingling in the legs and feet.

We also operate a wholly-owned subsidiary, Stem Pearls, LLC, which offers facial creams and other skin care products with certain ingredients that may include plant 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, raising capital and the sponsorship of research and development activities. We have not generated significant revenues. Our web site address is www.biorestorative.com.

Since inception, we have incurred substantial losses. As of June 30, 2012, our accumulated deficit was \$10,665,031, our stockholders' deficiency was \$4,257,729 and our working capital deficiency was \$5,552,923. As of June 30, 2012, we have not yet generated significant 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 June 30, 2012 and the lack of substantial revenues from inception to June 30, 2012, we require equity and/or debt financing to continue our operations. Between December 2008 and June 30, 2012, we raised an aggregate of \$5,542,824 in debt financing and \$1,566,300 in equity financing. As of June 30, 2012, our outstanding debt of \$4,509,185, together with interest at rates ranging between 10% and 15% per annum, is due between March 2012 and June 2013. Subsequent to June 30, 2012, we have received equity financing of \$150,000, received debt financing of \$262,500 and have extended the due date for repayment with respect to \$112,500 of debt. As a result, we expect that the cash we have available will fund our operations only until September 2012. 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 promotional 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 June 30, 2012 Compared with Three Months Ended June 30, 2011

The following table presents selected items in our unaudited condensed consolidated statements of operations for the three months ended June 30, 2012 and 2011, respectively.

| | For The Three Months Ended June 30, | |
|-------------------------------|--|-----------------------|
| | 2012 | 2011 |
| Revenues | \$ 10,000 | \$ - |
| Operating Expenses: | | |
| Marketing and promotion | 30,609 | 17,033 |
| Payroll and benefits | 536,810 | 338,344 |
| Consulting expense | 409,000 | 239,397 |
| General and administrative | 371,698 | 443,456 |
| Research and development | 54,723 | - |
| Loss From Operations | (1,392,840) | (1,038,230) |
| Interest expense | (164,061) | (58,848) |
| Amortization of debt discount | (89,250) | (107,762) |
| Net Loss | <u>\$ (1,646,151)</u> | <u>\$ (1,204,840)</u> |

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 June 30, 2012, marketing and promotion expenses increased by \$13,576, or 80%, as compared to the three months ended June 30, 2011.

We expect that marketing and promotion expenses will 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, payroll taxes, severance costs and stock-based compensation to employees. For the three months ended June 30, 2012, payroll and benefits increased \$198,466, or 59%, primarily as a result of an increase in salary and executive bonus expense and the tax liability associated with the vesting of our CEO's restricted stock, partially offset by a decline in severance expense.

Consulting expenses

Consulting expenses consist of consulting fees and stock-based compensation to consultants. For the three months ended June 30, 2012, consulting expenses increased \$169,603, or 71%, compared to the three months ended June 30, 2011. The increase is primarily due to increased non-cash stock-based compensation to directors, consultants, and advisors.

General and administrative expenses

General and administrative expenses consist primarily of corporate support expenses such as legal and professional fees, investor relations and occupancy related expenses. For the three months ended June 30, 2012, general and administrative expenses decreased by \$71,758, or 16%, as compared to the three months June 30, 2011. The decrease is primarily a result of a decrease in legal and accounting expenditures in the current quarter as a result of the filing of our Registration Statement on Form 10 during the three months ended June 30, 2011.

We expect that our general and administrative expenses will 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 are expensed as they are incurred. For the three months ended June 30, 2012, research and development expenses increased by \$54,723 as compared to the three months ended June 30, 2011. The increase is related to the commencement of our brown fat and disc/spine initiatives in the second quarter of 2012.

We expect that our research and development expenses will continue to increase with the commencement of the aforementioned initiatives.

Interest expense

For the three months ended June 30, 2012, interest expense increased \$105,213, or 179%, as compared to the three months ended June 30, 2011. The increase was mostly due to an increase in outstanding short-term borrowings in the second quarter of 2012 as compared to the second quarter of 2011.

Amortization of debt discount

For the three months ended June 30, 2012, amortization of debt discount decreased \$18,512, or 17%, as compared to the three months ended June 30, 2011.

Six Months Ended June 30, 2012 Compared with Six Months Ended June 30, 2011

The following table presents selected items in our unaudited condensed consolidated statements of operations for the six months ended June 30, 2012 and 2011, respectively.

| | For The Six Months Ended June 30, | |
|--|--|----------------|
| | 2012 | 2011 |
| Revenues | \$ 10,000 | \$ - |
| Operating Expenses: | | |
| Marketing and promotion | 70,596 | 61,838 |
| Payroll and benefits | 1,041,228 | 881,775 |
| Consulting expense | 827,966 | 435,255 |
| General and administrative | 730,502 | 676,968 |
| Research and development | 56,773 | - |
| Loss From Operations | (2,717,065) | (2,055,836) |
| Interest expense | (291,158) | (83,253) |
| Amortization of debt discount | (155,387) | (178,848) |
| Gain on settlement of note and payables, net | 23,077 | - |
| Net Loss | \$ (3,140,533) | \$ (2,317,937) |

Marketing and promotion expenses

Marketing and promotion expenses include advertising and promotion, marketing and seminars, meals, and entertainment and travel expenses. For the six months ended June 30, 2012, marketing and promotion expenses increased by \$8,758, or 14%, as compared to the six months ended June 30, 2011.

We expect that marketing and promotion expenses will 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, payroll taxes, severance costs and stock-based compensation to employees. For the six months ended June 30, 2012, payroll and benefits increased \$159,453, or 18%, primarily as a result of an increase in salary and executive bonus expense, the tax liability associated with the vesting of our CEO's restricted stock and an increase in stock-based compensation expense related to options granted to our employees and our CEO, partially offset by a decrease in severance expenses and salary expenses for former employees.

Consulting expenses

Consulting expenses consist of consulting fees and stock-based compensation to consultants. For the six months ended June 30, 2012, consulting expenses increased \$392,711, or 90%, compared to the six months ended June 30, 2011. The increase is primarily due to increased non-cash stock-based compensation to directors, consultants, and advisors.

General and administrative expenses

General and administrative expenses consist primarily of corporate support expenses such as legal and professional fees, investor relations and occupancy related expenses. For the six months ended June 30, 2012, general and administrative expenses increased by \$53,534, or 8%, as compared to the six months June 30, 2011. The increase is primarily due to an inducement charge for the excess in fair value of warrants exchanged for debt.

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 are expensed as they are incurred. For the six months ended June 30, 2012, research and development expenses increased by \$56,773, as compared to the six months ended June 30, 2011. The increase is related to the commencement of our brown fat and disc/spine initiatives in the second quarter of 2012.

We expect that our research and development expenses will continue to increase with the commencement of the aforementioned initiatives.

Interest expense

For the six months ended June 30, 2012, interest expense increased \$207,905, or 250%, as compared to the six months ended June 30, 2011. The increase was mostly due to an increase in outstanding short-term borrowings in the first half of 2012 as compared to the first half of 2011.

Amortization of debt discount

For the six months ended June 30, 2012, amortization of debt discount decreased \$23,461, or 13%, as compared to the six months ended June 30, 2011.

Gain on settlement of note and payables, net

For the six months ended June 30, 2012, gain on settlement of note and payables, net increased \$23,077 due to the settlement of a payable to our former chief financial officer.

