Intellicell Biosciences, Inc.
Form 10-K/A
October 09, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-K /A

Amendment No. 1

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

For the fiscal year ended: **December 31, 2013**

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

Commission File Number: **000-54729**

INTELLICELL BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**91-1966948**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

460 Park Avenue, 17th Floor, New York, New York 10022

(Address of principal executive offices) (Zip Code)

(646) 576-8700

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act: None

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

Common Stock, $0.0001 par value per share

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates was 4,228,019, computed by reference to the closing price of the common stock on June 30, 2013.

The number of outstanding shares of the Registrant’s Common Stock, $0.0001 par value, at May 9, 2014 was 2,230,314,377.

Documents incorporated by reference: None .

EXPLANATORY NOTE

This amended annual report on Form 10-K/A amends and restates in its entirety the annual report on Form 10-K that was filed with the U.S. Securities and Exchange Commission (the "SEC") on May 12, 2014 and reflects certain corrections made in connection with the Company's accounting for the application of fair value assessment for transactions involving derivative obligations related to the issuance of convertible debt instruments. The transactions include (1) derivative valuation at inception of the debt instrument, (2) upon conversion of the instrument to common stock, (3) upon assignment of the debt instrument and (4) upon valuation of the derivative at December 31, 2013. The Company also detected errors in the recording of debt discounts, upon issuance of debt instruments. These incorrectly recorded debt discounts also affected amortization expense for the fiscal year ended December 31, 2013.

Below is a summary of changes to accounts for the December 31, 2013 reporting period:

	December 31, 2013	
Balance Sheet	As Filed	As Restated
Convertible Debentures	$ 840,900	$ 452,607
Notes Payable	341,100	727,545
Convertible Promissory Notes	3,505,883	2,755,986
Derivative Instruments (long term)	3,774,790	6,958,822
Additional paid-in-capital	38,961,322	41,256,261
Accumulated deficit	$ (48,903,450)	$ (53,630,673)

	Year ended December 31, 2013	
Statement of Operations	As Filed	As Restated
Changes in fair value of derivative instruments	$ (2,787,770)	$ (2,944,352)
Financing Costs	(305,112)	(4,606,010)
Income (Loss) on Conversion of Debt	(2,137,266)	(2,272,409)
Net Loss	(11,140,817)	(15,868,039)
Net Loss per share, basic and diluted	$ (0.07)	$ (0.10)

This amended annual report on Form 10-K/A has revised Item 1 "Financial Statements," Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 9A "Controls and Procedures." In connection with the filing of this amended annual report on Form 10-K/A and pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities and Exchange Act of 1934, the Company is including with this amended annual report on Form 10-K/A certain currently dated certifications. This amended annual report on Form 10-K/A speaks as of the original filing date of the Form 10-K, except as noted.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this amended annual report may be "forward-looking statements." Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in this prospectus, including the risks described under "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report and in other documents which we file with the Securities and Exchange Commission. In addition, such statements could be affected by risks and uncertainties related to our ability to raise any financing which we may require for our operations, competition, government regulations and requirements, pricing and development difficulties, our ability to make acquisitions and successfully integrate those acquisitions with our business, as well as general industry and market conditions and growth rates, and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the filing of this amended annual report, except as may be required under applicable securities laws.

PART I

We urge you to read this entire amended annual report on Form 10-K /A , including the "Risk Factors" section and the financial statements and related notes included herein. As used in this amended annual report , nless context otherwise requires, the words "we," "us", "our," "the Company," "Intellicell" and "Registrant" refer to Intellicell Biosciences, Inc., including subsidiaries and predecessors, except where it is clear that the term refers to Intellicell Biosciences, Inc. Also, any reference to "common shares," or "common stock," refers to our common stock, par value $0.0001 per share.

ITEM 1. BUSINESS.

Overview

We are an emerging leader in the regenerative medicine market using adult autologous stromal vascular fraction cells (SVFs) derived from the blood vessels in adipose tissue. Among other cell types, stromal vascular fraction contains adult stem cells. We believe that our cell therapy processes and procedures are exempt under PHS Section 361, CFR 1271.10 or CFR 1271.15(b) same day surgical procedure. Therefore, we do not believe that we will be required to obtain Food and Drug Administration ("FDA") drug or biologic like approvals, although there can be no assurance that

the FDA will require our products to obtain approval in the future.

We currently operate from Regen Medical PC office based surgery center facility in New York, NY, an entity controlled by Dr. Steven Victor, our chief executive officer, where we have our cGTP (current good tissue practices) cellular processing laboratory which is registered with the FDA. It is our intent to place our cGTP cellular processing labs in ambulatory surgery centers or hospitals and operate them under cGTP and SOPs in other major US metropolitan areas.

The Company anticipates that it will have multiple revenue streams in the next 12 months including, but not limited to: (i) cellular product sales revenues, (ii) continuing medical education courses, (iii) cell banking, (iv) international licenses and royalties.

Our Technology

We use a proprietary, patented technology developed by our founder, Dr. Steven Victor, which provides us with the ability to extract, separate and process the stromal vascular fraction cells from the blood vessels in adult adipose (fat) tissue in about one hour. We believe that our technology produces the most cells from the least amount of fat (60 cc) at the lowest cost and the least amount of manipulation when compared to other technology or processes currently available that employ manipulative processes or enzymes to achieve cell separation. Further, all cells manufactured using our technology and proprietary process are done so under strict United States Food and Drug Administration ("FDA") cGTP guidelines and SOPs that we have established.

We believe that stromular vascular fraction ("SVFs") derived from the application of our proprietary process yield a functionally diverse population of cells that are synergistic and able to communicate with each other and with other cells in their local environment. We also believe that since we do not have to wash out the blood and do not digest the extracellular matrix versus competitors' enzymatic protocols that our product is superior. The mixture of cells has multiple functions and is highly integrated and we believe more potent than adipose stem cells themselves.

We further believe that IntelliCells™, when returned to a patient's own body by way of same-day same clinical procedure (autologous treatment) and delivered via Point of Care, have little or no risk of disease transfer, rejection or allergic reaction. We also believe that IntelliCells™ have the potential to treat a wide variety of clinical conditions involving orthopedic, gastrointestinal, periodontal, aesthetic and other conditions or disorders.

Our Strategy

We plan to focus our initial efforts on regenerative medicine in the areas of orthopedics, sports medicine, pain, aesthetics and periodontal diseases. According to arthritistoday.org, at least 25 million people nationwide are affected in the world of orthopedics, sports medicine and pain, which, just nationally, makes that a penetrable market into the billions of dollars. Likewise, according to Research and Markets Aesthetics Report and Global Data's market report for the periodontal market, the aesthetics and periodontal markets make up at least a minimum of $750 million and over a billion dollar market, respectively. We will focus on orthopedics including osteoarthritis, aesthetics, pain, periodontal and other indications by making our Intellicells™ available to practicing physicians using Regen Medical's office based surgical center ("OBSC"). We plan to establish and install our cGTP cellular processing labs in ambulatory surgery centers and hospitals to make our cellular product available to a wide range of physician specialties to use under the practice of medicine. We believe that we may also be able to license our technology for wound care, cardiac, gastrointestinal (colitis/ileitis), multiple sclerosis and autism to other companies in the regenerative medicine field.

In addition to our core focus noted above in which we provide cGTP cellular processing labs, we also intend to expand our areas of focus, as we are able to locate and partner with parties interested in utilizing or licensing our technology for other areas. In this regard, we intend to engage in a multi-pronged approach with respect to the utilization and commercialization of our proprietary process that will involve entering into technology licensing agreements and related service agreements with physicians and physician practice groups, that we will enable to practice our cell therapy procedures in our US facilities. We will also be seeking to enter into technology licensing agreements or other arrangements that cover particular international territories or countries as described in greater detail below.

Another focus of our business development will involve engaging in and our coordinating Institutional Review Board (”IRB”) approved clinical studies at prominent medical centers, some of which studies may also be the subject of Investigational New Drug applications (“IND’s”) with the goal of obtaining medical or regulatory approval for significant clinical indications, where, if and as required, of the Intellicells™ produced with our proprietary process. We have recently formed a wholly-owned subsidiary, ICBS Research, Inc., through which we plan to engage in research and development activities by collaborating with university based research organizations. We have started our first FDA IND study that will be on osteoarthritis of the knee with Dr. James Andrews and inVentiv as our CRO. We believe these activities may lead to additional patents and intellectual. ICBS Research, Inc., our wholly owned subsidiary, will also coordinate scientific research with world class researchers to learn more about the Intellicell™ process and the use of the cells in medical procedures and as to how it may be used as a more efficacious delivery mechanism or as to how it may be co-administered in conjunction with other medical therapies. In the future Intellicell plans to conduct human clinical studies under an IND in osteoarthritis of the knee, diabetic ulcers of the lower extremities, multiple sclerosis, periodontal gum recession and dermal wrinkles to obtain FDA approval where such approval may be necessary.

We are also exploring and undertaking, either on our own or in collaboration with one or more third parties, providing a service for the collection, processing and storage of autologous cells. We intend to market this service to liposuction patients in addition to any patient who might want to store their SVFs for future use.

Our Competitive Advantage

We believe that our proprietary process offers significant advantages over other competing processes or technologies currently being employed that utilize enzymes or other manipulative methods to harvest or culture cells, including:

We believe that our process is in compliance with existing FDA regulations – under current FDA Guidelines for human cell and tissue based products (HCT/P) (based on FDA regulations found at 21 C.F.R. § 1271), patients are allowed to use their own HCT/P for just about any indication, so long as the use of those cells is autologous (a situation in which the donor and recipient are the same person), the cells are minimally manipulated, the clinical use is homologous, and the procedure takes place as a single procedure as defined by the physician.

Our procedure takes place during the same office visit. The point of care nature of the process is a required element of the protocol required by our licenses, and is emphasized in our technician and physician training.

We believe that the number of adult autologous stem cells and other progenitor cells that comprise the SVF's that are harvested from the tissue through the use of our proprietary process are significantly higher than the number of cells produced through the use of other technology or processes currently available that employ manipulative processes or enzymes to achieve cell separation.

> We had engaged Millipore, a division of Merck, to perform a CD (cluster of differentiation) antibody flow cytometry study which has confirmed the high-quality composition of the IntelliCells™.

We believe that our patented process provides significant time and cost efficiencies at the point of care- using our proprietary ultrasound cavitation technique, SVFs can be separated at low cost and in less time, as compared to competing technologies that utilize enzymes.

We also believe that IntelliCells™ have the potential to treat not only aesthetic conditions, orthopedic and sports injuries, and pain, but also a wide variety of clinical conditions involving cardiac, gastrointestinal, periodontal, and autistic disorders. In that regard, we will be seeking to undertake clinical studies in partnership with well-known universities and hospitals for the following indications and markets:

Application	Market
Osteoarthritis	Internal Medicine and Orthopedic
Gum Regeneration	Periodontal
Non-healing Diabetic Ulcers	Wound healing
Multiple Sclerosis	Internal Medicine
Cartilage Regeneration	Orthopedic and Sports Medicine
Tendon Repair	Orthopedic and Sports Medicine
Facial Lines and Wrinkles	Aesthetic Medicine
Chronic Migraine Headache	Neurological
Bone Regeneration	Periodontal and General Surgery
Hair Regeneration	Aesthetic Medicine

The Regenerative Medicine Market

Overview of Stromal Vascular Fraction

Stromal Vascular Fraction ("Fraction") is the cells obtained from the blood vessels in the lipoaspirate from the small volume of fat harvested, minus the fat cells (adipocytes) and non-cellular material. The Fraction contains a wide number of cellular types including pre-adipocytes, endothelial cells, smooth muscle cells, pericytes, fibroblasts, and adult stem cells (ASCs). In addition, the Fraction also contains blood cells from the capillaries supplying the adipocytes and the extracellular matrix. We refer to this mixture of cells as SVF or SVF cells or SVFC.

SVF also includes erythrocytes or red blood cells, B and T cells, macrophages, monocytes, mast cells, natural killer (NK) cells, hematopoietic stem cells and endothelial progenitor cells and more. Also the Fraction includes adipocyte endocrine secretions, and importantly, contains growth factors such as transforming growth factor beta (TGF), platelet-derived growth factor (PDGF), and fibroblast growth factor (FGF), among others.

This is very much like the secretions of cells in the presence of an extracellular matrix. The SVF also contains the various proteins present in the tissue extracellular matrix.

How Do SVFs work?

Investigators have postulated a number of nonexclusive mechanisms through which SVFs can be used to repair and regenerate tissues. First, adult stem cells within the SVF delivered into an injured or diseased tissue may secrete cytokines and growth factors that stimulate recovery in a paracrine manner. These factors would modulate the "stem cell niche" of the host by stimulating the recruitment of endogenous stem cells to the site and promoting their differentiation along the required lineage pathway.

In a related manner, SVFs might provide antioxidants chemicals, free radical scavengers, and chaperone/heat shock proteins at an ischemic site. As a result, toxic substances released into the local environment would be removed, thereby promoting recovery of the surviving cells. Studies have suggested that transplanted bone marrow–derived mesenchymal stem cells or MSCs can deliver new mitochondria to damaged cells, thereby rescuing aerobic metabolism. It may develop that similar studies in SVFs will uncover a comparable ability to contribute mitochondria. A final mechanism is to differentiate components of SVFs along a desired cellular lineage.

Source: Adipose-Derived Stem Cells for Regenerative Medicine, Jeffrey M. Gimble, Adam J. Katz and Bruce A. Bunnell, *Circ. Res.* 2007;100;1249-1260

The Process of SVF Extraction

We intend to use our patented, proprietary laboratory system, which we have developed internally, that is composed primarily of an ultrasound unit and a centrifuge, and is performed in a closed sterile system which is readily available in the marketplace in conjunction with a proprietary closed process for the initial separating of SVF from vascular tissue found to be contained in adipose tissue. This process includes the use of a flow cytometer that will allow for immediate verification of the quantity and viability of processed cells prior to their reintroduction back to the same patient, a process overlooked by alternative systems and processes.

The extraction process for the SVF cell therapies can be summarized as follows:

1. Harvest :

Using a simple procedure, a cannulae attached to a syringe is inserted into the abdomen or other location for fat extraction and 60 cc of adipose tissue is harvested from the patient. This is sufficient for most treatments and cell storage of excess SVFC.

2. Separate :

The harvested tissue is then broken down using an ultrasound mechanical separation process, leaving substantially all of the cells viable but allowing them to be separated from the non-cellular material.

The mix of SVF cells and unwanted materials are spun down in a centrifuge to isolate the desired cells that form a “pellet” like substance that can be drawn out of the now separated materials.

The cells are tested with a flow cytometer to determine cell count and cell viability.

3. Return :

The cells are then administered back to the same patient by their physician under the practice of medicine through one or more of the following modes of administration:

Intravenous: The SVF's may be administered through a standard intravenous drip.

Intra-articular injection: The SVF's may be injected into and around an arthritic or injured joint such as the knee or shoulder.

Intra-oral injection: The SVF's may be injected into the oral cavity in the particular region around teeth where gum recession has been observed.

4. Cell Banking :

Banking of stem cells is useful for some procedures that require repeat therapeutic administration as well as for other therapeutic uses that may be required in the future. The Company currently does not have a cell banking license in New York State, but has applied for the license.