Liquidity and Capital Resources

Liquidity

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

| | June 30, 2012 | December 31, 2011 |
|---------------------------------|--------------------------|------------------------------|
| Cash | <u>\$ 12,571</u> | <u>\$ 71,508</u> |
| Working Capital Deficiency | <u>\$ (5,552,923)</u> | <u>\$ (3,788,947)</u> |
| Notes Payable (Gross - Current) | <u>\$ 4,509,185</u> | <u>\$ 3,190,000</u> |

Availability of Additional Funds

Based upon our working capital deficiency of \$5,552,923 as of June 30, 2012 and the insignificance of the revenues from inception to June 30, 2012, we require equity and/or debt financing to continue our operations. Between December 2008 and June 30, 2012, we raised an aggregate of \$5,542,824 in debt financing and \$1,566,300 in equity financing. As of June 30, 2012, our outstanding debt of \$4,509,185, together with interest at rates ranging between 10% and 15% per annum, is due between March 2012 and June 2013. Subsequent to June 30, 2012, we have received equity financing of \$150,000, received debt financing of \$262,500 (which is due between 6 and 12 months) and have extended the due date for repayment with respect to \$112,500 of debt. We have certain notes payable aggregating \$272,500 which matured between May 2012 and August 2012. As of the date of this filing, we have not received any notices of default with respect to these notes. As of the date this Quarterly Report on Form 10-Q was filed, our outstanding debt was \$4,771,685.

As a result, we believe that the cash we have available will fund our operations only until September 2012. Thereafter, we will need to raise further capital, through the sale of additional equity or debt securities, 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. 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 unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q 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.

During the six months ended June 30, 2012, our sources and uses of cash were as follows:

Net Cash Used in Operating Activities

We experienced negative cash flow from operating activities for the six months ended June 30, 2012 and 2011 in the amounts of \$1,650,589 and \$1,420,754, respectively. The cash used in operating activities for the six months ended June 30, 2012 was primarily due to cash used to fund a net loss of \$3,140,533, adjusted for non-cash expenses related to depreciation and amortization, amortization of debt discount, stock-based compensation, loss on extinguishment and a gain on settlement of note and payables in the aggregate amount of \$1,042,347, partially offset by \$447,597 of cash provided by changes in the levels of operating assets and liabilities as a result of increases in accounts payable, accrued expenses and other liabilities. The cash used in operating activities for the six months ended June 30, 2011 was due to cash used to fund a net loss of \$2,317,937, adjusted for non-cash expenses related to depreciation and amortization, amortization of debt discount, and stock-based compensation in the aggregate amount of \$575,419, partially offset by \$321,764 of cash provided by changes in the levels of operating assets and liabilities.

Net Cash Used in Investing Activities

During the six months ended June 30, 2012, cash used in investing activities was \$1,002,533, primarily due to cash used to acquire intangible assets in the amount of \$1,000,000 and the purchase of computer software and equipment in the amount of \$2,533. During the six months ended June 30, 2011, cash of \$17,772 was used in investing activities to acquire furniture, fixtures and office equipment.

Net Cash Provided by Financing Activities

Cash provided by financing activities during the six months ended June 30, 2012 and 2011 was \$2,594,185 and \$1,427,637, respectively. During the six months ended June 30, 2012, \$675,000 of proceeds were from equity financing and \$1,919,185 of net proceeds were from debt financing. During the six months ended June 30, 2011, the net proceeds were entirely from debt financing.

Critical Accounting Policies and Estimates

Changes to our critical accounting policies include the following:

Intangible Assets

Intangible assets are comprised of trademarks and licenses with estimated useful lives of 10 and 17.7 years (20 year life of underlying patent, less 2.3 years elapsed since patent application), respectively. Once placed into service, the Company amortizes the cost of the intangible assets over their estimated useful lives on a straight line basis.

Revenue Recognition

For the three and six months ended June 30, 2012, the Company's revenue was entirely attributable to sublicense fees. The Company recognizes sublicensing revenue when all of the following have occurred: (i) persuasive evidence of an arrangement exists, (ii) the service is completed without further obligation, (iii) the sales price to the customer is fixed or determinable, and (iv) collectability is reasonably assured.

There are no further material changes from the critical accounting policies set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K filed on April 16, 2012. Please refer to that document for disclosures regarding the critical accounting policies related to our business.

Off-Balance Sheet Arrangements

None.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4: Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Principal Executive and Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls are procedures which are designed with the objective of providing reasonable assurance that (1) our transactions are properly authorized, recorded and reported; and (2) our assets are safeguarded against unauthorized or improper use, to permit the preparation of our condensed consolidated financial statements in conformity with United States generally accepted accounting principles.

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, management, with the participation of our Principal Executive and Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)). Based upon that evaluation, our Principal Executive and Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective.

Changes in Internal Controls

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f)) during the quarter ended June 30, 2012, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations of the Effectiveness of Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations of any control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

PART II - OTHER INFORMATION

Item 1. 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 1A. Risk Factors.

Not applicable.

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

During the three months ended June 30, 2012, we issued 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 (including information contained in our Registration Statement on Form 10, as amended, quarterly report for the period ended September 30, 2011, in some cases our annual report for the year ended December 31, 2011 (released on April 16, 2012) and our quarterly report for the period ended March 31, 2012 (released on May 14, 2012 and amended on June 1, 2012), and current reports to the Securities and Exchange Commission and press releases made by us), and we were available to answer questions by prospective investors. We reasonably believe that each of the investors is an accredited investor. The proceeds were used to reduce our working capital deficit.

| DATE ISSUED | NUMBER OF SHARES | | PURCHASER(S) | CONSIDERATION (1) | |
|-------------|---------------------|-----|----------------------------|-------------------|-----|
| 4/4/12 | 4,000,000 | (4) | | \$ 100,000 | (3) |
| 4/4/12 | 2,000,000 | (4) | | \$ 50,000 | (3) |
| 4/4/12 | 3,000,000 | (4) | | \$ 75,000 | (3) |
| 4/4/12 | 2,500,000 | (4) | | \$ 50,000 | (6) |
| 4/4/12 | 4,000,000 | (4) | | \$ 100,000 | (3) |
| 4/4/12 | 2,000,000 | (4) | | \$ 50,000 | (3) |
| 4/10/12 | 2,500,000 | (4) | | \$ 50,000 | (6) |
| 4/12/12 | 1,250,000 | (4) | | \$ 25,000 | (6) |
| 4/17/12 | 2,500,000 | (4) | | \$ 50,000 | (6) |
| 4/19/12 | 2,500,000 | (4) | | \$ 50,000 | (6) |
| 4/21/12 | 1,250,000 | (4) | | \$ 25,000 | (6) |
| 5/15/12 | 2,500,000 | (4) | | \$ 50,000 | (6) |
| 5/15/12 | 1,250,000 | (4) | | \$ 25,000 | (6) |
| 5/22/12 | 7,500,000 | (4) | | \$ 150,000 | (6) |
| 5/22/12 | 2,500,000 | (4) | | \$ 50,000 | (6) |
| 5/22/12 | 87,500 | | Todd Heinzl | \$ 1,400 | (2) |
| 5/25/12 | 250,000 | (4) | | \$ 3,030 | (5) |
| 6/1/12 | 2,500,000 | | Steeltown Consulting Group | \$ 40,000 | (2) |
| 6/12/12 | 1,000,000 | (4) | | \$ 25,000 | (3) |

- (1) The value of the non-cash consideration was estimated to be the fair value (relative fair value in the case of shares issued in connection with debt issuance) of our restricted common stock, which was estimated based on (i) historical observations of cash prices paid for our restricted common stock; and (ii) publicly traded prices after taking into account discounts for the applicable restrictions.
- (2) Issued in consideration of business advisory services.
- (3) Issued in connection with warrants.
- (4) Accredited investor.
- (5) Issued as debt discount in connection with loans.
- (6) Issued in consideration of debt exchange.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

| Exhibit | Description |
|----------------|--|
| 10.1 | Assignment Agreement, dated as of June 15, 2012, between the University of Utah Research Foundation and BioRestorative Therapies, Inc. * |
| 10.2 | Research Agreement, dated as of June 15, 2012, between BioRestorative Therapies, Inc. and the University of Utah * |
| 31.1 | Chief Executive Officer Certification * |
| 31.2 | Chief Financial Officer Certification * |
| 32 | Section 1350 Certification ** |
| 101.INS | XBRL Instance Document ** |
| 101.SCH | XBRL Schema Document ** |
| 101.CAL | XBRL Calculation Linkbase Document ** |
| 101.DEF | XBRL Definition Linkbase Document ** |
| 101.LAB | XBRL Label Linkbase Document ** |
| 101.PRE | XBRL Presentation Linkbase Document ** |
| * | Filed herewith |
| ** | Furnished herewith |

SIGNATURES

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

Date: August 14, 2012

BIORESTORATIVE THERAPIES, INC.

By: /s/ Mark Weinreb
Mark Weinreb
Chief Executive Officer
(Principal Executive and Financial Officer)

ASSIGNMENT AGREEMENT

This Assignment Agreement (“Agreement”) is between the University of Utah Research Foundation, having a place of business at 615 Arapeen Dr., Suite 310, Salt Lake City, UT 84108 (hereinafter referred to as “Foundation”), and BioRestorative Therapies, Inc., a Nevada corporation having its principal place of business at 555 Heritage Drive, Jupiter, FL 33458 (hereinafter referred to as “BRT”).

1. Recitals

- 1.1. Whereas, Foundation owns all right, title and interest in and to the Patents (as defined below), which Patents were created at The University of Utah (“University”).
- 1.2. Whereas, BRT desires to acquire and Foundation is willing to assign to BRT all of Foundation’s right, title, and interest in and to the Patents and any inventions disclosed and claimed therein.
- 1.3. Whereas, Foundation has determined that such assignment, use, development and commercialization of the Patents is in the public’s best interest and is consistent with Foundation’s educational and research missions and goals.
- 1.4. Whereas, Foundation has provided to BRT copies of the provisional application with respect to the Patents and the assignment from the inventors thereof to Foundation, in each case as filed with the United States Patent and Trademark Office .

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties agree as follows:

2. Definitions

- 2.1 “**Affiliate**” means any Entity that controls, is controlled by, or is under common control with BRT, directly or indirectly. For purposes of this definition, “control” and its various inflected forms means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Entity, whether through ownership of voting securities, by contract or otherwise.
- 2.2 “**Effective Date**” means June 15, 2012.
- 2.3 “**Entity**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government.

University of Utah
Technology Commercialization Office

- 2.4 **“Know-How”** means all information, know-how, show-how, ideas, data, inventions, designs, specifications, processes, techniques, formulae, sketches, drawings, models, databases, research, experimental work, development, software programs and applications, software source documents, studies, works of authorship, trade secrets, technology and other intellectual property rights.
- 2.5 **“Licensee”** means any party that enters into an agreement or arrangement with BRT, or receives a license grant from BRT under the Patents, to manufacture, have manufactured, offer for sale, sell, lease, distribute, market and/or import the Products (a “License Agreement”). “Licensee” also means any corporate or business entity established by BRT for the commercialization or Sale of Products.
- 2.6 **“Patent Revenue”** means any monies, royalties, payments, cash equivalent (including non-cash consideration), or other consideration received by BRT or any of its Affiliates from third parties from the use, lease, other commercialization, licensing, infringement, litigation (after deduction of all reasonable costs of litigation directly related to achieve recovery) or Sale of the Patents. In no event will “Patent Revenue” include any of the following: (a) cash, quantity and other trade discounts, credits or allowances; (b) credits or allowances granted upon returns, rejections or recalls; (c) amounts payable resulting from governmental (or any agency thereof) mandated rebate programs; (d) chargebacks and other amounts paid on the sale or dispensing of Products; (e) taxes, tariffs and duties; (f) transportation, freight, postage, importation, insurance and other handling expenses; (g) delayed ship order credits; (h) discounts pursuant to indigent patient programs and patient discount programs and coupon discounts; (i) amounts received from Foundation or the University or any Affiliate thereof; (j) amounts received as grants from any governmental body, quasi-governmental body or foundation; or (k) amounts received from third parties in connection with clinical trials.
- 2.7 **“Patents”** means and includes all of the following Foundation intellectual property: the United States patents and/or patent applications listed in Exhibit “B”; United States patents issued from the applications listed in Exhibit “B” and from divisionals and continuations (other than continuations-in-part) of these applications and any reissues of such United States patents; claims of continuation-in-part applications and patents directed to subject matter specifically described in the applications listed in Exhibit “B”; and claims of all foreign applications and patents which are directed to subject matter specifically described in the United States patents and/or patent applications listed in Exhibit “B”.
- 2.8 **“Products”** means any product or products, apparatus, kit or component part thereof, method, procedure, process, or any other subject matter the manufacture design, creation, use, importation, distribution, or sale of which is covered by any claim or claims included within the Patents. Products will also include any service rendered through the use of a product, process, method, or machine covered by any claim of the Patents.
- 2.9 **“Revenue Report”** means the report due from BRT to Foundation as set forth in Section 5.1 below and as in the form set forth in Exhibit “C”.
- 2.10 **“Sublicensee”** means any party that enters into an agreement or arrangement with a Licensee, or receives a license grant from a Licensee or a Sublicensee under the Patents, to manufacture, have manufactured, offer for sale, sell, lease, distribute, market and/or import the Products (a “Sublicense Agreement”).

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- 2.11 “**Sale, Sell or Sold**” means any bona fide transaction for which consideration (cash, cash equivalents and non-cash) is received or expected for the sale, use, lease, transfer, or other disposition of the Patents. A Sale will be deemed completed at the time BRT receives payment.

3. Assignment

- 3.1 Concurrent with the execution of this Agreement, Foundation shall execute and deliver to BRT the Assignment attached hereto as Exhibit “A”, which transfers, grants, conveys, assigns, and relinquishes exclusively to BRT all of Foundation’s right, title, and interest in and to the Patents and the inventions claimed therein in perpetuity. Foundation further agrees to perform any reasonable act deemed necessary or helpful to carry out the intent of this Agreement.
- 3.2 In furtherance of this Agreement, Foundation hereby acknowledges that, from the Effective Date forward, BRT has succeeded to all of Foundation’s right, title, and standing to receive all rights and benefits pertaining to the Patents, to institute and to prosecute all suits and proceedings and to take all actions that BRT, in its sole discretion, may deem necessary or proper to collect, assert, or enforce any claim, right, or title of any kind under any and all of the Patents, whether arising before or after the Effective Date, to defend any and all such actions, suits, or proceedings relating to such transferred and assigned right, title, interest, and benefits, and to do all other such acts and things in relation thereto as BRT, in its sole discretion, deems advisable.

4. Payments and Fees

In consideration for the assignment of the Patents by Foundation to BRT, BRT agrees that:

4.1 Payments

- a. BRT will pay Foundation a non-refundable assignment fee of fifteen thousand dollars (\$15,000) (the “Assignment Fee”) at the time of the execution of this Agreement. The Assignment Fee shall be deemed earned and immediately payable upon execution of this Agreement. Failure to pay the Assignment Fee on or before thirty (30) days following execution of this Agreement by both parties shall terminate this Agreement.
- b. In addition, in consideration of the accuracy of the representations and warranties made in this Agreement, BRT will pay Foundation a royalty equal to five percent (5%) of Patent Revenue for a period of twenty (20) years from the Effective Date (the “Royalty Term”). Payments will be made simultaneously with the delivery of the Revenue Reports required under Section 5.1.