Market Data

Regenerative Medicine and Cell Therapy Overview

Source: Proteus Venture Partners

Regenerative Medicine (RM) is a rapidly expanding set of innovative medical technologies that restore function by enabling the body to repair, replace, and regenerate damaged, aging or diseased cells, tissues and organs.

According to a recent report, Worldwide Markets and Emerging Technologies for Tissue Engineering and Regenerative Medicine, by Life Science Intelligence (LSI), the largely untapped global market potential for tissue engineering and regenerative medicine products will exceed $118 billion by 2013. The actual current market, which represents only a fraction of the potential market, was estimated at $1.5 billion in 2008. The report forecasts rapid growth driven by various factors, including increased adoption in various clinical areas and trends in international markets.

Regenerative therapies have been demonstrated (in trials or the laboratory) to heal broken bones, treat severe burns, blindness, deafness, heart damage, nerve damage, Parkinson's Disease, diabetes and other conditions. Significant momentum has been achieved in recent years as evidenced by the surge in government and foundation research funding, with over 65 academic programs and more than $1.5 billion in worldwide funding for research, expected to grow to $14 billion in 10 years. There are greater than 175,000 peer-reviewed publications, over 10,000 issued and pending patents, and more than 900 FDA-approved clinical trials testing regenerative medicine technologies. More than 400 regenerative medicine products have reached the market today, with more than 600 in development. This, in turn, has led to a proliferation of patient advocacy groups rightfully demanding a shift in medical treatment paradigms from "band aid therapies" to prevention, cure, rejuvenation, restoration, and replacement. More than 1.2 million patients have been treated with regenerative products and therapies.

Source: Proteus Venture Partners

Licensing

As described above, we intend to engage in a multi-pronged approach with respect to the utilization and commercialization of our proprietary process that will focus on:

Entering into licensing agreements and related service agreements with ambulatory surgery centers or hospitals that are located in the United States that provide for the sale of our cellular products, from our labs that will receive lipoaspirate harvested from their patients and employ our proprietary process to the obtain the IntelliCell™ product, and then return the IntelliCell™ product to the physician on the same day labeled "autologous and homologous." In these arrangements, the clinical use of these IntelliCells™ is not specified in labeling or promotion, but will be left solely to the physician in the exercise of their medical judgment and under the practice of medicine. Under these arrangements, we will be collecting processing fees and/or service fees from the physicians or hospitals.

Entering into technology licensing agreements that cover a particular international territory or country pursuant to which the licensee shall have the right to set up and/or sublicense the right to set up labs in the territory using equipment purchased from us and that are operated in accordance with protocols set by us. Under these arrangements, we will be collecting an up-front territorial licensing fee and then will receive additional fees based upon from sublicensing and/or processing fees received by the licensees during the term of the license.

Licensing Agreement with The Andrews Research and Education Foundation, Inc. and related Consulting Agreement with Dr. James Andrews

On March 11, 2014 (the "Effective Date"), the Company executed a Laboratory Services and License Agreement (the "License Agreement"), effective March 7, 2014, with The Andrews Research and Education Foundation, Inc. ("AREF") pursuant to which the Company agreed to grant certain technology and trademark licenses to AREF.

The term of the License Agreement shall be for a period of three (3) years commencing on March 7, 2014 and shall automatically renew for subsequent periods of three (3) years unless either party to the License Agreement provides notice of its intention not to renew at least ninety (90) days prior to the expiration of any three (3) year term.

Subject to the terms and conditions of the License Agreement, the Company agreed to grant AREF a non-exclusive (except for the Pensacola, Florida area and a surrounding radius of 150 miles), non-assignable, non-transferrable, non-sublicensable license to market the use of and practice the Technology (as such term is defined in the License Agreement) at AREF's premises for restricted purposes as provided in the License Agreement. The Company also agreed to grant AREF a non-exclusive, non-assignable, non-sublicensable, license to the Trademarks (as such term is defined in the Agreement). Furthermore, the Company reserved the perpetual worldwide right to license and use the

Patent (as defined in the License Agreement), Trademarks and the Technology licensed under the License Agreement for any purpose.

Except for when performed for research purposes, AREF shall pay to the Company a fee equal to Two Thousand Five Hundred Dollars ($2,500.00) per Tissue Processing (as such term is defined in the License Agreement) case processed. The parties to the License Agreement have mutually agreed not to disclose any Confidential Information (as such term is defined in the License Agreement), whether verbal or written, conveyed to them prior to, during or subsequent to the term of the License Agreement.

The foregoing description of the License Agreement does not purport to be complete and is qualified in its entirety by reference to such document and incorporated herein as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 12, 2014.

Additionally, on March 11, 2014, the Company executed a Consulting Agreement (the "Consulting Agreement") with Dr. James Andrews, effective March 7, 2014, pursuant to which Dr. Andrews shall serve as Chairman of the Intellicell Orthopedic Cellular Therapy Advisory Board. The initial term of the Agreement shall be for a period of ten (10) years unless extended as provided in the Agreement or unless terminated by either party with thirty (30) days advance written notice to the other party. In consideration for Consultant's services, the Consultant shall be paid a monthly fee and make a monthly charitable contribution to the Andrews Foundation after the Company closes a Capital Raise (as defined in the Consulting Agreement), and the amount of such monthly fee and monthly charitable contribution shall be determined based on the amount raised in the Capital Raise. For example, if the value of the Capital Raise is equal to or greater than $2,000,000 but less than $15,000,000, the monthly fee payable to the Consultant thereafter shall be equal to $30,000 (with $6,000 of such amount payable to Dr. Michael Immel) with a charitable contribution of $10,000 payable to the Andrews Foundation thereafter for the term of the Consulting Agreement.

Furthermore, commencing on March 1, 2014 and ending on May 1, 2017, on each of March 1, June 1, October 1 and January 1 during such period, the Company shall issue and the Consultant shall be entitled to receive non-qualified stock options to purchase a number of shares of the Company's common stock equal to 750,000 divided by the average of the closing bid price per share of such common stock for the ten (10) trading days immediately prior to the date of issuance, subject to certain adjustments as set forth in the Consulting Agreement. The options have a strike price of $0.0058 per share and are exercisable for ten (10) years. A portion (13.33%) of such options will be issued to the Andrews Foundation (and Dr. Immel shall receive 20% of such options). In addition, The Company shall issue to the Consultant 6,666,666 shares of its common stock based on the market price at the date of the execution of the License Agreement (see description above), as well as 2,000,000 shares to Dr. Immel and 1,333,333 shares to the Andrews Foundation. Additionally, 1,000,000 shares shall be issued to the Consultant, 200,000 shares shall be issued to Dr. Immel and 133,333 shares shall be issued to the Andrews Foundation upon FDA approval of the Company's Stromal Vascular Fraction Cell injection for treatment of osteoarthritis.

The Consulting Agreement contains customary representations and warranties, as well as a mutual indemnification provision, an assignment of inventions and patents provision and a confidentiality and trade secrets provision. The foregoing description of the Consulting Agreement does not purport to be complete and is qualified in its entirety by reference to such document and incorporated herein as Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on March 12, 2014.

Agreement with Regen Medical P.C.

On April 16, 2012, we entered into a technology license and administrative services agreement with Regen Medical P.C., the medical practice which is owned by, and through which, our Chief Executive Officer, Dr. Steven Victor, engages in the practice of Cosmetic Dermatology. Pursuant to the agreement, we, among other things, (i) granted Regen Medical the non-exclusive and non-assignable license to utilize our proprietary process and technology for its patients, (ii) granted Regen Medical a license to use a laboratory which can be used by Regen Medical for use of the Company's proprietary process, (iii) were appointed as the exclusive manager and administrator of Regen Medical's operations which relate to the implementation of our proprietary process as well as Regen Medical's cosmetic

dermatology practice, and (iv) were appointed the sole provider of non-medical managerial, administrative and business functions for Regen Medical's cosmetic dermatology practice. The agreement was effective as of April 16, 2012 and was to continue until April 16, 2017.

On August 26, 2013, the Company and Regen entered into a termination and general release agreement (the "Termination Agreement"), effective December 31, 2012 (the "Effective Date"), pursuant to which the Company and Regen agreed, among other things, that as of the Effective Date, (i) the Company shall forgive the $514,000 owed to the Company by Regen under the Regen Agreement in exchange for the exclusive right to certain open label data and other data which the Company would like to have the rights to use as empirical data or evidence of the efficacy of the Company's proprietary process (the "Clinical Data"), (ii) the parties will take all necessary steps to enter into an agreement for the grant of a license to Regen for the Company's proprietary process as well as a license of the Clinical Data, (iii) the Regen Agreement is terminated in its entirety and shall be deemed null and void and of no further force or effect and (iii) neither Company nor Regen shall have any further rights or obligations under the Regen Agreement. Each party also provided a general release to the other party with respect to the Regen Agreement and all transactions contemplated by the Regen Agreement.

International Licensing Agreements

As of the date hereof, we have entered into the licensing agreements covering the territories of Canada, Australia, New Zealand, and Thailand.

Canadian License Agreement

On December 15, 2011, we entered into an exclusive lab services agreement with Regenastem, Inc., a Canadian corporation, pursuant to which we granted the licensee the exclusive right and license to utilize our proprietary process as well as our trademarks for the purpose of providing tissue processing services for humans and animals in Canada. The agreement had an initial term ending on August 26, 2031, and shall continue on successive five-year terms thereafter unless terminated by either party. Either party may terminate the agreement, for among other things, the failure to cure a material breach of the agreement within 10 business days or if either party makes an assignment for the benefit of creditors, is adjudicated bankrupt or insolvent, commences proceedings under bankruptcy law or licensee is unable to generate at least $500,000 in fees payable to us with any eighteen (18) month period during the Term. We may terminate the agreement, if among other things, the licensee fails to follow our protocol for tissue processing or if the licensee fails to report any tissue processing case to us. If the agreement is terminated for non-performance as described above, we shall repurchase the license from the licensee for an amount equal to two times the license fee earned by the licensee through the date of such termination.

In addition, licensee agreed to invest $500,000 in our Series D Preferred Stock financing, $250,000 of which was invested in December 2011 after the signing of the license and the remaining $250,000 of which was invested in January 2012. The parties agreed that, within one hundred and twenty (120) days before the expiration of the term, the licensee will pay a renewal fee of $500,000 for the next 10 years and/or two 5 year renewal terms in total. For each tissue processing case performed by licensee, the licensee is required to pay us, on a monthly basis, a fee of thirty percent (30%) of the fess designated by us for tissue processing. In addition, for each laboratory facility set up by the licensee, the licensee shall pay us 30% of the net profit realized from the establishment of such laboratory facility.

Australia and New Zealand

On December 16, 2011, the Company entered into an exclusive lab services agreement (the "Australian Agreement") with Cell-Innovations Pty Ltd. ("Australian Licensee") pursuant to which the Company granted Australian Licensee the exclusive right and license to the Company's technology and trademarks so that the Australian Licensee can utilize the Company's technology and trademarks to provide tissue processing services for humans in Australia and New Zealand. As of the date hereof, the Company and Australian Licensee are in a dispute over some of the terms of the Australian Agreement, including, but not limited to, compliance by the Australian Licensee with IBC Protocols (as

defined in the Australian Agreement). While the Company has commenced discussions with the Australian Licensee concerning the disputes that have arisen under the terms of the Australian Agreement, there can be no assurance that the Company and the Australian Licensee will come to any mutual understanding with respect to any of the issues in question. As of the date of this Memorandum, the Company is continuing to evaluate what further action(s), if any, it make take in response to the dispute with the Australian Licensee, which action(s) may include, but not be limited to, terminating the Australian Agreement.

Thailand

On April 7, 2012, we entered into an exclusive lab services license agreement with StemCells 21 Co., Ltd. pursuant to which we granted the licensee, among other things, (i) an exclusive, non-assignable, non-transferable, license to utilize and commercially exploit our proprietary process and trademarks, solely for the provision of the separation of Adipose Stromal Vascular Fraction from fat tissue within the Kingdom of Thailand. We also granted the licensee the right to grant sublicenses in accordance with the provisions of the agreement, so that the licensee can utilize the Technology and Trademarks (as defined in the Agreement) to provide Tissue Processing services in various territories. The agreement has an initial term ending on April 7, 2022, and shall continue on successive one-year terms thereafter unless terminated by either party

On October 23, 2012, the Company sent a letter to StemCells 21 Co. Ltd. (the "Thailand Licensee") pursuant to which the Company notified the Thailand Licensee that it intends to terminate the Laboratory Services License Agreement, dated April 7, 2012 by and between the Company and Thailand Licensee (the "Thailand Agreement"), effective immediately. The Company is terminating the Thailand Agreement, for, among other reasons, Thailand Licensee's (i) attempt to determine the Technology (as defined in the Thailand Agreement) for Tissue Processing (as defined in the Thailand Agreement), (ii) failure to provide monthly reports summarizing Thailand Licensee's efforts to utilize and commercially exploit the Patents (as defined in the Thailand Agreement) and Technology, (iii) operation of the Technology without using the name "Intellicell Thailand", (iv) operation of the Technology in ways that fall outside the scope of the Thailand Agreement and (v) failure to notify the Company of infringing uses of the Technology. Pursuant to the terms of the Thailand Agreement, the Thailand Licensee has ten (10) business days to cure an event of default under the Thailand Agreement (except for termination of the Thailand Agreement as set forth in subsection (i) above which allows the Company to terminate the Thailand Agreement immediately).

Lasersculpt IP License Agreement

On July 20, 2012, the Company entered into an intellectual property license agreement (the "License Agreement") with Lasersculpt, Inc., a corporation controlled by Dr. Steven Victor, the Company's chief executive officer ("Lasersculpt"), pursuant to which Lasersculpt licensed to the Company, among other things, the right to (i) use, market, broadcast and otherwise exploit a 30 minute infomercial, 30 and 60 second commercials and other produced content regarding the Lasersculpt method and procedure (the "Shows") (ii) product and commercially exploit new versions of the Shows, as well as any sequels, prequels and other productions based on the Shows or the IP Rights (as defined in the License Agreement), and (iii) use and exploit the IP Rights (as defined in the License Agreement) in any manner the Company, in its sole discretion, deems necessary or advisable. The License Agreement shall have an initial term of ten (10) years from the date of the License Agreement, unless terminated sooner in accordance with the License Agreement (the "Term"). In consideration for the rights granted under the License Agreement, the Company agreed to (i) issue 430,000 shares of Common Stock to Lasersculpt (which shares were transferred by Dr. Victor out of his personal holdings in the Company directly to Lasersculpt) and (ii) pay Lasersculpt royalties in an amount equal to 5% of Net Revenue (as defined in the License Agreement) received by the Company during the Term (which royalties Dr. Victor and his affilates have agreed to not receive).

Other Licensing Agreements

As of the date hereof, we have entered into the licensing agreements covering the areas of Philadelphia, Pennsylvania, Dallas/Ft. Worth, Texas, Palm Beach, Florida, Metaire, Lousiana, Lake Mary, Florida, Denver, Colorado,Sugarland, Texas and Baton Rouge, Louisiana.

On November 1, 2010 we entered into agreement with Thomas E. Young MD, LLC, pursuant to which we granted Dr. Young a license to the Company's Technology so Dr. Young can utilize the Technology to provide tissue processing

services within a 50 mile radius of Philadelphia, PA. In consideration for the Technology, Dr. Young agreed to pay us (i) a licensing fee of $80,000, and (ii) a fee of $400 for each tissue processing case processed for each of Dr. Young's patients.

On November 15, 2010, we entered into agreement with R. Craig Saunders, pursuant to which we granted Dr. Saunders a license to the Technology so Dr. Saunders can utilize the Technology to provide tissue processing services within a 50 mile radius of Dallas/Ft. Worth, Texas. In consideration for the Technology, Dr. Saunders agreed to pay us (i) a licensing fee of $80,000 and (ii) a fee of $400 for each tissue processing case processed for each of Dr. Saunder's patients.

In February 2011, we entered into agreement with Foursight LLC, pursuant to which as granted Foursight a ten year license to the Technology so Foursight can utilize the Technology to provide tissue processing services within a 50 mile radius of Lake Worth, Florida. In consideration for the Technology, Foursight agreed to pay us (i) an equipment fee of $45,000 and (ii) a royalty payment equal to the greater of (x) $250 for each processing case or (y) 10% of Foursight's gross revenue in any calendar year. In the event Foursight fails to achieve certain minimum yearly net revenue targets in any calendar year during the term of the agreement (generating annual royalties of $130,000 for 2011 and increasing over the term to up to $390,000 in 2016 and beyond), the Company shall have the right to terminate the agreement upon 30 days written notice to Foursight.

On February 28, 2011, we entered into agreement with Dauterive Medical, Inc. (“DMI”), pursuant to which we granted DMI a five year license to the Technology so DMI can utilize the Technology to provide tissue processing services within a 70 mile radius of Metaire, LA. In consideration for the Technology, DMI agreed to pay us (i) a licensing fee of $1 and (ii) a royalty payment equal to $500 for each processing case performed by DMI and we agreed to pay DMI $500 for each processing case referred to us by DMI. The agreement may be terminated by either party in the event of a material default of any duty, obligation or responsibility imposed by the agreement which has not been cured within ten business days after the non-defaulting party gives written notice to the defaulting party of such default. In addition, in the event that certain minimum annual revenue targets are not met ($1,000,000 of tissue processing cases) during the term of the agreement, we shall have the right to terminate the agreement for non-performance upon 30 days written notice to DMI for an amount equal to two times the license fee paid less all cumulative fees paid by us to the date of such termination. In the event we exercise such right to terminate for non-performance, DMI would have the right to elect to have the agreement become non-exclusive as to the territory for the remainder of the initial term.

On April 29, 2011, we entered into agreement with AGE Management LLC, pursuant to which we granted AGE a five year license to the Technology so AGE can utilize the Technology to provide tissue processing services within a 50 mile radius of Lake Mary, Florida. In consideration for the Technology, AGE agreed to pay us (i) a license fee of $80,000 and (ii) a royalty payment equal to $500 for each tissue processing case. The agreement may be terminated by either party in the event of a material default of any duty, obligation or responsibility imposed by the agreement which has not been cured within ten business days after the non-defaulting party gives written notice to the defaulting party of such default. In addition, in the event that certain minimum annual revenue targets are not met ($1,000,000 of tissue processing cases) during the term of the agreement, we shall have the right to terminate the agreement for non-performance upon 30 days written notice to AGE for an amount equal to two times the license fee paid less all cumulative fees paid by us to the date of such termination. In the event we exercise such right to terminate for non-performance, AGE would have the right to elect to have the agreement become non-exclusive as to the territory for the remainder of the initial term.

On June 14, 2011, we entered into agreement with AllWin Scientific Corporation, pursuant to which we granted AllWin a five year license to the Technology so AllWin can utilize the Technology to provide tissue processing services within a 25 mile radius of Denver, Colorado. In consideration for the Technology, AllWin agreed to pay us (i) a license fee of $80,000 and (ii) a royalty payment equal to $500 for each tissue processing case. The agreement may be terminated by either party in the event of a material default of any duty, obligation or responsibility imposed by the agreement which has not been cured within ten business days after the non-defaulting party gives written notice to the defaulting party of such default. In addition, in the event that certain minimum annual revenue targets are not met ($400,000 of tissue processing cases) during the term of the agreement, we shall have the right to terminate the agreement for non-performance upon 30 days written notice to AllWin for an amount equal to two times the license fee paid less all cumulative fees paid by us to the date of such termination. In the event we exercise such right to terminate for non-performance, AllWin would have the right to elect to have the agreement become non-exclusive as to the territory for the remainder of the initial term.

On June 27, 2011, we entered into agreement with PBH Holdings, LLC ("PBH"), pursuant to which we granted PBH a five year license to the Technology so PBH can utilize the Technology to provide tissue processing services within a territory to be determined as per population density (comprising an approximate 50 mile radius of Sugarland, Texas).

In consideration for the Technology, PBH agreed to pay us (i) a license fee of $80,000 and (ii) a royalty payment equal to $500 for each tissue processing case. The agreement may be terminated by either party in the event of a material default of any duty, obligation or responsibility imposed by the agreement which has not been cured within ten business days after the non-defaulting party gives written notice to the defaulting party of such default. In addition, in the event that certain minimum annual revenue targets are not met ($1,000,000 of tissue processing cases) during the term of the agreement, we shall have the right to terminate the agreement for non-performance upon 30 days written notice to PBH for an amount equal to two times the license fee paid less all cumulative fees paid by us to the date of such termination. In the event we exercise such right to terminate for non-performance, PBH would have the right to elect to have the agreement become non-exclusive as to the territory for the remainder of the initial term.

In July, 2011, we entered into agreement with Regenerative Laboratory Services of Baton Rouge, LLC, pursuant to which we granted Regenerative a five year license to the Technology so Regenerative can utilize the Technology to provide tissue processing services within a specified territory comprising an approximate 50 mile radius of Baton Rouge, Lousiana. In consideration for the Technology, Regenerative agreed to pay us (i) a license fee of $80,000 and (ii) a royalty payment equal to $500 for each tissue processing case. The agreement may be terminated by either party in the event of a material default of any duty, obligation or responsibility imposed by the agreement which has not been cured within ten business days after the non-defaulting party gives written notice to the defaulting party of such default. In addition, in the event that certain minimum annual revenue targets are not met ($250,000 of tissue processing cases) during the term of the agreement, we shall have the right to terminate the agreement for non-performance upon 30 days written notice to Regenerative for an amount equal to two times the license fee paid less all cumulative fees paid by us to the date of such termination. In the event we exercise such right to terminate for non-performance, Regenerative would have the right to elect to have the agreement become non-exclusive as to the territory for the remainder of the initial term.

As of the date hereof, we believe that the licensees in Philadelphia, Pennsylvania, Dallas/Ft. Worth, Texas, Palm Beach, Florida, Metaire, Lousiana, and Lake Mary, Florida are either in default and/or non-compliance with the duties, obligation or responsibility imposed upon them by the agreement and we intend to pursue our remedies accordingly. In addition, we have received notification of termination from the licensees in Denver, Colorado and Baton Rouge, Louisiana, which notifications include demand for payments. We believe that such parties were also in default and/or non-compliance with the duties, obligation or responsibility imposed upon them by the agreement, and we intend to pursue our remedies and/or vigorously defend ourselves against any claims made by such parties.

Sales and Marketing

Our current marketing objectives focus on achieving rapid growth by entering into agreements to install our cGTP cellular processing lab in ambulatory surgery centers and hospitals located in the United States that initially focus on regenerative medicine in the areas of Aesthetics, Orthopedics, Sports Medicine, Pain Management and Periodontal Diseases, and by entering into technology licensing agreements that cover a particular international territory or country. Finally, another focus of our business development will involve engaging in and our coordinating clinical studies at prominent medical centers with the goal of obtaining FDA approval for major clinical indications of the SVF’s yielded from the use of our proprietary process.

Research and Development

We have recently formed a wholly-owned subsidiary, ICBS Research, Inc., through which we plan to conduct research and development activities on our own and in combination with academic, government and industry collaborators.

In contemplation of our proposed research and development activities, in December 2011, we entered into a strategic collaborative agreement with Numoda Corporation, a large Contract Research Organization (CRO) that provides a number of clinical research services to the biotech industry. Under the terms of the agreement, Numoda agreed to invest $500,000 into us based on our achievement of certain milestones to be agreed upon between the parties, in exchange for our contracting with Numoda to provide CRO services in planned in-human clinical studies commencing in 2012. As of the date hereof, Numoda has not invested any money into the Company.

We have also had preliminary discussions with several researchers and Universities regarding the establishment of clinical studies for the purpose of exploring therapeutic use of IntelliCells™. The currently contemplated initial areas under study with proposed partners are:

Osteoarthritis;

Non-healing diabetic ulcers (wound healing); and

Military severe injuries deploying the IntelliCell™ product (process) on the battlefield as part of the care provider on-site.

The October 2011 Issue of the Journal of Implant & Advanced Clinical Dentistry published an article on a prospective pilot study on the clinical application of SVF with stem cells in the treatment of gingival recession defects using our proprietary process to be conducted by Dr. Nicholas Toscano. Dr. Toscano is a member of our advisory board.

As previously disclosed above, we have started our first FDA IND study that will be on osteoarthritis of the knee with Dr. James Andrews and inVentiv as our CRO. On March 11, 2014, the Company executed a Consulting Agreement with Dr. James Andrews, effective March 7, 2014, pursuant to which Dr. Andrews shall serve as Chairman of the Intellicell Orthopedic Cellular Therapy Advisory Board.

Competition

We compete with many pharmaceutical, biotechnology, medical device and bio tools companies, as well as other private and public stem cell companies involved in the development and commercialization of cell-based medical technologies and therapies in the regenerative medicine industry. Regenerative medicine is a rapidly evolving industry, primarily through the development of cell-based therapies or devices designed to isolate cells from human tissues. Most efforts involve cell sources, such as bone marrow, embryonic and fetal tissue, umbilical cord and peripheral blood and skeletal muscle. Companies working in the area of regenerative medicine include, among others, Cytori Therapeutics, Stem Cell Assurance, Inc., Osiris, Aastrom Biosciences, Aldagen, BioTime, Baxter International, Celgene, Geron, Harvest Technologies, Mesoblast, Regenexx, NeoStem, X-Cell Center, Stem Cells, Athersys, and Tissue Genesis. Companies working in the area of biological tools include, among others, Life Technologies, Asterand, Pacific Biosciences of California, and AllCells. Currently, we are aware of certain regenerative medical companies that provide processes for extracting SVF containing adult stem cells from adipose (fat) tissue. As techniques for expanding the use of stem cells improve, the use of collection techniques of adult stem cells could increase and compete with our services. Many of our competitors and potential competitors have substantially greater financial, technological, research and development, marketing and personnel resources than we do. We cannot with any accuracy forecast when or if these companies are likely to bring cell therapies to market for procedures that we are also pursuing.

Patents and Proprietary Rights

Our success will likely depend upon our ability to preserve our proprietary patented process and operate without infringing on the proprietary rights of other parties. However, we may rely on certain proprietary technologies and know-how that are not patentable or that we determine to keep as trade secrets. We intend to protect our proprietary information, in part, by the use of confidentiality and assignment of invention agreements with our officers, directors, employees, consultants, significant scientific collaborators and sponsored researchers that will generally provide that all inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. The following table identifies the published pending patent applications that are owned by us:

Number	Country	Filing Date	Issue Date	Expiration Date	Title
Patent Applications					
US 13/323,030	U.S.		January 17, 2013	N/A	Ultrasonic Cavitation Derived Stromal Or Mesenchymal Vascular Extracts And Cells Derived Therefrom Obtained From Adipose Tissue And Use Thereof
PCT/US2011/064464	PCT		Pending	N/A	Ultrasonic Cavitation Derived Stromal Or Mesenchymal Vascular Extracts And Cells Derived Therefrom Obtained From Adipose Tissue And Use Thereof

INTELLICELL BIOSCIENCES INC. PATENT PORTFOLIO CHART
(MAY 27, 2013)

H&W Ref.	Country	Patent Application No. Patent No.	Filing Date Issue Date	Status	Action
ULTRASONIC CAVITATION DERIVED STROMAL OR MESENCHYMAL VASCULAR EXTRACTS AND CELLS DERIVED THEREFROM OBTAINED FROM ADIPOSE TISSUE AND USE THEREOF					
2	US	8,440,440	14-May-13		
5	US-CON	13/745,367	1-Jan-13	Preexam	Continuation
3	PCT	PCT/US11/64464	12-Dec-11	Published	National Stage Filing Due 6/27/2013
ISOLATION OF STROMAL VASCULAR FRACTION FROM NON-LIVING ADIPOSE TISSUE USING ULTRASONIC CAVITATION					
10	PRO	61/674,116	20-Jul-2012	Pending	Pending US/FF 7/20/2013
000010A	PRO	61/721,917	02-Nov-2012	Pending	Pending Updated Matter 10
METHOD OF HARVESTING SVF FROM VARIOUS TISSUES USING INDIRECT ULTRASONIC CAVITATION					
20	PRO	61/773,482	6-Mar-13	Pending	Pending US/FF 3/6/2014
000020A	PRO	61/793,934	15-Mar-13	Pending	Pending Updated Matter 20
ISOLATION OF SVF FROM ADIPOSE TISSUE OBTAINED USING HOMOGENIZATION WITH BEADS					
30	PRO	61/693,982	28-Aug-12	Pending	Pending US/FF 8/28/2013
ALLOGENEIC STORMAL VASCULAR FRACTION TRANSPLANTATION BY BLOOD TYPE MATCHING					
4	PRO	61/784,173	14-Mar-13	Pending	Pending US/FF 3/14/2014

When appropriate, we will continue to seek patent protection for inventions in our core technologies and in ancillary technologies that support our core technologies or which we otherwise believe will provide us with a competitive advantage. We will accomplish this by filing and maintaining patent applications for discoveries we make, either alone or in collaboration with scientific collaborators and strategic partners. Typically, we plan to file patent applications in the United States. In addition, we plan to obtain licenses or options to acquire licenses to patent filings from other individuals and organizations that we anticipate could be useful in advancing our research, development and commercialization initiatives and our strategic business interest.

Government Regulation

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

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

The U.S. Food and Drug Administration (the "FDA") regulates the manufacture of human cells, tissues, and cellular and tissue-based products ("HCT/Ps") under the authority of Section 361 of the Public Health Safety Act ("PHS Act") and exercises this authority pursuant to the regulations governing HCT/Ps in Part 1271 in Title 21 of the Code of Federal Regulations.

The FDA regulatory requirements for HCT/Ps, such as IntelliCells™, are complex and evolving. The FDA sets forth criteria for determining whether an HCT/P can be regulated solely under Section 361 of the PHS Act, *i.e.* , as a "361 HCT/P." A 361 HCT/P is regulated solely as an HCT/P, without additional regulation as a medical device, drug, or biologic.

Under the FDA regulations, an HCT/P qualifies as a 361 HCT/P if it meets all of the following criteria: (i) it is minimally manipulated; (ii) it is intended for homologous use only, as reflected by labeling, advertising, or other indications of the manufacturer's objective intent; (iii) it is not combined with a device, drug or biologic (with limited exceptions); and (iv) either (a) it does not have a systemic effect and is not dependent upon metabolic activity for its primary function (with certain exceptions) or (b) it does have a systemic effect or is dependent upon metabolic activity for its primary function and is intended for certain uses, including autologous use. Such 361 HCT/Ps may be commercially distributed without the FDA's premarket clearance or approval. The FDA permits manufacturers to proceed to market based upon a self-determination that a product qualifies as a 361 HCT/P. The FDA reserves the right to disagree, and also has voluntary procedures for obtaining an advance agency determination. We believe the autologous stem cells that are derived from the IntelliCells™ process meet the FDA's requirements to be regulated solely as 361 HCT/Ps, and have proceeded to market on that basis.