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4.2 Future Patent Expenses

BRT understands that it will, at its discretion, be responsible for all Patent costs incurred from the Effective Date.

4.3 Reference

Each payment will reference U-5283.

5. Reports

5.1 Revenue Reports

Upon the execution of a License Agreement, Sublicense Agreement or first Sale, BRT will, within thirty (30) days after the calendar year in which Patent Revenue first occurs, and within thirty (30) days of each July 1 and January 1 thereafter, deliver to Foundation a true and accurate written Revenue Report, giving the particulars of the business conducted with the Patents during the preceding six (6) calendar months as are pertinent to calculating payments hereunder. The Revenue Report will be in the form set forth in Exhibit "C" (Form of Revenue Report). BRT will deliver Revenue Reports to Foundation during the Royalty Term.

Reports will be sent to:

University of Utah Research Foundation
Technology Commercialization Office
Re: U-5283.
615 Arapeen Dr., Suite 310
Salt Lake City, UT 84108

6. Payment, Records, and Audits

6.1 Payments

All dollar amounts referred to in this Agreement are expressed in United States dollars without deduction of exchange, collection, wiring fees, bank fees, taxes, assessments, fees, or any other charges. Each payment will reference U-5283. All payments to Foundation will be made in United States dollars by wire transfer or check payable to the University of Utah Research Foundation and sent to:

Technology Commercialization Office
Attn: Accounts Receivable
The University of Utah
615 Arapeen Dr. #310
Salt Lake City, UT 84108

6.2 Late Payments

In the event that payments or other fees are not received by Foundation when due hereunder, and such failure continues unremedied for a period of fifteen (15) days following receipt of written notice thereof from Foundation, BRT shall pay to Foundation interest charges at the rate of twelve percent (12%) per annum on the total unpaid payments or fees due for the reporting period.

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6.3 Records

BRT will maintain, and cause its Licensees and Affiliates to maintain, complete, true and accurate books and records that may be necessary for the purpose of showing the amounts payable to Foundation hereunder. The records supporting each Revenue Report will be maintained for three (3) years after the submission of each report under Section 5.1.

6.4 Auditing

Said books and records, and the supporting data, shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain, to inspection by Foundation or its agents, upon reasonable prior notice to BRT, for the purpose of verifying BRT's Revenue Reports and payments or compliance in other respects with this Agreement. Such access will be available to Foundation during normal business hours upon not less than ten (10) days written notice to BRT, not more than once each calendar year during the Royalty Term, and once during the year immediately following the expiration of the Royalty Term. The results of such inspection shall be made available to BRT promptly. In the event such inspection demonstrates a greater than ten percent (10%) discrepancy in reporting to Foundation's detriment, BRT agrees to pay the full reasonable cost of such inspection. Any information or data obtained by Foundation or its agents shall be kept strictly confidential and shall not be used for any purpose other than to determine the amount of royalties payable to Foundation hereunder.

7. Infringement and Litigation

7.1 Notification

- a. BRT is responsible for notifying Foundation in the Revenue Report of any litigation concerning, or infringement of, Patents that may come to its attention.
- b. Foundation will notify BRT of any litigation concerning, or infringement of, Patents that may come to its attention.

8. Warranty and Indemnification

- 8.1 Foundation represents and warrants that (a) it has the right to enter into this Agreement and to assign all of its right, title and interest in and to the Patents to BRT, (b) it owns all right, title and interest in and to the Patents free and clear of any and all liens, security interests, claims and other encumbrances and (c) neither Foundation nor University has received any notice, written or oral, and neither Foundation nor University otherwise has any knowledge that, the Patents infringe, or that any Entity claims that the Patents infringe, the intellectual property rights of any Entity; provided, however, that, with respect to (c) above, no representation or warranty is made with respect to any University employee other than Dr. Amit Patel and persons working under his direct or indirect supervision.

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- 8.2 **EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.1, THE PARTIES ACKNOWLEDGE AND AGREE THAT FOUNDATION HAS MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL FOUNDATION BE HELD RESPONSIBLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF PATENTS, EVEN IF FOUNDATION IS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.**
- 8.3 Nothing in this Agreement shall be construed as:
- a. a warranty or representation by Foundation as to the validity or scope of any Patents;
 - b. a warranty or representation by Foundation that anything made, used, sold or otherwise disposed of pursuant to any rights granted under this Agreement is or will be free from infringement of intellectual property rights of third parties;
 - c. an obligation by Foundation to bring or prosecute actions or suits against third parties for patent infringement;
 - d. conferring by implication, estoppel or otherwise any license or rights under any patents of Foundation other than the Patents.
- 8.4 BRT shall indemnify, hold harmless and defend Foundation, the University and their respective officers, employees and agents, against any and all claims, suits, losses, damages, costs, liabilities, fees and expenses (including reasonable fees of attorneys) resulting from or arising out of : (a) exercise of the rights granted to BRT under this Agreement; (b) any act, error, or omission of BRT, its agents, employees, Affiliates, or Sublicensees; or (c) use, commercialization, or enforcement of the Patents. Foundation shall give BRT timely notice of any claim or suit instituted of which Foundation has knowledge, and Foundation shall have the right at its own expense to participate in the defense of the same.
- 8.5 Foundation is a government entity and is subject to the Utah Governmental Immunity Act, Section 63-30d-101 et seq., Utah Code Ann. (1997 and Supp. 2005), as amended (the "Act"). Subject to the Act, Foundation shall indemnify, defend and hold harmless BRT, its directors, officers, agents and employees against any and all claims, suits, losses, damages, costs, liabilities, fees and expenses (including reasonable fees of attorneys) resulting from negligent acts by Foundation pursuant to this Agreement. Nothing in this Agreement shall be construed as a waiver of any rights or defenses applicable to Foundation under the Act, including without limitation, the provisions of Section 63-30d-604 regarding limitation of judgments.
- 8.6 Notwithstanding any provision in this Agreement to the contrary, Foundation's aggregate liability under this Agreement shall not exceed the aggregate amounts received by Foundation from BRT, its Affiliates, Licensees and Sublicensees pursuant to Section 4 (Payments and Fees) hereunder from and after the Effective Date.

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9. Publicity

- 9.1 Publicity. Neither party shall have the right to make any public announcements or other disclosures with respect to this Agreement, nor disclose the terms of this Agreement, without the prior written consent of the other party, except as follows:
- a. Upon BRT's request, the parties shall exercise good faith efforts to reach agreement on the text of a press release regarding this Agreement.
 - b. Each party may disclose the terms of this Agreement to the extent such disclosure is required by law (including without limitation by rules or regulations of the Securities and Exchange Commission, any securities exchange or NASDAQ) or to defend or prosecute litigation or arbitration; provided, that, prior to such disclosure, to the extent permitted by law or such rules or regulations, the disclosing party promptly notifies the other party of such requirement and the disclosing party furnishes only those terms of this Agreement that the disclosing party is legally required to furnish.
 - c. BRT may disclose this Agreement to (i) BRT's then-current and potential Licensees and Sublicensees, and (ii) BRT's then-current and potential directors, investors, lenders and acquirers; provided, that such Entities are bound to maintain the confidentiality of this Agreement to the same extent as if they were parties hereto

10. Miscellaneous

- 10.1 Foundation and University shall retain a royalty free, nonexclusive license to practice the Patents solely for academic research and educational non commercial uses, which shall include the right to publish the general scientific findings from research conducted in whole or in part at the University related to the Patents and include such findings in grant applications.
- 10.2 This Agreement shall inure to the benefit of, and be binding upon, the parties hereto together with their respective legal representatives, successors, and assigns.
- 10.3 This Agreement merges and supersedes all prior and contemporaneous agreements, assurances, representations, and communications between or among the parties hereto concerning the matters set forth herein.
- 10.4 Subject to the provisions of the Research Agreement of even date by and between BRT and University, it is understood that any inventions, developments and improvements developed in the future shall belong to University according to policy, where applicable.