The regulatory requirements of 21 C.F.R. Part 1271 applicable to HCT/Ps include the following:

registration and listing of HCT/Ps with the FDA;

current good tissue practices, specifically including requirements for the facilities, environmental controls, equipment, supplies and reagents, recovery of HCT/Ps from the patient, processing, storage, labeling and document controls, and distribution and shipment of the HCT/Ps to the laboratory, storage, or other facility;

tracking and traceability of HCT/Ps and equipment, supplies, and reagents used in the manufacture of HCT/Ps;

adverse event reporting;

FDA inspection;

importation of HCT/Ps; and

abiding by any FDA order of retention, recall, destruction, and cessation of manufacturing of HCT/Ps.

We believe the donor screening requirements in Part 1271 do not apply because our product is made from autologous tissue.

Possible Additional FDA Device, Drug, or Biologic Regulatory Requirements

On March 13, 2012, the Company received a regulatory Warning Letter from FDA regarding the Intellicell™ process. A Warning Letter is an FDA notification to a regulated company that the Agency believes the company to have violated the Federal Food, Drug, and Cosmetic Act (“FDC Act”), but it is not considered final agency enforcement action. The March Warning Letter stated that FDA believed the Intellicell™ process to be a new drug or a biologic product requiring a new drug application (“NDA”) or biologics license application ("BLA"). This was based on statements that the Agency believed that the Company was using adipose tissues for non-homologous use, and that these cells were more than minimally manipulated. Such products would not be considered HCT/Ps regulated solely under section 361 of the PHS Act. The Warning Letter also noted a number of cGMP issues at the Intellicell lab facility (which the Company has since shut down and moved).

On April 2, 2012, the Company timely submitted a comprehensive response to the Warning Letter that provided a detailed explanation of the Intellicell™ process, which uses non-adipose adult stem cells in the SVF matrix (i.e., our adult autologous vascular cells). The letter further explained how the SVF product is used, and why it should be considered appropriate homologous use under section 361 of the PHS Act and FDA regulations at 21 C.F.R. § 1271. The response letter noted that all of the cells contained in SVF are characteristic of vascular tissue, and are simply extracted from adipose tissue.

On November 19, 2012, the Company received a letter (the "FDA Letter") from the FDA as part of its ongoing discussion and correspondence with the FDA regarding a warning letter the Company received from the FDA on March 13, 2012. The FDA stated in the FDA Letter that it believes that the Company's process does not meet the definition of minimal manipulation, does not fall within the definition of homologous use of the adipose tissue and is not the same surgical procedure under 21 CFR 1271.3(f)(1), 21 CFR 1271.10(a)(2) and 21 CFR 1271.15(b), respectively, and as such, the Company is required to have FDA approval for its product, and file an investigational new drug (IND) application for planned in-human clinical studies. In December 2012, the Company filed an appeal with FDA under 21 CFR 1075 for internal review of the FDA's decisions. The Company has made every effort to comply with FDA requirements for human cell and tissue products ("HCT/Ps") that are not subject to FDA pre-approval and it continues to believe that its product/process is compliant with currently FDA requirements.

The response letter also notified FDA that we were opening a new facility that would be fully cGMP compliant, and that the Company had retained several expert consultants to assist in quality and regulatory compliance. We believe that the steps we have taken should resolve the FDA regulatory issues noted in the Warning Letter; however, there is no guarantee that FDA will agree with our position on the regulatory status of the AAVC product or on cGMP compliance.

If the FDA were to disagree with our conclusion that IntelliCells™ qualify as a 361 HCT/P, then IntelliCells™ could be subject to additional FDA regulatory requirements applicable to medical devices or drugs under the FDC Act or biological products under Section 351 of the PHS Act and implementing regulations, depending upon which of these categories FDA concluded applies to IntelliCells™.

The Company underwent a thorough inspection by the FDA from May 14, 2013 through June 2, 2013, of its cellular laboratory facility. The observations from the FDA inspection were provided to the company in the Form 483. The Company has responded to those observations in a timely manner. IntelliCell has taken the necessary actions to address the relevant observations of the FDA inspection.

Medical Device Regulation

The FDA regulates the design/development process, clinical testing, manufacture, safety, labeling, sale, distribution, and promotion of medical devices under the FDC Act. Included among these regulations are premarket clearance and premarket approval requirements, and the Quality System Regulation (which imposes Good Manufacturing Practice requirements). Other statutory and regulatory requirements govern, among other things, registration and inspection, medical device listing, prohibitions against misbranding and adulteration, labeling, and post-market reporting.

The regulatory clearance/approval process can be lengthy, expensive, and uncertain. Unless an exemption applies, any medical device that we would bring to market must first receive either premarket notification clearance (by making a 510(k) submission) or premarket approval (by filing a premarket approval application ("PMA")) from the FDA pursuant to the FDC Act. In addition, certain modifications made to marketed devices also may require 510(k) clearance or approval of a PMA supplement. The FDA's 510(k) clearance process usually takes from four to twelve months, but it may take longer. The process of obtaining PMA approval is much more costly and uncertain and may take one or more years from the time the process is initiated. We cannot be sure that 510(k) clearance or PMA approval will be obtained for any product that we propose to market.

A clinical study in support of a PMA application or 510(k) submission for a "significant risk" device requires an Investigational Device Exemption ("IDE") application approved in advance by the FDA for a limited number of patients. The IDE application must be supported by appropriate data, such as animal and laboratory testing results. If the device presents a "non-significant risk" to the patient, a sponsor may begin the clinical study without the need for FDA approval. In all cases, the clinical study must be conducted under the auspices of an Institutional Review Board ("IRB") pursuant to the FDA's regulatory requirements intended for the protection of subjects and to assure the integrity and validity of the data.

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

Failure to comply with applicable requirements can result in application integrity proceedings, fines, recalls or seizures of products, injunctions, civil penalties, total or partial suspensions of production, withdrawals of existing product approvals or clearances, refusals to approve or clear new applications or notifications, and criminal prosecution.

Drug and Biological Product Regulation

To obtain approval of a drug or biological product from the FDA, a company must, among other requirements, submit data supporting safety and efficacy as well as detailed information on the manufacture and composition of the product. In most cases, this entails extensive laboratory tests and preclinical and clinical trials. The collection of these data, as well as the preparation of applications for review by the FDA, are costly in time and effort, and may require significant capital investment.

A company typically conducts human clinical trials in three sequential phases, but the phases may overlap. Phase 1 trials consist of testing of the product in a small number of patients or healthy volunteers, primarily for safety at one or more doses. Phase 2 trials, in addition to safety, evaluate the efficacy of the product in a patient population somewhat larger than Phase 1 trials. Phase 3 trials typically involve additional testing for safety and clinical efficacy in an expanded population at geographically dispersed test sites. A company must submit to the FDA a protocol, which must also be approved by the IRBs at the institutions participating in the trials, prior to commencement of each clinical trial. The trials must be conducted in accordance with the FDA's good clinical practices. The FDA may order the temporary or permanent discontinuation of a clinical trial at any time.

To obtain marketing authorization, a company must submit to the FDA the results of the preclinical and clinical testing, together with, and among other things, detailed information on the manufacture and composition of the product, in the form of a NDA, or, in the case of a biologic, a BLA. Under federal law, the submission of most NDAs and BLAs is subject to a substantial application user fee, currently exceeding $1.5 million, and the manufacturer and/or sponsor under an approved NDA or BLA are also subject to annual product and establishment user fees, currently exceeding $86,000 per product and $497,000 per establishment. These fees are typically increased annually. We cannot be sure that NDA or BLA approval would be obtained for any product that we propose to market.

All approved drug and biological products are subject to continuing regulation by the FDA, including record-keeping requirements, reporting of adverse experiences with the product, sampling and distribution requirements, notifying the FDA and gaining its approval of certain manufacturing or labeling changes, complying with certain electronic records and signature requirements, submitting periodic reports to the FDA, maintaining and providing updated safety and efficacy information to the FDA, and complying with FDA promotion and advertising requirements. Failure to comply with the statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as warning letters, suspension of manufacturing, seizure of product, injunctive action, criminal prosecution, or civil penalties.

The FDA may require post-marketing studies or clinical trials to develop additional information regarding the safety of a product. These studies or trials may involve continued testing of a product and development of data, including clinical data, about the product's effects in various populations and any side effects associated with long-term use. The FDA may require post-marketing studies or trials to investigate known serious risks or signals of serious risks or

identify unexpected serious risks and may require periodic status reports if new safety information develops. Failure to conduct these studies in a timely manner may result in substantial civil fines.

Drug and biological product manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and to list their products with the FDA. The FDA periodically inspects manufacturing facilities in the United States and abroad in order to assure compliance with the applicable current good manufacturing practices (“cGMP”) regulations and other requirements. Facilities also are subject to inspections by other federal, foreign, state, or local agencies. In complying with the cGMP regulations, manufacturers must continue to expend time, money and effort in record-keeping and quality control to assure that the product meets applicable specifications and other post-marketing requirements. We must ensure that any third-party manufacturers continue to expend time, money and effort in the areas of production, quality control, record keeping and reporting to ensure full compliance with those requirements. Failure to comply with these requirements subjects the manufacturer to possible legal or regulatory action, such as suspension of manufacturing or recall or seizure of product.

Newly discovered or developed safety or efficacy data may require changes to a product's approved labeling, including the addition of new warnings and contraindications, additional preclinical or clinical studies, or even in some instances, revocation or withdrawal of the approval. Violations of regulatory requirements at any stage, including after approval, may result in various adverse consequences, including the FDA's withdrawal of an approved product from the market, other voluntary or FDA-initiated action that could delay or restrict further marketing, and the imposition of civil fines and criminal penalties against the manufacturer and NDA or BLA holder. Later discovery of previously unknown problems may result in restrictions on the product, manufacturer or NDA or BLA holder, including withdrawal of the product from the market. New government requirements may be established that could delay or prevent regulatory approval, or affect the conditions under which approved products are marketed.

State and Local Government Regulation

Some states and local governments regulate human tissue banking facilities and require these facilities to obtain specific licenses. Our processing centers may be required to comply with such state laws, including becoming licensed as a tissue bank and being subject to inspection. Some states, such as New York, California and Maryland, may require licensure of out-of-state facilities that process tissue of residents of those states. We must obtain the applicable state licensures for our processing centers and comply with the current and any new licensing laws that become applicable in the future.

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

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

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

Companies failing to comply with the HIPAA standards may be subject to civil money penalties or criminal prosecution. To the extent that our business requires compliance with HIPAA, it intends to fully comply with all requirements.

Other Applicable U.S. Laws

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

- state and local licensure, registration, and regulation of the development of pharmaceuticals and biologics;
- state and local licensure of medical professionals;
- state statutes and regulations related to the corporate practice of medicine;
- other laws and regulations administered by the U.S. Food and Drug Administration;
- other laws and regulations administered by the U. S. Department of Health and Human Services;
- state and local laws and regulations governing human subject research and clinical trials;
- the federal physician self-referral prohibition, also known as Stark Law, and any state equivalents to Stark Law;
- the Medicare and Medicaid Anti-Kickback Law and any state equivalent statutes and regulations;
- Federal and state coverage and reimbursement laws and regulations;
- state and local laws and regulations for the disposal and handling of medical waste and biohazardous material; and
- Occupational Safety and Health (“OSHA”) regulations and requirements.

Employees

As of December 31, 2013, we had 6 full-time employees. We have not experienced any work disruptions or stoppages and we consider our relationship with our employees to be strong. None of our employees are covered by a collective-bargaining agreement.

Our Website

Our website address is *www.intellicellbiosciences.com.* Information found on our website is not incorporated by reference into this report. We make available free of charge through our website our SEC filings furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

ITEM 1A. RISK FACTORS.

An investment in our common stock involves a high degree of risk. In determining whether to purchase our common stock, an investor should carefully consider all of the material risks described below, together with the other information contained in this report before making a decision to purchase our securities. An investor should only purchase our securities if he or she can afford to suffer the loss of his or her entire investment.

Risks Relating to Our Business and Industry

We are a development-stage company with a limited operating history, no marketed tests and substantial losses predicted for the foreseeable future.

The Company's wholly-owned subsidiary commenced operations in the regenerative medicine industry in August 2010. As such, we have a limited operating history and have not earned any profits to date. To date, we have not achieved, and we may never achieve, revenues sufficient to offset expenses. We expect to devote substantially all of our resources to the completion of build-out of our Ambulatory Surgical Center in New York, NY, the cell processing laboratory within that facility and develop and commercialize our regenerative medical products.

Because of the numerous risks and uncertainties associated with developing and commercializing our regenerative medical products, we are unable to predict the extent of any future losses or when we will become profitable, if ever. We may never become profitable and you may never receive a return on an investment in our shares of common stock. An investor in our common shares must carefully consider the substantial challenges, risks and uncertainties inherent in the attempted development and commercialization of procedures and products in the medical, cell therapy, biotechnology and biopharmaceutical industries. We may never successfully commercialize our regenerative medical products, and our business may fail.

Our auditors have expressed substantial doubt about our ability to continue as a going concern.

In their report dated May 9, 2014, Rosen Seymour Shapss Martin & Company LLP stated that our financial statements for the fiscal years ended December 31, 2013 and 2012, were prepared assuming that we would continue as a going concern. Our ability to continue as a going concern is an issue raised as a result of our recurring losses from operations and our net capital deficiency. We continue to experience net operating losses. Our ability to continue as a going concern is subject to our ability to generate a profit.

Our regenerative medical products may not gain acceptance among physicians, healthcare professionals and third-party payors, which could have a material impact on our future business, financial condition and operations.

Our success will depend upon our regenerative medical products being accepted in the market. The degree of market acceptance of our tests by physicians, healthcare professionals and third-party payers will depend on a number of factors, including:

our ability to provide acceptable evidence of clinical utility;

successful integration into clinical practice;

availability and advantages of alternative tests;

effectiveness of our sales and marketing efforts and strategies;

pricing and positive health economics; and

our ability to obtain sufficient insurance coverage or reimbursement.

If any tests that we commercialize fail to gain market acceptance, our ability to generate revenue would be impaired, which could have a material impact on our business, financial condition and operations.

Additional financing is necessary for the implementation of our growth strategy.

We may require additional debt and/or equity financing to pursue our growth strategy. Given our limited operating history and existing losses, there can be no assurance that we will be successful in obtaining additional financing. Lack of additional funding could force us to curtail substantially our growth plans or cease of operations. Furthermore, the issuance by us of any additional securities pursuant to any future fundraising activities undertaken by us would dilute the ownership of existing shareholders and may reduce the price of our common stock. Furthermore, debt financing, if available, will require payment of interest and may involve restrictive covenants that could impose limitations on our operating flexibility. Our failure to successfully obtain additional future funding may jeopardize our ability to continue our business and operations.

If we are unable to adequately acquire and protect or enforce our intellectual property, our competitive position could be impaired.