[Remainder of page intentionally left blank. Signature page follows.]

University of Utah
Technology Commercialization Office

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

BioRestorative Therapies, Inc.

University of Utah Research Foundation

By: /s/ Mark Weinreb
(Signature)

By: /s/ Thomas N. Parks
(Signature)

Name: Mark Weinreb

Name: Thomas N. Parks

Title: Chief Executive Officer

Title: President

Date: June 8, 2012

Date: June 18, 2012

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EXHIBIT A

ASSIGNMENT

Whereas, University of Utah Research Foundation, a corporation of the State of Utah, having a place of business at 615 Arapeen Dr., Suite 310, Salt Lake City, UT 84108 is the owner of the entire right, title and interest in and to application for United States Letters Patent entitled Methods of Derivation & Isolation of Human Brown Fat Cell Lines, filed in the United States Patent and Trademark Office as Serial No. 61/632,122 on January 18, 2012 and to application for United States Letters Patent entitled Methods of Derivation & Isolation of Human Brown Fat Cell Lines, filed in the United States Patent and Trademark Office as Serial No. 61/632,516 on January 25, 2012 which applications are incorporated herein by this reference; and the invention therein described; and

Whereas, BioRestorative Therapies, Inc., a corporation of the State of Nevada, having a place of business at 555 Heritage Drive, Suite 130, Jupiter, Florida 33458 ("BRT") is desirous of acquiring the entire right, title and interest in and to the said inventions within the United States of America and its territorial possessions and within the countries foreign to the United States and any United States or foreign Letters Patent that may be granted therefor; and in and to said applications;

Now, Therefore, in consideration of the sum of One Dollar (\$1.00) paid by BRT to the University of Utah Research Foundation and other good and valuable consideration, the receipt of which is hereby acknowledged, the University of Utah Research Foundation has sold, assigned and transferred and by these presents does hereby sell, assign and transfer unto the said BRT the entire right, title and interest in and to the said inventions within the United States of America and its territorial possessions and within all countries foreign to the United States and in and to any United States or foreign Letters Patent that may be granted therefor and in and to the said applications and in and to any and all divisions, reissues, continuations, continuations in part, and extensions thereof and in and to any Letters Patent that may be granted thereon, all said rights to be held and enjoyed by BRT for its own use and enjoyment, and the use and enjoyment of its successors and assigns, to the full end of the term or terms for which said Letters Patent may be granted as fully and entirely as the same would have been held and enjoyed by the University of Utah Research Foundation if this assignment, transfer and sale had not been made.

The University of Utah Research Foundation hereby authorizes and requests the United States Commissioner of Patents and Trademarks and all authorized officials of foreign patent offices to issue the said Letters Patent, when granted, to said BRT as the Inventor(s) of its entire right, title and interest in and to the same, for the sole use and enjoyment of said BRT, its successors and assigns.

University of Utah
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In Testimony Whereof, the University of Utah Research Foundation has caused the hand of its proper representative to be subscribed hereto this _____ day of _____, 2012.

UNIVERSITY OF UTAH RESEARCH FOUNDATION

By _____

STATE OF UTAH)

: SS.

COUNTY OF SALT LAKE)

On _____, 2012, before me personally appeared _____, _____ of said University of Utah Research Foundation known to me to be the person described and who signed the foregoing Assignment in my presence and acknowledged under oath before me that he has read the same and knows the contents thereof and that the same is true of his own knowledge excepting as to matters therein alleged upon information and belief and as to those matters he believes them to be true, and that he executed the same as his free act and deed and for the purposes set forth therein.

NOTARY PUBLIC

Residing at

My Commission expires:

University of Utah
Technology Commercialization Office

EXHIBIT B: PATENTS

| <u>U#</u> | <u>Matter</u> | <u>United States Serial No. or Foreign Application No.</u> | <u>Title</u> | <u>Inventor(s)</u> |
|-----------|---------------|--|---|--|
| U-5283 | | 61/632,122 | Methods of Derivation & Isolation of Human Brown Fat Cell Lines | Dr. Amit N. Patel Dr. David A. Bull |
| U-5283 | | 61/632,516 | Methods of Derivation & Isolation of Human Brown Fat Cell Lines | Dr. Amit N. Patel |

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EXHIBIT C: FORM OF REVENUE REPORT

Name: _____

Period Covered: From: _____ / _____ / _____ through: _____ / _____ / _____

Prepared by: _____ Date: _____
(BRT)

Approved by: _____ Date: _____
(BRT)

If license covers several major product lines, please prepare a separate report for each line. Then combine all product lines into a summary report.

Report Type: £ Single Product or Process Line Report: _____
(product name)

£ Multiproduct Summary Report, page 1 of _____ pages
Other Compensation: £ Annual payments, other fees & compensation: _____
Amount due: _____

£ No Compensation or Royalty Due this Period
Reason why: _____

Litigation or Infringement: Please provide details

| Country | Quantity Produced | Quantity Sold | Net Sales (\$) | Royalty Rate | Conversion Rate (if applies) | Royalty Due This Period |
|---------------|-------------------|---------------|----------------|--------------|------------------------------|-------------------------|
| USA | | | | | | |
| Canada | | | | | | |
| Japan | | | | | | |
| Other: | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL: | | | | | | |

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**RESEARCH AGREEMENT
NO. 10028857**

**BY AND BETWEEN
BIORESTORATIVE THERAPIES, INC.
AND
THE UNIVERSITY OF UTAH**

This Research Agreement ("Agreement") is entered into and effective as of June 15, 2012, by and between BioRestorative Therapies, Inc., a Nevada corporation (Tax ID #91-1835664) having its principal place of business at 555 Heritage Drive, Jupiter, FL 33458 ("Sponsor"), and the University of Utah, a body politic and corporate of the State of Utah ("University").

RECITALS

WHEREAS, Sponsor wishes to have certain research services performed in accordance with the scope of work outlined in this Agreement; and

WHEREAS, the performance of such research is consistent, compatible and beneficial to the academic role and mission of University as an institution of higher education; and

WHEREAS, University is qualified to provide such research services.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and undertakings herein set forth, the parties agree as follows:

1. Scope of Work. University agrees to perform for Sponsor certain research ("Research") described in the Scope of Work set forth in Appendix A, which is attached hereto and incorporated herein by this reference (the "Project").
2. Period of Performance. The Project period under this Agreement is intended to commence as of June 15, 2012 (the "Effective Date") and continue until June 14, 2015, subject to earlier termination as hereinafter provided and subject to extension for additional periods of performance upon written approval by Sponsor and University (the "Term").
3. Compensation and Payment.
 - 3.1 Compensation. During the Term, Sponsor shall pay to University a fee at the rate of five hundred thousand dollars (\$500,000) for each twelve (12) month period of this Agreement ("Compensation") for performance of the Research under this Agreement. A budget itemizing the costs for providing the Research is set forth in Appendix B, which is attached hereto and incorporated herein by this reference.

3.2 Payment. Sponsor shall pay the Compensation at the rate of forty-one thousand six hundred sixty-seven dollars (\$41,667) per month on the fifteenth day of each month during the Term.

Compensation checks shall be payable to "The University of Utah" and shall be delivered to:

GARY S. GLEDHILL
UNIVERSITY OF UTAH
RESEARCH ACCOUNTING
201 PRESIDENT'S CIRCLE, ROOM 406
SALT LAKE CITY UT 84112-9020

4. Technical Supervision.

4.1 Supervision by Sponsor. The person with primary responsibility on behalf of Sponsor for supervision of the performance of the Research shall be Francisco Silva or such other person as may be designated by Sponsor, who shall have primary responsibility and authority for technical supervision of the Project.

4.2 Supervision by University. The person with primary responsibility for supervision of the performance of the Research on behalf of University shall be Dr. Amit Patel, MD. No other person shall replace or substitute for him in the supervisory responsibilities hereunder without the prior written approval of University, which may be granted or withheld at University's sole discretion. Subject to and to the extent consistent with this Agreement, University acknowledges and agrees that Sponsor shall have the right to control the Project.

5. Reporting Requirements. University shall provide written reports to Sponsor on the progress of the performance of Research on a quarterly basis within thirty (30) days following the end of each calendar quarter. A final written report shall be furnished to Sponsor upon completion of the Research or termination of this Agreement within sixty (60) days of the last day of the Project period or termination, as the case may be, and after the final payment has been received.

6. Equipment. All equipment, instruments and materials purchased or used by University in connection with performance of the Research shall at all times remain under the sole control and ownership of University.

7. Publication and Confidentiality.

7.1 Publication.

(a) In furtherance of University's role as a public institution of higher education, it is necessary that significant results of research activities be reasonably available for publication by University in academic publications and inclusion in research grant applications, and Sponsor acknowledges that University may publish and include the results of research conducted in connection with this Agreement, as well as research previously conducted in connection with the Scope of Work, including in connection with the Patent being obtained by Sponsor pursuant to that certain Assignment Agreement of even date between University of Utah Research Foundation and Sponsor ("Prior Research"), for such purposes.

Notwithstanding the foregoing, University agrees that it shall not publish or include the results of research conducted in connection with this Agreement or Prior Research for such purposes, without the prior written consent of Sponsor, unless and until it shall have followed the procedures set forth in paragraph (b) hereof.

(b) In the event University wishes to publish research results it creates under this Agreement or Prior Research in academic publications or include such research results in research grant applications, University shall first provide to Sponsor written notice of University's intent to publish or include and a draft of such publication or application. Sponsor shall have thirty (30) days after receipt of the draft publication or application to request in writing the removal of portions deemed by Sponsor to contain confidential, proprietary or patentable material owned by Sponsor. If University receives Sponsor's written response to the notice of intent to publish or include within the thirty (30) day period, University shall give good faith consideration to such request but shall not be required to remove the portions deemed by Sponsor to contain confidential, proprietary or patentable material. If University does not receive Sponsor's written response to the notice of intent to publish or include within the thirty (30) day period, then Sponsor shall be deemed to have consented to such publication. The foregoing shall apply to each draft of each publication and application that University intends to submit for publication or approval. University shall deliver to Sponsor copies of any and all comments received with regard to its draft publications and its applications.

(c) Information supplied to University by Sponsor and identified by Sponsor as confidential, proprietary or patentable information shall not be included in any material published by University without prior written consent of Sponsor.

7.2 Confidentiality.

(a) In view of the confidential and proprietary nature of the information that will be disclosed or obtained in the performance of this Agreement, it is hereby understood and agreed that:

(i) Except as set forth in Sections 7.1, 7.2 and 10.1(b), University shall treat as confidential, and not use or disclose, any information received from Sponsor or otherwise obtained in connection with its Research and Prior Research, whether from third parties or otherwise ("Confidential Information"). For sake of clarity, the foregoing shall not restrict University from publishing or using the results of research it creates under this Agreement or Prior Research pursuant to the provisions of Section 7.1.

(ii) University shall notify its faculty, employees and agents that all Confidential Information is confidential, and shall disclose Confidential Information only to such of its faculty, employees and agents who have a “need to know”.

(iii) Except as set forth in Sections 7.1, 7.2 and 10.1(b) hereof, neither University nor its faculty, employees or agents shall publish, submit a publication or grant proposal, or otherwise disclose the results of any Research performed under this Agreement or Prior Research without the prior written consent of Sponsor.

(iv) Except as set forth in Sections 7.1, 7.2 and 10.1(b), University shall not use, practice, or exploit any Confidential Information without the prior written consent of Sponsor.

(v) Nothing in this Agreement shall obligate Sponsor to disclose any particular information to University.

(b) Notwithstanding the foregoing, Sponsor acknowledges that University is a governmental entity subject to the Government Records Access and Management Act, Utah Code §§ 63G-2-101 to 901, as amended (“GRAMA”) and Utah Code §§ 53B-16-301 to -305 as amended. Under GRAMA certain records within University’s possession or control, including, without limitation, this Agreement, may be subject to public disclosure; and University’s confidentiality obligations shall be subject in all respects to compliance with GRAMA. Pursuant to GRAMA, Sponsor may submit a single claim of business confidentiality concerning confidential business records exchanged during the Project with a concise statement of reasons supporting such claim. Notwithstanding any provision to the contrary in this Agreement, University may disclose any information or record to the extent required by GRAMA or as otherwise required by law. University acknowledges and agrees that it has been advised by Sponsor that (i) the information set forth in Annex A to this Agreement and all records relating thereto constitute trade secrets and confidential and proprietary information of Sponsor, (ii) Sponsor intends to commercialize the materials that are being developed pursuant to the Project and the disclosure of the information set forth in the annexes would have a material adverse effect upon its ability to accomplish such desire, (iii) the disclosure of the information set forth in the annexes to this Agreement and the records relating thereto will have a material adverse effect on Sponsor’s business and prospects and will result in unfair competitive injury to Sponsor and (iv) such information and records need to be protected from disclosure. The foregoing constitutes Sponsor’s written claim of business confidentiality and a concise statement of reasons supporting the claim of business confidentiality for purposes of Section 63G-2-309 of GRAMA with respect to the referenced materials.

- (c) Notwithstanding the foregoing, University may disclose Confidential Information if:
 - (i) such information is already or comes within the public domain (other than by breach of a duty of confidence owed to any person);
 - (ii) disclosure has been approved by the written consent of Sponsor;
 - (iii) University is required to provide such information by law or under a court or other administrative agency ruling; or
 - (iv) to the extent required by federal or state law or regulation of any governmental authority having jurisdiction over any of the parties in connection with the Project;

Prior to disclosing any Confidential Information, University shall give Sponsor prompt written notice so that Sponsor may seek, in its sole discretion, a protective order or other appropriate remedy. If, in the absence of a protective order (or other protective remedy), University is nonetheless compelled to disclose Confidential Information, University may disclose such information without liability hereunder, provided that University gives written notice to Sponsor of the Confidential Information to be disclosed as far in advance of its disclosure as is practicable and, upon Sponsor's request, University shall use best efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information.

8. Indemnification.

8.1 Indemnification by University. University is a governmental entity under the Governmental Immunity Act of Utah, Utah Code §§ 63G -7-101 to 904, as amended (the "Act"). Nothing in this Agreement shall be construed as a waiver by University of any protections, rights, or defenses applicable to University under the Act, including without limitation, the provisions of section 63G-7-604 regarding limitation of judgments. It is not the intent of University to incur by contract any liability for the operations, acts, or omissions of the other party or any third party and nothing in this Agreement shall be so interpreted or construed. Without limiting the generality of the foregoing, and notwithstanding any provisions to the contrary in this Agreement, any indemnity obligations of University contained in this Agreement are subject to the Act, are limited to the amounts established in section 63G-7-604 of the Act, and are further limited only to claims that arise from the negligent acts or omissions of University. Subject to the Act, University shall indemnify, defend and hold harmless Sponsor, its directors, officers, agents and employees against any actions, suits, proceedings, liabilities and damages to the extent caused by the negligent acts or omissions of University, its officers, agents or employees in connection with the performance of University's obligations under this Agreement.