Our commercial success depends in part on our ability to obtain patents or rights to patents and maintain their validity, protect our trade secrets and effectively enforce our proprietary rights or patents against infringers. Although we have filed, or have licenses to, patent applications in respect of the technology underlying our regenerative medicine products, there are no guarantees that such patent applications will result in issued patents, that any patents that might be issued will protect our technology or that we will develop other patentable tests in the future. Moreover, there can be no assurance that a patent granted to us or in respect of which we hold a license will make the related test more competitive, that third parties will not contest the protection granted by the patent, or that the patents of third parties will not be detrimental to our commercial activities. Our failure or inability to protect our trade secrets and proprietary know-how could impair our competitive position. There is no guarantee that other companies will not independently develop tests similar to our regenerative products or any future tests that we develop, that they will not imitate our tests or that our competitors will not produce tests designed to circumvent our proprietary rights.

Potential claims alleging infringement of third party's intellectual property by us could harm our ability to compete and result in significant expense to us and loss of significant rights.

From time to time, third parties may assert patent, copyright, trademark and other intellectual property rights to technologies that are important to our business. Any claims, with or without merit, could be time-consuming, result in costly litigation, divert the efforts of our technical and management personnel, cause product shipment delays, disrupt our relationships with our customers or require us to enter into royalty or licensing agreements, any of which could have a material adverse effect upon our operating results. Royalty or licensing agreements, if required, may not be available on terms acceptable to us. If a claim against us is successful and we cannot obtain a license to the relevant technology on acceptable terms, license a substitute technology or redesign our products to avoid infringement, our business, financial condition and results of operations would be materially adversely affected.

If the FDA imposes device, drug, or biologic regulation on IntelliCells™, we may not be able to obtain the necessary clearance or approval to market IntelliCells™ in a timely manner or at all. Even if we do obtain approval, the cost and delay could materially adversely affect our financial condition, results of operations and cash flows.

The FDA allows HCT/Ps (human cell and tissue products) to proceed to market without prior clearance or approval. We believe IntelliCells™ qualify under this foregoing section and under Title 21 of the Code of Federal Regulations, Part 1271.10 (21 C.F.R. § 1271.10), and we have not invoked FDA's voluntary procedures for seeking a ruling. We cannot assure you that the FDA would agree with our determination. For example, such HCT/Ps must be "minimally manipulated." We believe that our use of ultrasound cavitation or other physical means, rather than chemical means, to separate non-cellular material and to create IntelliCells™ qualifies as minimal manipulation. However, to our knowledge, the FDA has not publicly addressed the issue of ultrasound cavitation and minimal manipulation, and could disagree. If the FDA were to decide that ultrasound cavitation is more than minimal manipulation, then IntelliCells™ would no longer qualify for these exemptions.

The FDA may disagree with the Company that using SVFC for regenerative inductions represents homologous use (same basic function) and otherwise meet the conditions of 21 C.F.R. § 1271, If FDA were to disagree, Intellicells™ would require premarket approval as a drug, medical device, or biological product.

If the FDA were to disagree with our determination, or were to prospectively alter the requirements for HCT/P eligibility, the agency could require us to stop marketing IntelliCells™ until we met burdensome and lengthy medical device, drug, or biologic premarket clearance or approval requirements, which could include a requirement to gather extensive supporting clinical data. We do not know if clearance or approval of our IntelliCells™ could be obtained in a timely fashion, or at all. Even if such clearance or approval could be obtained, IntelliCells™ would be subject to more stringent level of post-market regulation as well. If any of these events were to occur, our financial condition and results of operations and cash flows could be materially and adversely affected.

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

The FDA imposes substantial regulatory requirements upon facilities that are engaged in the recovery, processing, storage, labeling, packaging, or distribution of HCT/Ps.

Our processing centers will likely be required to comply with the HCT/P regulations and applicable state tissue bank regulation. Although we do not currently intend to utilize third parties, if any third parties were retained by us to

engage in the manufacture of an HCT/P on our behalf, such third parties must also comply with the HCT/P regulations. If we or our third-party contractors fail to register, update registration information, or comply with any HCT/P regulation, we could be subject to civil and criminal fines and penalties and/or injunction, which could adversely affect our business. Furthermore, adverse events in the field of stem cell therapy may result in greater governmental regulation, which could create increased expenses, potential delays, or otherwise affect our business.

State and local governments impose additional licensing and other requirements upon clinical laboratories and facilities that store, handle, and process human tissue. We may not be able to obtain the necessary licensure required to conduct business in any state in a timely manner, or at all, and the cost of compliance could adversely affect our ability to operate our business profitably.

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

Whether or not the Intellicells™ are regulated as HCT/P products under the PHS Act or require some sort of FDA approval, the product will be subject to cGMP requirements. These requirements are the minimum standards for facilities and procedures necessary to ensure that medical products, including HCT/P products are manufactured under proper conditions. We have taken steps to make sure that our facilities are compliant with cGMP requirements. If FDA disagrees with us on cGMP compliance, the Agency may take regulatory action against us.

There are risks associated with our strategy to remotely operate cGTP lab in ambulatory surgery centers and hospitals.

We have no experience in operating cGTP lab remotely in ambulatory surgery centers and hospitals,. There are numerous risks associated with this strategy that include, but are not limited to: (i) the costs of setting up and operating such cGTP labs, (ii) there are substantial risks associated with operating complex businesses remotely, especially one where controlling the cell therapy lab and operations is so critical, (iii) there are risks associated with controlling growth, (iv) risks exist associated with adverse events in one facility affecting the business as a whole, (v) there are general risks associated with growth.

We face competition in our markets from a number of large and small companies, some of which have greater financial, research and development, production and other resources than we have.

Our services face competition from services which may be used as an alternative or substitute therefore. In addition we compete with several large companies in the healthcare industry. To the extent these companies, or new entrants into the market, offer comparable services at lower prices, our business could be adversely affected. Our competitors can be expected to continue to improve the design and performance of their products and services and to introduce new products and services with competitive performance characteristics. There can be no assurance that we will have sufficient resources to maintain our current competitive position. See “Description of Business - Competition.”

The current U.S. and global economic conditions could materially adversely affect our results of operations and business condition.

Our operations and performance depend significantly on economic conditions. Over the past three years, the U. S. economy has experienced a prolonged economic downturn. While economic conditions have recently improved, there is continued uncertainty regarding the timing or strength of any economic recovery. If the current economic situation remains weak or deteriorates further, our business could be negatively impacted by reduced demand for our services or third-party disruptions resulting from higher levels of unemployment, government budget deficits and other adverse economic conditions. Any of these risks, among other economic factors, could have a material adverse effect on our financial condition and operating results, and the risks could become more pronounced if the problems in the U.S. and

global economies become worse.

We are heavily dependent on our senior management, and a loss of a member of our senior management team or our failure to attract, assimilate and retain other highly qualified personnel in the future, could harm our business.

If we lose members of our senior management, we may not be able to find appropriate replacements on a timely basis, and our business could be adversely affected. Our existing operations and continued future development depend to a significant extent upon the performance and active participation of certain key individuals, including Steven Victor, our Chief Executive Officer, If we were to lose Mr. Victor, we may not be able to find appropriate replacements on a timely basis and our financial condition and results of operations could be materially adversely affected.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these employees is intense, and we may not be successful in attracting and retaining qualified personnel. We could also experience difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we fail to attract new personnel, or fail to retain and motivate our current personnel, our business and future growth prospects could be severely harmed.

Steven Victor, our chief executive officer, is a practicing cosmetic dermatologist and his duties as a doctor may limit the time he may be able to spend developing our products.

Dr. Steven Victor, our chief executive officer, is a practicing cosmetic dermatologist in New York City. Currently, Dr. Victor does not believe his duties as a practicing physician will limit his ability to function as our sole officer or develop our products. However, to the extent Dr. Victor's duties as a practicing physician requires him to limit his commitment to us, it could impact our ability develop our products which could have an adverse effect on our results of operations.

Our current officer, directors and principal shareholders may have substantial influence over the election of the Board of Directors and matters submitted to a stockholder vote.

Our directors, executive officers and principal (10%) stockholders and their affiliates beneficially own approximately 8% of the outstanding shares of Common Stock. Accordingly, our executive officers, directors, principal stockholders and certain of their affiliates may have substantial influence on the ability to control the election of our Board of Directors and the outcome of issues submitted to our stockholders.

Our business may be affected by factors outside of our control.

Our ability to increase sales, and to profitably distribute and sell our products and services, is subject to a number of risks, including changes in our business relationships with our principal distributors, competitive risks such as the entrance of additional competitors into our markets, pricing and technological competition, risks associated with the development and marketing of new products and services in order to remain competitive and risks associated with changing economic conditions and government regulation.

Holders of some of our promissory notes which are now in default could, if they were to successfully enforce those notes in a law suit, levy on our assets and have them sold to satisfy our obligations on the notes.

Part of our debt held by promissory note holders has been assumed by Redwood Management, LLC. However, our bridge notes and our convertible promissory notes held by some of our promissory note holders are in default, and we are not in a position to repay them. We intend to use the proceeds of a future offering to pay off such notes. Holders of those notes could if they choose to sue on those notes, and if they were successful in their lawsuits they could levy on our assets and have those assets sold to satisfy the amounts we owe them.

Risks Related to our Common Stock

There has not been an active public market for our common stock so the price of our common stock could be volatile and could decline following this offering at a time when you want to sell your holdings.

Our common stock is traded on the OTCQB under the symbol SVFC. Our common stock is not actively traded and the price of our common stock may be volatile. Numerous factors, many of which are beyond our control, may cause the market price of our common stock to fluctuate significantly. These factors include:

the Food and Drug Administration (FDA) has re-inspected our facility in early June and issued a 483 Report and the Company has responded in a timely manner. They may determine that we do not currently meet the guidelines to operate a cell therapy business or that our cell therapy treatments should be treated as a drug;

the failure of any of our clinical studies;

market conditions or trends related to the biotechnology, cell therapy, stem cell, pharmaceutical, medical device, diagnostics and medical services industries, or the market in general;

announcements of technological innovations, new commercial products, or other material events by our competitors or us;

disputes or other developments concerning our proprietary rights;

changes in, or failure to meet, securities analysts' or investors' expectations of our financial and developmental performance;

additions or departures of key personnel;

loss of any strategic relationship;

discussions of our business, products, financial performance, prospects, or stock price by the financial and scientific press and online investor communities such as chat rooms;

industry developments, including, without limitation, changes in healthcare policies or practices or third-party reimbursement policies;

public concern as to, and legislative action with respect to, testing or other research areas of cell therapy, stem cells, biopharmaceutical and pharmaceutical companies, the pricing and availability of prescription drugs or the safety of drugs or drug-like products;

regulatory developments in the United States or foreign countries; and

economic, political and other external factors.

In addition, the market price for securities of life science companies, including cell therapy, stem cell, pharmaceutical and biotechnology companies historically has been volatile, and the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These broad market fluctuations may cause the market price of our common stock to decline substantially.

Securities class action litigation is often instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs to us and divert our management's attention and resources.

Moreover, securities markets may from time to time experience significant price and volume fluctuations for reasons unrelated to operating performance of particular companies. These market fluctuations may adversely affect the price of our common stock and other interests in our company at a time when you want to sell your interest in us.

Our common stock will be subject to the "penny stock" rules of the SEC, which may make it more difficult for stockholders to sell our common stock.

The Securities and Exchange Commission has adopted Rule 15g-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

that a broker or dealer approve a person's account for transactions in penny stocks; and

the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

obtain financial information and investment experience objectives of the person; and

make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

sets forth the basis on which the broker or dealer made the suitability determination; and

that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

The regulations applicable to penny stocks may severely affect the market liquidity for our common stock and could limit an investor's ability to sell our common stock in the secondary market.

As an issuer of "penny stock," the protection provided by the federal securities laws relating to forward-looking statements does not apply to us.

Although federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, we will not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that the material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading. Such an action could hurt our financial condition.

Because certain of our stockholders control a significant number of shares of our common stock, they may have effective control over actions requiring stockholder approval.

Our directors, executive officers and principal stockholders, and their respective affiliates, beneficially own approximately 15.8% of our outstanding shares of common stock. As a result, these stockholders, acting together, would have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, acting together, would have the ability to control the management and affairs of our company. Accordingly, this concentration of ownership might harm the market price of our common stock by:

delaying, deferring or preventing a change in corporate control;

impeding a merger, consolidation, takeover or other business combination involving us; or

discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

Because the holders of our certain of our warrants have cashless exercise rights, we may not receive proceeds from the exercise of the outstanding warrants if the underlying shares are not registered.

The holders of certain of our warrants, including the warrants issued in our February 2012 private placement, have cashless exercise rights, which provide them with the ability to receive common stock with a value equal to the appreciation in the stock price over the exercise price of the warrants being exercised. This right is not exercisable if

the underlying shares are subject to an effective registration statement. In connection with this offering, we are registering such shares of common stock for resale in order to satisfy such obligation. However, in the event the warrants are not subject to a current and effective registration statement on or after the one year anniversary of the date of issuance, the cashless exercise provision of the warrants will be available to those holders of our warrants and, as a result, we will not receive proceeds from those warrants that are exercised on a cashless basis.

Future sales of our common stock could cause our stock price to fall.

Finance transactions resulting in a large amount of newly issued shares that become readily tradable, or other events that cause current stockholders to sell shares, could place downward pressure on the trading price of our common stock. In addition, the lack of a robust resale market may require a stockholder who desires to sell a large number of shares of common stock to sell the shares in increments over time to mitigate any adverse impact of the sales on the market price of our stock.

If our stockholders sell, or the market perceives that our stockholders intend to sell for various reasons, including but not limited to the ending of restriction on resale, the market price of our common stock could fall. Sales of a substantial number of shares of our common stock may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. We may become involved in securities class action litigation that could divert management's attention and harm our business.

We cannot predict if future issuances or sales of our common stock, or the availability of our common stock for issuance or sale, will harm the market price of our common stock or our ability to raise capital.

Any adjustment in the conversion price of our preferred stock or the exercise price of our warrants could have a depressive effect on our stock price and the market for our stock.

If we are required to adjust the preferred stock conversion price or the warrant exercise price pursuant to any of the adjustment provisions of the agreements, the adjustment or the perception that an adjustment may be required, may have a depressive effect on both our stock price and the market for our common stock.

Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and operating results and stockholders could lose confidence in our financial reporting.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our operating results could be harmed. Failure to achieve and maintain an effective internal control environment, regardless of whether we are required to maintain such controls, could also cause investors to lose confidence in our reported financial information, which could have a material adverse effect on our stock price. Although we are not aware of anything that would impact our ability to maintain effective internal controls, we have not obtained an independent audit of our internal controls and, as a result, we are not aware of any deficiencies which would result from such an audit. Further, at such time as we are required to comply with the internal controls requirements of the Sarbanes-Oxley Act, we may incur significant expenses in having our internal controls audited and in implementing any changes which are required.

We have not paid dividends on our common stock in the past and do not expect to pay dividends on our common stock for the foreseeable future. Any return on investment may be limited to the value of our common stock.