8.2 Indemnification by Sponsor. Sponsor shall indemnify, defend and hold harmless University, its directors, officers, agents and employees against any actions, suits, proceedings, liabilities and damages that may result from the negligent acts or omissions of Sponsor, its officers, agents or employees in connection with this Agreement.

9. Compliance With Laws. In performance of the Research, Sponsor and University shall comply with all applicable federal, state and local laws, codes, regulations, rules and orders.

10. Patents and Inventions.

10.1 Work for Hire.

(a) All intellectual property made, developed or created by University as a direct result of its performance of its obligations hereunder, including, without limitation, all inventions, discoveries, patent rights, trade secrets, information, data, methods, techniques and know-how, including all cell lines, cell culture media and derivatives thereof (collectively, the "Intellectual Property"), shall be subject to this Agreement.

(b) All Intellectual Property, other than trade secrets and know-how (collectively, "Assigned IP"), shall be deemed to be furnished under this Agreement as a "work for hire" (as such term is defined under United States copyright laws) and shall become the exclusive property of Sponsor in perpetuity for all purposes throughout the world. To the extent any Assigned IP does not qualify as "work for hire" under applicable law, University hereby irrevocably and exclusively assigns to Sponsor, its successors, and assigns, all right, title, and interest in and to all such Assigned IP, including any patent applications naming a University faculty member or employee. To the extent any of University's rights in the Assigned IP, including without limitation any moral rights, are not subject to assignment hereunder, University hereby irrevocably and unconditionally waives all enforcement of such rights. University shall execute and deliver such instruments and take such other actions as may be required to carry out and confirm the assignments contemplated by this paragraph and the remainder of this Agreement. With respect to all Assigned IP, including, without limitation, all patentable inventions and copyrightable works, Sponsor, on behalf of itself, its successors and assigns, hereby grants to University a perpetual, irrevocable, non-sublicensable, non-assignable, world-wide, royalty-free, non-exclusive license to practice or otherwise use Assigned IP for the limited purposes of non-commercial research, academic and educational purposes.

(c) With respect to all Intellectual Property that is not Assigned IP, namely all trade secrets and know-how (collectively, "Licensed IP"), University, on behalf of itself, its successors and assigns, hereby grants to Sponsor a perpetual, irrevocable, sub-licensable, assignable, world-wide, royalty-free, non-exclusive license to practice or otherwise use such Licensed IP in all fields of use.

(d) University acknowledges that Sponsor shall have the right to use, exploit, produce, improve, change, and sell the Assigned IP, and otherwise exploit any or all Intellectual Property in any manner and in any and all media, whether now known or hereafter devised, throughout the world in perpetuity, as Sponsor shall determine in its sole discretion provided that no license, assignment, transfer or other disposition of the Assigned IP will be inconsistent with the license Sponsor has granted to University hereunder. University agrees to cooperate with Sponsor in any efforts that Sponsor decides to undertake to obtain available protection for the Intellectual Property under United States or foreign laws and University agrees it will execute any assignments or other documents and do all such other acts or things reasonably required to effectuate the intent of this paragraph without any additional compensation.

(e) University acknowledges and agrees that any and all trade secrets and know-how developed or obtained prior to the date hereof in connection with the Scope of Work, including in connection with the Patent being obtained by Sponsor pursuant to that certain Assignment Agreement of even date between University of Utah Research Foundation and Sponsor, shall be considered Licensed IP for purposes of paragraph (c) hereof and, accordingly, Sponsor shall have a perpetual, irrevocable, sub-licensable, assignable, world-wide, royalty-free, non-exclusive license to practice or otherwise use such trade secrets and know-how in all fields of use.

10.2 Royalty.

(a) In consideration of University's performance of the Research, Sponsor shall pay to University, during the twenty (20) year period commencing on the Effective Date (the "Royalty Term"), an earned royalty of five percent (5%) of Net Sales (as hereinafter defined) of all products and/or methods to the extent, and only to the extent, directly arising from inventions and improvements conceived or reduced to practice by University in the course of performing the Research during the Term pursuant to this Agreement ("Products and Methods"). Earned royalties shall be payable to University whether or not a patent is applied for in a particular country.

(b) For purposes hereof, "Net Sales" shall mean the gross revenue and other consideration paid or given to Sponsor or its Affiliates for Products and/or Methods which are sold, leased or otherwise commercialized (collectively, "Sale") by or for Sponsor or any of its Affiliates; however, Sales or other transfers of Products and/or practice of Methods between Sponsor and its Affiliates shall be excluded from the computation of Net Sales. In addition, "Net Sales" shall not include any of the following:

- (i) cash, quantity and other trade discounts, credits or allowances;
- (ii) credits or allowances granted upon returns, rejections or recalls;
- (iii) amounts payable resulting from governmental (or any agency thereof) mandated rebate programs;
- (iv) chargebacks and other amounts paid on the Sale or dispensing of Products or Procedures;

- (v) taxes, tariffs and duties;
- (vi) transportation, freight, postage, importation, insurance and other handling expenses;
- (vii) delayed ship order credits;
- (viii) discounts pursuant to indigent patient programs and patient discount programs and coupon discounts;
- (ix) amounts received from University or its Affiliates;
- (x) amounts received as grants from any governmental body, quasi-governmental body or foundation;
- (xi) amounts received from third parties in connection with clinical trials; or
- (xii) Patent Revenue (as such term is defined in that certain Assignment Agreement of even date between University of Utah Research Foundation ("Foundation") and Sponsor), it being understood and agreed that Sponsor will not be obligated to pay royalties to both University and Foundation with respect to the same revenue and other consideration.

(c) A Product and/or Method shall be considered sold when it is shipped, delivered, or invoiced, whichever is earlier. No deductions shall be made from Net Sales for commissions paid to individuals whether they are with independent sales agencies or are regularly employed by Sponsor or its Affiliates and are on its or their payroll, or for the cost of collections. In the event Sponsor transfers a Product to, and/or transfers or performs a Method for, a third party in a bona fide arm's length transaction, for consideration, in whole or in part, other than cash, then the Net Sales price for such Product and/or Method shall be deemed to be the standard invoice price then being invoiced by Sponsor in an arm's length transaction with similar companies or, in the absence of such standard invoice price, then the reasonable fair market value of the Product and/or Method. Components of Net Sales shall be determined in the ordinary course of business using the accrual method of accounting in accordance with generally accepted accounting practices.

(d) If Sponsor or any Affiliate Sells any Product and/or Method at a reduced fee or price for the purpose of promoting other products, goods or services or for the purpose of facilitating the Sale of other products, goods or services, then Sponsor shall pay to University, and each such Affiliate shall be obligated to pay to University, a royalty under Section 10 based upon the fair market value of the Product and/or Method.

11. Relationship of Parties. In assuming and performing the obligations of this Agreement, University and Sponsor are each acting as independent parties and neither shall be considered or represent itself as a joint venturer, partner, agent or employee of the other. Neither party shall use the name or any trademark of the other party in any advertising, sales promotion or other publicity matter without the prior written approval of the other party.

12. Termination.

12.1 Termination Right. This Agreement may be terminated as follows:

- (a) by either party, by giving written notice to the other party, in the event of a material breach of this Agreement by the other party and the continuance thereof for a period of thirty (30) days following receipt of written notice thereof;
- (b) by Sponsor, by giving written notice to University, in the event that Dr. Amit Patel is no longer employed by University; and
- (c) by Sponsor after the second anniversary of the Effective Date, by giving written notice to University, in the event that, based upon the Research performed, Sponsor reasonably believes that it cannot in good faith file an IND application with the FDA for a Phase I safety and feasibility study or that, if filed, the IND application would not be approved by the FDA.