No cash dividends have been paid on our common stock. We expect that any income received from operations will be devoted to our future operations and growth. We do not expect to pay cash dividends on our common stock in the near future. Payment of dividends would depend upon our profitability at the time, cash available for those dividends, and other factors as our board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on an investor's investment will only occur if our stock price appreciates.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

We recently became a public company and subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act. Prior to June 2011, we had not operated as a public company and the requirements of these rules and regulations will likely increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. For example, Section 404 of the Sarbanes-Oxley Act of 2002 requires that our management report on, and our independent auditors attest to, the effectiveness of our internal controls structure and procedures for financial reporting. Section 404 compliance may divert internal resources and will take a significant amount of time and effort to complete. We may not be able to successfully complete the procedures and certification and attestation requirements of Section 404 by the time we will be required to do so. If we fail to do so, or if in the future our chief executive officer, chief financial officer or independent registered public accounting firm determines that our internal controls over financial reporting are not effective as defined under Section 404, we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Furthermore, investor perceptions of our company may suffer, and this could cause a decline in the market price of our common stock. Irrespective of compliance with Section 404, any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation. If we are unable to implement these changes effectively or efficiently, it could harm our operations, financial reporting or financial results and could result in an adverse opinion on internal controls from our independent auditors. We may need to hire a number of additional employees with public accounting and disclosure experience in order to meet our ongoing obligations as a public company, which will increase costs. Our management team and other personnel will need to devote a substantial amount of time to new compliance initiatives and to meeting the obligations that are associated with being a public company, which may divert attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations. In addition, because our management team has limited experience managing a public company, we may not successfully or efficiently manage our transition into a public company.

If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not currently have and may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts who cover us downgrade our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not Applicable.

ITEM 2. PROPERTIES.

Our corporate offices and laboratory are located at 460 Park Avenue, 17th Floor, New York, New York 10022. We are currently provided office facilities and related services by a company owned by Dr. Steven Victor, our chief executive officer.

Such company entered into a 13 year lease for the office space located at 460 Park Avenue for which we have unconditionally guaranteed any and all obligations owed under the lease to the landlord. In connection with the execution of the lease, we established a restricted cash account in the amount of approximately $520,000 to be used as a security deposit under the lease.

As of the date hereof, we have been unsuccessful with a request to the landlord to have the lease assigned to us so that we become the primary tenant under the terms of the lease.

ITEM 3. LEGAL PROCEEDINGS.

From time to time we may be a defendant or plaintiff in various legal proceedings arising in the normal course of our business. Except as described below, we know of no material, active, pending or threatened proceeding against us or our subsidiaries, nor are we, or any subsidiary, involved as a plaintiff or defendant in any material proceeding or pending litigation.

On March 17, 2014, Dean E. Miller, as representative shareholder, on behalf of the nominal defendant Intellicell Biosciences, Inc., filed a shareholder's derivative action against Steven Victor, MD, in his capacity as Chairman - CEO and individually, Anna Rhodes as former Executive Vice President and individually, Leonard L. Mazur as interim Chief Operating Officer and individually, Myron Holubiak as a Director and individually, Michael Hershman, as Chairman of the Board of Directors and individually, Stuart Goldfarb as a former Director and individually, Victor Dermatology & Rejuvenation, P.C., Victor Cosmeceuticals, Inc., Lasersculpt, Inc., and the Doe Entities 1-5, as defendants, and Intellicell Biosciences, Inc., as nominal-defendant. The complaint, which was filed on the aforementioned date with the United States District Court Southern District of New York, alleges that the Company has failed to comply with US Food and Drug Administration and United States Patent and Trade Office regulations. The allegations in the complaint include, but are not limited to, allegations involving fraud, negligence, false reporting, and mismanagement of laboratory facilities. Pursuant to the complaint, the amount in controversy exceeds $75,000.00. Furthermore, the complaint as filed lists the following counts: 1. Against the individual defendants for breach of their fiduciary duties in connection with their management of the Company; 2. Against the individual defendants for breach of fiduciary duty in connection with disseminating false information; 3. Against the individual defendants for breach of fiduciary duty for failing to design and implement adequate internal controls; 4. Request for injunctive relief; 5. Imposition of constructive trust/accounting; and 6. Appointment of referee injunctive relief. The Company believes that such allegations and claims are without merit and intends to vigorously defend such allegations and claims. Because the inquiry is in its initial stages, the Company is not currently able to predict the probability of a favorable or unfavorable outcome, or the amount of any possible loss in the event of an unfavorable outcome. Consequently, no material provision or liability has been recorded for such allegations and claims as of December 31, 2013. However, management is confident in its defenses to such allegations and claims.

On March 11, 2014, Steven A. Victor ("Dr. Victor"), Intellicell Biosciences, Inc., a Nevada corporation, Intellicell Biosciences Inc., a New York corporation, and Regen Medical P.C., a New York corporation filed a complaint against Jonathan Schwartz ("Schwarz"), Joseph P. Salvani ("Salvani") and Douglas R. Dollinger ("Dollinger"), in the Supreme Court of the State of New York, County of New York. Schwartz and Salvani, both shareholders of the Company, are represented by Dollinger in his capacity as legal counsel. Pursuant to the complaint, the plaintiffs' first cause of action alleges that the defendants conspired together and acted in concert, to defame Dr. Victor and the Company in an effort to take control of the Company and to reap large profits by dumping their shares thereafter. Furthermore, the plaintiffs' second cause of action alleges that Salvani made false statements to a potential investor, resulting in damages amounting to $250,000.00. The plaintiffs seek compensatory damages, together with punitive damages and interest in connection with the first cause of action, and compensatory damages in the amount of $250,000.00, together with punitive damages and interest, in connection with the second cause of action.

Ironridge Litigation

On August 8, 2013, a Summons and Complaint (the "Complaint") was filed along with a Motion for a Temporary Restraining Order (the "Motion") before the Supreme Court of the State of New York, County of New York (the "Court") under the caption Intellicell Biosciences, Inc. v Ironridge Global IV, LTD., and TCA Global Credit Master Fund, LP, Index No. 652800/13. The Motion sought to restrain the sale of the Company's assets.

As previously reported, on July 15, 2013, while the Company was finalizing an amendment and waiver to that certain Convertible Promissory Note (the "Note") issued by the Company in favor of TCA Global Credit Master Fund, LP ("TCA") on June 7, 2012 in the principal amount of $500,000, the Company was advised that Ironridge Global IV, LTD ("Ironridge"), led by Mr. John C. Kirkland, Esq., purportedly purchased the Note from TCA. The Complaint and Motion alleged that Ironridge and TCA each served the Company with a Notice of Foreclosure and Sale, both claiming to be the "Secured Party" of the same assets.

Given that Ironridge and TCA asserted that they would sell the secured assets of the Company at auction on August 12, 2013, the Motion sought to temporarily restrain both parties from so doing. On August 12, 2013, Justice Sherwood, Justice of the Supreme Court, New York County, issued a written Order granting the relief requested, thereby restraining any sale of assets (the "Temporary Restraining Order").

On August 26, 2013, despite the Company's best efforts to amicably resolve the dispute related to the Note, a subsequent hearing on the Motion was held, at which time the Company voluntarily brought with it to Court: (i) a certified check in the amount of $535,833.33 constituting payment of all principal and interest owed under the Note; and (ii) a stock certificate constituting the facility fee shares owed to the Secured Party pursuant to that certain Equity Facility Agreement. Since TCA admitted in prior court filings that it has no remaining interest in the that certain Note and Equity Facility Agreement, both the check and the stock certificate were tendered to Ironridge in open court, and counsel for Ironridge confirmed receipt thereof to Justice Oing directly. The company's attorneys argued in court that, with the exception of possible attorney's fees owed, the Company's obligations under the transaction documents have now been satisfied in full.

In addition, the Court found Ironridge's jurisdictional argument to be unavailing and held that the case shall remain in New York and directed all parties to file submissions with the Court on September 10, 2013, indicating why any other monies are or are not owed under those certain transaction documents. Judge Oing further directed that the Temporary Restraining Order restraining the sale of the Company's assets shall remain in place indefinitely until further order of the Court and that the auction shall not be rescheduled and that Ironridge shall not make, post or distribute any further advertisements, internet postings, blogs or otherwise in relation thereto. Finally, Judge Oing held that the balance of the $680,000 that was being held in escrow be immediately released.

A three day hearing was conducted by Judge Gammerman and he ruled that Intellicell does not owe Ironridge or TCA any further payments. The Company is awaiting a final honor by Judge Oing.

Hanover Holdings Litigation

On May 21, 2013, the Supreme Court of the State of New York, County of New York (the "Court"), entered an order (the "Order") approving, among other things, the fairness of the terms and conditions of an exchange pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), in accordance with a stipulation of settlement (the "Settlement Agreement") between the Company and Hanover Holdings I, LLC, a New York limited liability company ("Hanover"), in the matter entitled Hanover Holdings I, LLC v. Intellicell Biosciences, Inc., Case No. 651709/2013 (the "Action"). Hanover commenced the Action against the Company on May 10, 2013 to recover an aggregate of $706,765.38 of past-due accounts payable of the Company, plus fees and costs (the "Claim"). The Order provides for the full and final settlement of the Claim and the Action. The Settlement Agreement became effective and binding upon the Company and Hanover upon execution of the Order by the Court on May 21, 2013.

As previously disclosed, on May 23, 2013, the Company issued and delivered to Hanover 8,500,000 shares (the "Initial Settlement Shares") of the Company's common stock, $0.001 par value (the "Common Stock").

The Settlement Agreement provides that the Initial Settlement Shares will be subject to adjustment on the trading day immediately following the Calculation Period (as defined below) to reflect the intention of the parties that the total number of shares of Common Stock to be issued to Hanover pursuant to the Settlement Agreement be based upon a specified discount to the trading volume weighted average price (the "VWAP") of the Common Stock for a specified period of time subsequent to the Court's entry of the Order. Specifically, the total number of shares of Common Stock to be issued to Hanover pursuant to the Settlement Agreement shall be equal to the sum of: (i) the quotient obtained by dividing (A) $706,765.38 by (B) 55% of the average of the lowest 10 VWAPs of the Common Stock over the 80-consecutive trading day period immediately following the date of issuance of the Initial Settlement Shares (or such shorter trading-day period as may be determined by Hanover in its sole discretion by delivery of written notice to the Company) (the "Calculation Period"); (ii) the quotient obtained by dividing (A) the total dollar amount of legal fees and expenses incurred in connection with the Action, which shall not exceed $57,500 (less $5,000 heretofore paid by the

Company) by (B) the VWAP of the Common Stock over the Calculation Period; and (iii) the quotient obtained by dividing (A) agent fees of $35,338.27 by (B) the VWAP of the Common Stock over the Calculation Period, rounded up to the nearest whole share (the "VWAP Shares"). As a result, the Company ultimately may be required to issue to Hanover substantially more shares of Common Stock than the number of Initial Settlement Shares issued (subject to the limitations described below). The Settlement Agreement further provides that if, at any time and from time to time during the Calculation Period, Hanover reasonably believes that the total number of Settlement Shares previously issued to Hanover shall be less than the total number of VWAP Shares to be issued to Hanover or its designee in connection with the Settlement Agreement, Hanover may, in its sole discretion, deliver one or more written notices to the Company, at any time and from time to time during the Calculation Period, requesting that a specified number of additional shares of Common Stock promptly be issued and delivered to Hanover or its designee (subject to the limitations described below), and the Company will upon such request reserve and issue the number of additional shares of Common Stock requested to be so issued and delivered in the notice (all of such additional shares of Common Stock, "Additional Settlement Shares"). At the end of the Calculation Period, (i) if the number of VWAP Shares exceeds the number of Initial Settlement Shares and Additional Settlement Shares issued, then the Company will issue to Hanover or its designee additional shares of Common Stock equal to the difference between the number of VWAP Shares and the number of Initial Settlement Shares and Additional Settlement Shares, and (ii) if the number of VWAP Shares is less than the number of Initial Settlement Shares and Additional Settlement Shares issued, then Hanover or its designee will return to the Company for cancellation that number of shares of Common Stock equal to the difference between the number of VWAP Shares and the number of Initial Settlement Shares and Additional Settlement Shares. Hanover may sell the shares of Common Stock issued to it or its designee in connection with the Settlement Agreement at any time without restriction, even during the Calculation Period.

The Settlement Agreement provides that in no event shall the number of shares of Common Stock issued to Hanover or its designee in connection with the Settlement Agreement, when aggregated with all other shares of Common Stock then beneficially owned by Hanover and its affiliates (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder), result in the beneficial ownership by Hanover and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and the rules and regulations thereunder) at any time of more than 9.99% of the Common Stock.

As previously disclosed, between June 17, 2013 and December 16, 2013, the Company issued and delivered to Hanover an aggregate of 87,266,171 Additional Settlement Shares pursuant to the terms of the Settlement Agreement approved by the Order.

Since the issuance of the Initial Settlement Shares and Additional Settlement Shares described above, Hanover demonstrated to the Company's satisfaction that it was entitled to receive another 6,009,817 Additional Settlement Shares, based on the adjustment formula described above, and that the issuance of such Additional Settlement Shares to Hanover would not result in Hanover exceeding the beneficial ownership limitation set forth above. Accordingly, on December 27, 2013, the Company issued and delivered to Hanover another 6,009,817 Additional Settlement Shares pursuant to the terms of the Settlement Agreement approved by the Order.

The issuance of Common Stock to Hanover pursuant to the terms of the Settlement Agreement approved by the Order is exempt from the registration requirements of the Securities Act pursuant to Section 3(a)(10) thereof, as an issuance of securities in exchange for bona fide outstanding claims, where the terms and conditions of such issuance are approved by a court after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear.

Corcon Litigation

On February 27, 2013, JKT Construction Inc. d/b/a/ Corcon ("Corcon") filed a complaint (the "Corcon Complaint") against, among other parties, the Company and Dr. Victor, in the Supreme Court of the State of New York, Case No. 151778/2013, alleging, among other things, breach of contract, unjust enrichment, quantum meruit and foreclosure on a mechanic's lien related to work performed in the build out of the Company's office's located at 460 Park Avenue, 17th Floor, new York, New York 10022 (the "Property"). Corcon is seeking, among other things, that their claims be determined to be a valid lien against the Property and that they be able to foreclose on and sell the Property, a judgment for any deficiency against, among other parties, the Company and Dr. Victor and an amount of compensatory damages not less than $442,334.03, plus interest, costs, attorneys' fees and expenses.

On May 1, 2013, he entered into an agreement (the "Corcon Agreement") with Corcon ("Corcon") to settle the litigation matter between the Company and Corcon (the "Corcon Litigation") relating to that certain debt owed Corcon in the aggregate amount of $547,000 (the "Debt"). For additional information regarding the Corcon Litigation subject to the Corcon Agreement see the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on March 27, 2013. Under the terms of the Corcon Agreement, Corcon has agreed to dismiss the Corcon Litigation in exchange for receiving a payment of $475,000 (the "Purchase Price") from Hanover Holdings I, LLC ("Hanover") under the terms of that certain a receivable purchase agreement (the "Corcon Receivable Purchase Agreement"). As condition to the Corcon Agreement, Hanover and the Company entered into an agreement for Hanover to purchase various debt obligations of, or claims against the Company and to file a civil action under Section 3(a)(10) (the "3(a)(10) Transaction") of the Securities Act of 1933, as amended. Further, as a material inducement to enter into the Corcon Agreement, the Company agreed to escrow 19,000,000 shares of its common stock to be issued to Corcon in the event the 3(a)(10) Transaction was not approved and Purchase Price was not received. On May 21, 2013, the Supreme Court of the State of New York, County of New York, entered an order approving, among other things, the fairness of the terms and conditions of the 3(a)(10) Transaction as previously disclosed on the Company's Current Report on Form 8-K filed with the Commission on May 24, 2013.

The Corcon Litigation was dismissed on May 10, 2013. And the 19,000,000 shares have been returned to the Company's treasury.

Bluming Litigation

On February 14, 2013, the Company was served with notice that on February 13, 2013, Menachem M. Bluming ("Bluming") filed a complaint (the "Bluming Complaint") in the United States District Court for the Southern District of New York, Case No. 13-cv-0978-CM, alleging, among other things, breach of contract, unjust enrichment and debt owed against the Company, in connection with, that certain promissory note, dated June 3, 2011, in the aggregate principal amount of $500,000. Bluming is seeking, among other things, an amount not less than $680,000, representing the principal amount, interest, attorneys' fees and expenses. The Company is currently working on making arrangements to honor its obligations under these notes, however, there can be no assurance that any such arrangements will ever materialize or be permissible or sufficient to cover any or all of the obligations under these notes.

On May 8, 2013 (the "Effective Date"), the Company entered into a settlement agreement (the "Settlement Agreement") with Mendel Bluming ("Bluming") to settle the previously disclosed litigation matter between the Company and Bluming (the "Bluming Litigation") relating to that certain promissory note, dated June 3, 2011, in the aggregate principal amount of $500,000 (the "Note"). Under the terms of the Settlement Agreement, Bluming has agreed to dismiss the Bluming Litigation and defer the Company's obligations under the Note for a period of one year from the Effective Date (the "Deferral"), in exchange for receiving a payment of $35,000 from Hanover under the terms of that certain receivable purchase agreement for attorney's fees owed by the Company to Bluming under the Note. As condition to the Settlement Agreement, Hanover and the Company entered into an agreement for Hanover to purchase various debt obligations of, or claims against the Company and to file a civil action under Section 3(a)(10) Transaction. On May 21, 2013, the Supreme Court of the State of New York, County of New York, entered an order approving, among other things, the fairness of the terms and conditions of the 3(a)(10) Transaction. In further consideration for the Deferral, the Company has agreed to give Bluming (i) an aggregate of 32,479 shares of the Company's common stock; (ii) piggy back registration rights on all shares issued to Bluming and on the shares underlying that certain warrant certificate for 1,108,860 shares of the Company's common stock; and (iii) an option to purchase 233,333 shares of the Company's common stock at price of $0.15 per share, vesting immediately and expiring on the fifth anniversary of the Effective Date.

The Bluming Litigation was dismissed on May 24, 2013.

Sherb Litigation

In February 2013, the Company was served with notice that on October 13, 2011, Sherb & Co. LLP ("Sherb") filed a complaint (the "Sherb Complaint") in the Supreme Court of the State of New York, County of New York, Index No. 11/111685, alleging, among other things, breach of contract, and debt owed against the Company, in connection with accounting and audit services performed from May 12, 2010 through May 31, 2011. Sherb is seeking, among other things, an amount not less than $88,508 plus interest. This has been turned into note assumed by MD Global Advisors.

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Cragmont Litigation

On August 21, 2012, a complaint for damages was filed by Ethan Einwohner and Cragmont Capital, LLC (collectively, "Cragmont") in the Supreme Court of the State of New York, County of New York, Index No. 652924/2012, alleging, among other things, quantum meruit, unjust enrichment, fraud and breach of contract related to alleged services performed by Cragmont on behalf of the Company. The parties entered into a stipulation whereby Craigmont withdrew and dismissed the claim for fraud. The complaint was amended to add Recurrent Capital LLC as a plaintiff. Cragmont is seeking, among other things, damages of at least $100,400 plus interest, costs and disbursements.

BFA Litigation

On August 19, 2011, a complaint for damages (was filed by Boisseau, Felicione & Associates, Inc. ("BFA") in the Circuit Court of the 15 th Judicial Circuit In and For Palm Beach County, Florida (the "FL Court"), Case No. 50-2011-CA-012551-XXXX-MB (AE), alleging, among other things, breach of contract under the letter retainer agreement, dated on or about May 16, 2011, by and between the Company and Plaintiff (the "BFA Agreement"). BFA sought, among other things, damages of $55,829.00, prejudgment interest and court costs. On December 20, 2011, a default judgment was entered against the Company for a total of $58,135.74 plus post-judgment interest. In November 2012, the parties entered into a stipulation for settlement and garnishment whereby BFA agreed to accept $58,135.74 in full settlement of all amounts owed to BFA in full settlement of all claims against the Company.

The results of any litigation are inherently uncertain and there can be no assurance that we will prevail in the litigation matter stated above or otherwise. We plan to pursue our claims and defenses vigorously and expect that the litigation matter discussed above will be protracted and costly.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUERS PURCHASES OF EQUITY SECURITES.

During 2010 and until July 7, 2011, our common stock was quoted on the OTCQB under the symbol “CWLC.PK”. As of July 7, 2011, our quotation symbol on the OTCQB was changed from “CWLC” to “SVFC”. From February 8, 2013 through May 20, 2013, our common stock was quoted on the Over-the-Counter Bulletin Board (OTCBB) under the symbol “SVFC.OB”. Since May 20, 2013, our common stock was quoted on the OTCQB under the symbol “SVFC.PK”

The following table sets forth the range of high and low bid quotations as reported on the OTCQB for the periods indicated.

Fiscal Year Ended December 31, 2013	High	Low
Quarter ended December 31, 2013	$0.004	$0.0023
Quarter ended September 30, 2013	$0.014	$0.0125
Quarter ended June 30, 2013	$0.055	$0.037
Quarter ended March 31, 2013	$0.11	$0.10

Fiscal Year Ended December 31, 2012	**High**	**Low**
Quarter ended December 31, 2012	$0.18	$0.135
Quarter ended September 30, 2012	$0.19	$0.19
Quarter ended June 30, 2012	$0.25	$0.25
Quarter ended March 31, 2012	$1.58	$1.57

Holders of Common Stock

As of May 9, 2014, we had 228 holders of record of our common stock and 2,230,314,377 shares of common stock issued and outstanding. On January 20, 2014, and January 22, 2014, the Board and Majority Shareholder of the Company, respectively, approved an increase of the authorized shares of common stock of the company from 1,500,000,000 to 3,500,000,000 and an amendment to the par value of the common stock of the Company from a par value of $0.001 per share to a par value of $0.0001 per share. For more information please see our Schedule 14C Information Statement filed with the SEC on February 14, 2014.

Dividends

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain any future earnings to fund the development and growth of our business. There are no restrictions in our certificate of incorporation or by-laws on declaring dividends.

Equity Compensation Information

The following table summarizes information about our equity compensation plans as of December 31, 2013.

Plan Category	Number of Shares of Common Stock to be Issued upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved by Stockholders	7,000,000	$ 2.05	2,252,074

Equity Compensation Plans Not Approved by Stockholders	7,000,000	-	7,000,000
Total	14,000,000	$ 2.05	11,747,926

Recent Sales Of Unregistered Securities.

Except as set forth below, we have had no sales of unregistered securities during the year ended December 31, 2013 and December 31, 2012, that have not been reported on Form 8-K or Form 10-Q. Unless otherwise noted, the issuances noted below are all considered exempt from registration by reason of Section 4(2) of the Securities Act of 1933, as amended.

Subsequent to Fiscal Year End

Through April 24, 2014, a total of 1,058,838,813 shares of common stock were issued for various conversions of debt.

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Results of Operations

Fiscal Year Ended December 31, 2013 Compared to Fiscal Year Ended December 31, 2012

Revenue

Revenue for the year ended December 31, 2013 and 2012 was $0 and $534,972, respectively. Revenues in 2012 were attributable to fees from cases processed by licensees which were primarily related party revenue of $514,000 earned in accordance with the Regen Medical technology license and administrative services agreement dated April 16, 2012. We intend to engage in a multi-pronged approach with respect to the utilization and commercialization of our proprietary process that will involve entering into technology licensing agreements and related service agreements with physicians, physician practice groups, hospitals and ambulatory service centers located in the United States. We will also be seeking to enter into technology licensing agreements that cover a particular international territory or country. In addition, we will also be seeking to establish “Centers of Excellence” in conjunction with physicians under an arrangement whereby we are appointed the exclusive managing agent for the professional corporation in exchange for the grant of a license to the professional corporation to utilize our proprietary process. Depending upon the arrangement involved, we will be collecting some combination of fees from licensing, processing, service, and management, as well as up-front territorial licensing fees.

License fees will generally be payable upon signing of a license agreement and will be recognized as revenue ratably over the appropriate period of time to which the revenue item relates.

Cost of goods sold and Gross Margin

Cost of goods sold were $0 and $434,852 for the years ended December 31, 2013 and 2012, respectively. These costs were primarily salaries and related costs attributable to the Regen technology license and administrative services agreement and the cost of supplies for cases processed in our tissue processing center in New York.

Gross margin were $0 and $100,090 for the years ended December 31, 2013 and 2012, respectively. In the future, in addition to the cost of equipment sold directly to licensees, the cost of goods sold effecting gross margins will include costs for the supplies sold to licensees for the processing of each tissue processing case and the direct sales costs associated with license fees received.

Operating expenses

Research and development expenses were $441,913 and $291,889 for the years ended December 31, 2013 and 2012, respectively. The principal component of research development costs consists services as the attending physician in patient cases, for lab technicians, and for nursing staff employed by Dr. Victor's medical practice included as part of the ongoing research of our technologies and processes.

The Company continues to increase the research and development staff in the current year period and applicable laboratory supplies and disposables. The principal component of research development costs consists of fees payable to the Chief Executive Officer, who is a principal shareholder of the Company, for services as the attending physician in patient cases, for lab technicians, and for nursing staff employed by Dr. Victor's medical practice included as part of the ongoing research of our technologies and processes. Payment of these fees will be contingent upon the Company either generating $2.0 million in revenues or completing an equity offering of the Company's common stock or other securities equal to or greater than $5.0 million, whichever occurs first. The fees payable to Dr. Victor for these cases range from $5,000 to $10,000 per case.

Sales and marketing expenses were $39,614 and $263,927 for the years ended December 31, 2013 and 2012, respectively. Sales and marketing expenses consist of costs associated with the development of our brochure and informational materials, our website, an informational video and travel expenses to attend professional meetings, as

well as commissions on sales.

General and administrative expenses were $3,652,443 and $3,613,210 for the years ended December 31, 2013 and 2012, respectively. The following are the significant components of the general and administrative costs:

Salary Expense

General and administrative is comprised of salary expenses of $526,690 and $988,231 for the years ended December 31, 2013 and 2012, respectively. Included in the salary expense and related to a significant shareholder as a result of this individual serving in the capacity of our Chief Executive Officer was $275,000 for each years ending December 31, 2013 and 2012. In addition, we incurred salary expenses totaling $180,000 and $205,000 for the years ending December 31, 2013 and 2012, respectively, to the spouse of our Chief Executive Officer and majority shareholder.

Loss of Accounts Receivable

The Company and Regen Medical entered into a termination and general release agreement, effective December 31, 2012, pursuant to which the Company and Regen Medical agreed the Company shall forgive the $514,000 owed to the Company by Regen Medical under the Regen Medical Agreement in exchange for the exclusive right to certain open label data and other data which the Company would like to have the rights to use as empirical data or evidence of the efficacy of the Company's proprietary process. The Company expensed a loss of accounts receivable of $514,000 for the year-end December 31, 2012.

Rent and office administrative expenses

Included in general and administrative expenses are $759,978 and $467,803 of rent and office administrative costs for the years ended December 31, 2013 and 2012, respectively. Rent in the prior year included $150,000 for our previous office facilities and administrative office services provided by a company owned by our chief executive officer and majority shareholder and approximately $318,000 for the office space located at 460 Park Avenue. Rent in the current year includes rent for the office space located at 460 Park Avenue as well as an adjustment of $246,223 in rent expense related to the deferred rent liability that was booked to conform with GAAP.

Professional fees

For the years end December 31, 2013 and 2012, we have incurred approximately $980,085 and $1,070,703 in legal and professional fees primarily related the FDA compliance, public company costs and financing transactions.

Depreciation

Depreciation expense is included in general and administrative costs and amounted to $405,702 and $221,428 for the years ended December 31, 2013 and 2012, respectively.

Employee Stock Based Compensation. During the years ended December 31, 2013 and 2012, we incurred employee stock based compensation expenses of $1,386,765 and $2,333,922, respectively, for incentive stock options and common stock issued to employees. The incentive stock options were valued using the Black Scholes method.

Non-Employee Stock Based Compensation. During the years ended December 31, 2013 and 2012, non-employee stock based compensation of $0 and $8,298,732 were incurred as non-cash charges, respectively. Non-employee stock based compensation is comprised of the following:

- During the year ended December 31, 2013 the Company issued 0 shares of common stock shares for medical advisory and professional services valued at $0 compared to 5,455,668 shares valued at $5,713,038 during the year ended December 31, 2012.
- During the year ended December 31, 2013, the Company issued 0 warrants and 0 non-employee stock options for consulting and profession services valued at $0 and $0, respectively, compared to 1,684,200 warrants and 150,000 non-employee stock options valued at $2,720,764 and $34,930 during the year ended December 31, 2012.

The value of the warrants and non-employee stock options were determined using the Black Scholes method, the details of which are more fully explained within the notes to the financial statements.

Changes in Fair Value of Derivative Liability

The Company has issued various instruments (as detailed below) which are accounted for as derivative liabilities and are valued at fair value at the date of issuance and at each balance sheet date. The change in value of these instruments is recorded as a charge (or as income). During the years ended December 31, 2013 and 2012, the Company recorded an expense in the amount of $2 ,944,351 and income in the amount of $13,804,271, respectively, relating to the

change in value of all its derivative liabilities.

The instruments with derivative properties are as follows:

Convertible Debt - Derivative Liabilities

In May 2011, IntelliCell completed a convertible debt offering aggregating $1,385,000. The units offered consist of a $50,000 subordinated convertible debenture payable one year from the date of issue with interest at a rate of 6% and convertible, at the option of the holder, into the Company's common stock at an initial conversion price of $1.72 per share. Each unit also included a detachable five (5) year warrant to purchase 57,143 shares of IntelliCell's common stock at an exercise price of $1.72 per share. The proceeds from the issuance of convertible debt securities with detachable warrants were allocated between the warrants and the debt security. The discount is being amortized over the life of the debt. As of December 31, 2011, the Company recorded an original issue discount of $288,564 related to the value of the warrants that will be amortized as interest expense over the initial one year term of the convertible debentures. As of December 31, 2011, the Company has recognized $216,422 of interest expense as a result of such amortization.

The Company accounted for the conversion features underlying the convertible debentures an issued in accordance with GAAP, as the conversion feature embedded in the convertible debentures could result in the debentures being converted to a variable number of the Company's common shares. The Company determined the value of the derivate conversion features of these debentures issued during the year ended December 31, 2011 at the relevant commitment dates to be $32,209 utilizing a Black-Scholes valuation model. The change in fair value of the liability for the conversion feature resulted in a reduction to income of $583,837 and a reduction to income of $3,893,821 for year ended December 31, 2013 and 2012, respectively, which is included in the accompanying financial statements. The fair value of the derivative conversion features was determined to be $1,051 and $587,520 at December 31, 2013 and 2012, respectively.