12.2 Effect of Termination. Termination of this Agreement shall not relieve either party of any obligation or liability accrued hereunder prior to such termination with regard to obligations due prior to such termination, or rescind or give rise to any right to rescind any payments made prior to the time of such termination.

13. Exclusivity. During the Term, no University laboratory that operates under the supervision of Dr. Amit Patel shall perform or provide research or other services relating to brown fat other than for the benefit of Sponsor; provided, however, that the foregoing shall not restrict the performance of research solely for academic purposes in accordance with the provisions of this Agreement.

14. Insurance. During the Term, University will carry and maintain in full force and effect at all times either with financially sound and reputable insurers, or pursuant to a program of self-insurance, liability insurance against claims for personal injury or death. Such insurance shall be maintained in such form and in such amounts as are consistent with University's current practice.

15. Uncontrollable Forces. Neither Sponsor nor University shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either Sponsor or University under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.

16. Miscellaneous.

16.1 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by University without the prior written consent of Sponsor. Sponsor may assign any and all of its rights and obligations under this Agreement.

16.2 Entire Agreement. This Agreement, with its attachments, constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes any other written or oral understanding of the parties. This Agreement may not be modified except by a written instrument executed by both parties.

16.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

16.4 Publicity. Subject to the provisions of Section 7.2(b) hereof, neither party shall have the right to make any public announcements or other disclosures with respect to this Agreement, nor disclose the terms of this Agreement, without the prior written consent of the other party, except as follows:

(a) Upon Sponsor's request, the parties shall exercise good faith efforts to reach agreement on the text of a press release regarding this Agreement.

(b) Each party may disclose the terms of this Agreement to the extent such disclosure is required by law (including without limitation by rules or regulations of the Securities and Exchange Commission, any securities exchange or NASDAQ) or to defend or prosecute litigation or arbitration; provided, that, prior to such disclosure, to the extent permitted by law or such rules or regulations, the disclosing party promptly notifies the other party of such requirement and the disclosing party furnishes only those terms of this Agreement that the disclosing party is legally required to furnish.

(c) Sponsor may disclose this Agreement to (i) Sponsor's then-current and potential third party licensees and sublicensees, and (ii) Sponsor's then-current and potential directors, investors, lenders and acquirers; provided, that such persons are bound to maintain the confidentiality of this Agreement to the same extent as if they were parties hereto.

16.5 Notices. Except as provided in Section 3 hereof regarding payment of invoices, any notice or other communication required or permitted to be given to either party hereto shall be in writing and shall be deemed to have been properly given and effective: (a) on the date of delivery if delivered in person during recipient's normal business hours; or (b) on the date of delivery if delivered by courier, express mail service or first-class mail, registered or certified, return receipt requested. Such notice shall be sent or delivered to the respective addresses given below, or to such other address as either party shall designate by written notice given to the other party as follows:

In the case of University:

Technical

Dr. Amit Patel, MD, MS
University of Utah
30 North 1900 East 3C127
Salt Lake City, Utah 84132

Contractual

University of Utah
Office of Sponsored Projects
1471 East Federal Way
Salt Lake City, Utah 84102-1821

In the case of Sponsor:

Technical

555 Heritage Drive
Suite 130
Jupiter, Florida 33458
Attn: Research Scientist

Contractual

555 Heritage Drive
Suite 130
Jupiter, Florida 33458
Attn: Chief Executive Officer

16.6 Order of Precedence. In the event of any conflict, inconsistency or discrepancy amount, this Agreement and any other documents listed below shall be resolved by giving precedence in the following order:

- (a) This Agreement including the annexes hereto; and
- (b) Purchase orders issued by Sponsor. In the event a purchase order is issued under this Agreement and such purchase order contains standardized terms and conditions, the terms and conditions of this Agreement shall supercede and replace all such purchase order standardized terms and conditions.

16.7 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Utah, without application of any principles of choice of laws.

16.8 Nonwaiver. A waiver by either party of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

16.9 Counterparts; Facsimile or Email Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures hereon which are transmitted via facsimile or email shall be deemed original signatures.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives effective as of the day and year first written above.

BIORESTORATIVE THERAPIES, INC.
“Sponsor”

By: /s/ Mark Weinreb

Name: Mark Weinreb

Title: Chief Executive Officer

Date: June 8, 2012

UNIVERSITY OF UTAH
“University”

By: /s/ Kristee Thompson (for Todd Nilsen)

Name: Todd Nilsen

Title: Associate Director,
Office of Sponsored Projects

Date: June __, 2012

APPENDIX A

SCOPE OF WORK

The research and development that will be performed at University under the supervision of Dr. Amit Patel will involve the following milestones and will be developed using methods and materials that will be able to be clinically translated. Data generated and collected will be used for the filing of an IND with the FDA for a Phase 1 clinical trial.

Brown Adipose Identification

Human adipose tissue depots will be procured under approved University IRB protocols. These tissues will be identified to contain brown adipose populations by morphological, immunohistochemical and gene expression profiles that are specific to brown adipose. In addition, whenever possible, identification of brown adipose depots will include PET imaging.

Cell-Line Expansion and Characterization

Cell-lines will be developed and characterized from these brown adipose depots. Characterization of these cell-lines will include growth kinetics, gene expression profile, micro-RNA profile, cell surface marker profile, metabolic activity and differentiation potential (i.e., osteogenesis, chondrogenesis, white and brown adipogenesis). Differentiation will be confirmed by immunocytochemistry, protein expression, gene expression profile and functional assays (i.e., metabolic activity)

Once a brown fat line has been identified, different cell-lines will be generated containing several different constructs with brown fat specific genes (i.e., PRDM16, UCP1,) with down stream reporter genes. These cell-lines will be used for small molecule screening.

Cells will also be cultured on biodegradable scaffolds and induced to differentiate within the scaffold. Metabolic activity of the cellular/scaffold matrix will be determined.

Pre-Clinical Animal Models

After a clinical cell-line with metabolic activity has been identified and characterized, pre-clinical small animal models will be initiated. These animal models will be used to determine the feasibility of using a cell-based approach to treat human metabolic disorders. In addition, if a small molecule has been identified, safety and feasibility testing will be performed.

IND Filing with the FDA for a Phase 1 Clinical Trial

After pre-clinical testing in small animal models, data will be collected and submitted for an IND filing with the FDA for a Phase 1 safety and feasibility study. If IND approval is obtained, clinical grade product will be manufactured at University cGMP facility.

APPENDIX B
RESEARCH AGREEMENT BUDGET

| | Direct Expenses | Indirect (32.5%) | Fee to TCO (2%) | TOTAL |
|--------|---------------------|-------------------|------------------|---------------------|
| Year 1 | \$ 371,747 | \$ 120,818 | \$ 7,435 | \$ 500,000 |
| Year 2 | \$ 371,747 | \$ 120,818 | \$ 7,435 | \$ 500,000 |
| Year 3 | \$ 371,747 | \$ 120,818 | \$ 7,435 | \$ 500,000 |
| TOTAL | <u>\$ 1,115,241</u> | <u>\$ 362,454</u> | <u>\$ 22,305</u> | <u>\$ 1,500,000</u> |

SECTION 302 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Mark Weinreb, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of BioRestorative Therapies, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2012

/s/ Mark Weinreb

Mark Weinreb
Principal Executive Officer

SECTION 302 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Mark Weinreb, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of BioRestorative Therapies, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2012

/s/ Mark Weinreb

Mark Weinreb
Principal Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of BioRestorative Therapies, Inc. (the “Company”) hereby certifies that the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2012

/s/ Mark Weinreb

Mark Weinreb

Principal Executive and Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.