The Company accounted for the detachable warrants included with the convertible debentures as liabilities in accordance with GAAP, as the warrants are subject to anti-dilution protection and could result in them being converted to a variable number of the Company's common shares. The Company determined the value of the derivate feature of the warrants issued during year ended December 31, 2011 at the relevant commitment dates to be $332,401 utilizing a Black-Scholes valuation model. The change in fair value of the liability for the warrants resulted in a reduction to income of $382,296 and a charge to income of $9,921,400, respectively for year ended December 31, 2013 and 2012, respectively, which is included in the accompanying financial statements. The fair value of the derivative conversion features was determined to be $6,254 and $388,550 at December 31, 2013 and 2012, respectively.

As discussed, as a result of the Company's Merger, and the effect of recapitalization, the exercise price of the convertible debentures and warrants was decreased from $1.72 to $.88. The subordinated convertible debentures are

convertible into an aggregate of 1,561,443 shares of common stock and warrants to purchase an aggregate of 3,071,542 shares of common stock.

Common Stock Offering - Derivative Liabilities

In February 2012, the Company entered into securities purchase agreements with accredited investors, pursuant to which the Company sold (i) an aggregate of 2,600,000 shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), (ii) class A warrants to purchase an aggregate of 5,200,000 shares of Common Stock (the "Class A Warrants"), and (iii) class B warrants to purchase an aggregate of 5,200,000 shares of Common Stock (the "Class B Warrants" and together with the Class A Warrants, the "Warrants"), for aggregate gross cash proceeds of $2,627,649, which consisted of $2,100,000 of cash and the exchange and cancelation of a promissory note (bearing principal and interest totaling $527,549) and a warrant ("Exchange Agreement").

The Class A Warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $2.00, subject to adjustment. The Class B Warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $3.75, subject to adjustment. The exercise price of the Warrants were subject to anti-dilution protection if shares or share-indexed financing instruments were sold at less than the stated conversion prices.

Therefore, the associated conversion feature requires liability classification under GAAP which is carried at their fair value to be reevaluated each reporting period. We estimate their fair value as a common stock equivalent, enhanced by the forward elements (coupon, puts, and calls), because that technique embodies all of the assumptions (including credit risk, interest risk, stock price volatility and conversion behavior estimates) that are necessary to determine the fair value of this type of financial instrument.

We determined the value of the derivative conversion features of these debentures issued at the relevant commitment dates to be $19,036,312 utilizing a Black-Scholes valuation model.

Between September 5, 2012 and October 11, 2012, the February 2012 investors (including the investor that exchanged and cancelled his outstanding promissory note) agreed to certain amendments to their securities purchase agreement and exchange their respective Warrants for (i) an aggregate of 6,100,000 shares of the Company's Common Stock (ii) a new series A warrant to purchase an aggregate of 6,100,000 shares of Common Stock at an exercise price of seventy-five cents ($0.75) per share and (iii) a new series B warrant to purchase an aggregate of 6,100,000 shares of Common Stock at an exercise price of seventy-five cents ($0.75) per share.

As of December 31, 2013 and 2012, the Company had 100,000 Class A and 100,000 Class B warrants outstanding, these warrants were not exchanged and retained their anti-dilutive properties. The value of the derivative liability associated with the conversion feature of these warrants were $482 and $10,950 for the years ended December 31, 2013 and 2012, respectively.

Loss before income tax and Net Loss

Loss before income tax for the years ended December 31, 2013 and 2012 was $ 15,868,039 and $4,151,891, respectively, which includes a charge for the non-cash change in fair value of derivative liabilities and other expense of $2, 944,351 for the year ended December 31, 2013 and a reduction of charges for the non-cash change in fair value of derivative liabilities of $13,804,271 for the year end December 31, 2012. Furthermore, loss before income tax for the year ended December 31, 2013 and 2012 included non-cash charges of $4,300,899 and $0 for financing costs for convertible debt issuances, non-cash expense for Employee Stock Compensation of $1,386,765 and $2,333,922, non-cash expense for Non-Employee Stock Based Compensation of $0 and $8,298,732, and stock based financing costs of $305,112 and $3,041,660, respectively, as discussed above. As we are just beginning to implement our business strategy we anticipate that we will continue to have operating losses for the next several calendar quarters until such time as we have been able to establish a sufficient number of licensees generating licensing, processing, service, and management fees to us, as well as up-front territorial licensing fees, sufficient to cover our operating costs.

Liquidity and Capital Resources

We had a working capital deficit as of December 31, 2013 of $ 8,527,193 , compared to a working capital deficit at December 31, 2012 of $6,687,734.

Our cash and cash equivalents as December 31, 2013 was $0, compared to cash balances at December 31, 2012 of $10,159. We are in the early stages of the implementation of our business strategy and anticipate we will require additional cash to fund our operations for the next twelve months inclusive of costs associated with attracting, training and acquiring laboratory equipment for licensees, costs associated with the conducting of clinical research needed to establish and protect the therapeutic benefits of our technologies, costs associated with the development and marketing and promotional and educational materials relative to our services and costs associated with building out the infrastructure necessary to manage and control our business. In the near term, we plan to utilize our existing limited cash balances and proceeds from licensing, processing, service, and management fees to us, as well as up-front territorial licensing fees, and additional debt and equity based financings to maintain our operations.

Based on our current cash and cash equivalents levels and expected cash flow from operations, we believe our current cash position is not sufficient to fund our cash requirements during the next twelve months, including operations and capital expenditures. We intend to license our proprietary technology and services or obtain equity and/or debt financing to support our current and proposed operations and capital expenditures. We cannot assure that continued funding will be available. There can be no assurance, however, that any such opportunities may arise, or that any such acquisitions may be consummated. Additional financing may not be available on satisfactory terms when required. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. We currently have no firm commitments for any additional capital. There is no guarantee that we will be successful in raising the funds required. If additional financing is not available or is not available on acceptable terms,

we will have to curtail our operations.

Net cash from operating activities

Net cash used in operating activities was $1,159,641 and $1,064,556 for the year ended December 31, 2013 and 2012, respectively. Cash was used primarily to fund our operating losses exclusive of non-cash expenditures such as stock compensation for services and changes in the fair value of our derivative liabilities. For the year ended December 31, 2013, operating activities were impacted by increases in our accounts payable of $1,608,004, and $1,775,489 in increases in loss on conversion of accounts payable to common stock.

Net cash from investing activities

Net cash provided by (used in) investing activities was $219,158 and $(2,747,072) for the years ended December 31, 2013 and 2012, respectively, which includes a write-off of $12,240 in office furniture in the year ended December 31, 2013 and $929,457 for the purchase of office furniture and equipment and lab equipment for the year ended December 31, 2012. Additionally, there was a write-off of $275,000 and additional costs of $1,532,181 for Construction-in-progress costs for the lease build-out in our new corporate and operations facility, respectively, in the years ended December 31, 2013 and 2012. Furthermore, $93,175 and $285,434 of net advances were due from Regen Medical, and the Company had an increase in restricted cash for the security deposit on their lease of $124,547 and $0, respectively during the years ended December 31, 2013 and 2012.

Net cash from financing activities

Net cash provided by financing activities was $930,324 and $3,711,593 for the year ended December 31, 2013 and 2012, respectively, consisting of $0 and $2,766,050 of net proceeds received from the sale of our common stock, $0 and $230,000 of gross proceeds from our Series D preferred stock offering, and $416,000 and $0 of gross proceeds from our convertible note offering, respectively. Additionally, the Company received net related party advances from Dr. Victor in the amount of $414,324 and $113,976, convertible debentures of $100,000 and $0, and notes payable of a net $0 and $601,567 for the year end December 31, 2013 and 2012, respectively.

Intellicell Convertible Promissory Notes

In accordance with the provisions of the Intellicell Notes, we notified the holders of their right to have the Intellicell Notes repaid upon completion of our recent equity financing (pursuant to which we received aggregate gross proceeds of $2,627,549, which consisted of $2,100,000 of cash and the exchange and cancelation of a promissory note (bearing principal and interest totaling $527,549) and a warrant), or to convert their Intellicell Notes into shares of our common

stock. As of the date of this Annual Report on Form 10-K, holders of Intellicell Notes in the principal amount of $469,215 have converted their Intellicell Notes into shares of our common stock. On May 17, 2012, the holder of an aggregate of $500,000 principal amount of IntelliCell Notes informed the Company that it is in default and demanded repayment under the IntelliCell Notes. Pursuant to the terms of the IntelliCell Notes, upon the occurrence, after the expiration of a cure period of fifteen (15) days with respect to monetary defaults, following the receipt by the Company of written notice from a holder of a default in the payment of any installment of principal or interest, or any part thereof, when due, a holder, at its election may accelerate the unpaid balance of the principal and all accrued interest due under this Note and declare the same payable at once without further notice or demand. Upon an event of default under the IntelliCell Notes, the holders of the IntelliCell Notes shall be entitled to, among other things (i) the principal amount of the IntelliCell Notes along with any interest accrued but unpaid thereon and (ii) costs and expenses in connection with the collection and enforcement under the IntelliCell Notes, including reasonable attorneys' fees. As a result of the notice of default, as of the date of December 31, 2013 the IntelliCell Notes in the aggregate principal amount of $330,000 are immediately due and payable. All note holders of these Convertible notes were paid in full in the as of February 5, 2014 . The note holders were paid by assignment and assumption agreements executed by the company under revised convertible debt issuances.

TCA Global MasterFund, L.P. Convertible Note

On June 7, 2012, the Company issued the Convertible Promissory Note (the "Note") in favor of TCA Global Master Fund, L.P. ("TCA") in exchange for gross proceeds of $500,000. The maturity date of the Convertible Note is June 7, 2013, and the Convertible Note bears interest at a rate of twelve percent (12%) per annum. The Convertible Note is convertible into shares of the Company's common stock, par value $0.001 per share (the "Common Stock") at a price equal to ninety-five percent (95%) of the average of the lowest daily volume weighted average price of the Common Stock during the five (5) trading days immediately prior to the date of conversion. The Convertible Note may be prepaid in whole or in part at the Company's option without penalty.

Committed Equity Facility Agreement

On June 7, 2012, the Company entered into the Equity Agreement with TCA. Pursuant to the terms of the Equity Agreement, for a period of twenty-four months commencing on the effective date of the Registration Statement (as defined herein), TCA shall commit to purchase up to $2,000,000 of the Company's common stock, par value $0.001 per share (the "Shares"), pursuant to Advances (as defined below), covering the Registrable Securities (as defined below). The purchase price of the Shares under the Equity Agreement is equal to ninety-five percent (95%) of the lowest daily volume weighted average price of the Company's common stock during the five (5) consecutive trading days after the Company delivers to TCA an Advance notice in writing requiring TCA to advance funds (an "Advance") to the Company, subject to the terms of the Equity Agreement.

The "Registrable Securities" include (i) the Shares; and (ii) any securities issued or issuable with respect to the Shares by way of exchange, stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise.

As further consideration for TCA entering into and structuring the Equity Facility, the Company paid TCA a fee by issuing to TCA that number of shares of the Company's common stock that equal $110,000.

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TCA Default Notice

On August 8, 2013, a Summons and Complaint (the "Complaint") was filed along with a Motion for a Temporary Restraining Order (the "Motion") before the Supreme Court of the State of New York, County of New York (the "Court") under the caption Intellicell Biosciences, Inc. v Ironridge Global IV, LTD., and TCA Global Credit Master Fund, LP, Index No. 652800/13. The Motion sought to restrain the sale of the Company's assets.

As previously reported, on July 15, 2013, while the Company was finalizing an amendment and waiver to that certain Convertible Promissory Note (the "Note") issued by the Company in favor of TCA Global Credit Master Fund, LP ("TCA") on June 7, 2012 in the principal amount of $500,000, the Company was advised that Ironridge Global IV, LTD ("Ironridge"), led by Mr. John C. Kirkland, Esq., purportedly purchased the Note from TCA. The Complaint and Motion alleged that Ironridge and TCA each served the Company with a Notice of Foreclosure and Sale, both claiming to be the "Secured Party" of the same assets.

Given that Ironridge and TCA asserted that they would sell the secured assets of the Company at auction on August 12, 2013, the Motion sought to temporarily restrain both parties from so doing. On August 12, 2013, Justice Sherwood, Justice of the Supreme Court, New York County, issued a written Order granting the relief requested, thereby restraining any sale of assets (the "Temporary Restraining Order").

On August 26, 2013, despite the Company's best efforts to amicably resolve the dispute related to the Note, a subsequent hearing on the Motion was held, at which time the Company voluntarily brought with it to Court: (i) a certified check in the amount of $535,833.33 constituting payment of all principal and interest owed under the Note; and (ii) a stock certificate constituting the facility fee shares owed to the Secured Party pursuant to that certain Equity Facility Agreement. Since TCA admitted in prior court filings that it has no remaining interest in the that certain Note and Equity Facility Agreement, both the check and the stock certificate were tendered to Ironridge in open court, and counsel for Ironridge confirmed receipt thereof to Justice Oing directly. The company's attorneys argued in court that, with the exception of possible attorney's fees owed, the Company's obligations under the transaction documents have now been satisfied in full.

In addition, the Court found Ironridge's jurisdictional argument to be unavailing and held that the case shall remain in New York and directed all parties to file submissions with the Court on September 10, 2013, indicating why any other monies are or are not owed under those certain transaction documents. Judge Oing further directed that the Temporary Restraining Order restraining the sale of the Company's assets shall remain in place indefinitely until further order of the Court and that the auction shall not be rescheduled and that Ironridge shall not make, post or distribute any further advertisements, internet postings, blogs or otherwise in relation thereto. Finally, Judge Oing held that the balance of the $680,000 that was being held in escrow be immediately released.

Ludlow Capital Convertible Promissory Note

On April 30, 2013, the Company issued a Convertible Promissory Note to Ludlow Capital, LLC, for $15,000 in professional services. The terms of the Convertible Promissory Note require repayment immediately and bear a 0% interest rate. The Convertible Promissory Note is convertible into shares of the Company's common stock, par value $0.001 per share (the "Common Stock") at a price that shall be 10% below the closing bid upon notice of conversion. The Convertible Promissory Note is currently due and payable.

Steven Victor Convertible Promissory Note

On October 1, 2013, the Company issued a $1,000,000 convertible promissory note to Steven Victor to memorialize $585,794 of accrued salary and $414,206 of personal loans due to Steven Victor. The convertible promissory note is payable on demand and bears an annual 12% simple interest rate. The convertible promissory note is convertible into shares of the Company's common stock, par value, $0.001 per share (the "Common Stock") at a price equal to the average five trading day closing bid price during the five days immediately prior to the conversion date multiplied by two.

On October 11, 2013, the Company was advised that the convertible promissory note was assigned to Redwood Management, LLC.

Anna Rhodes Convertible Promissory Note

On October 1, 2013, the Company issued a $389,711 convertible promissory note to Anna Rhodes to memorialize $229,464 of accrued salary and $160,247 of personal loans due to Anna Rhodes. The convertible promissory note is payable on demand and bears an annual 12% simple interest rate. The convertible promissory note is convertible into shares of the Company's common stock, par value, $0.001 per share (the "Common Stock") at a price equal to the average five trading day closing bid price during the five days immediately prior to the conversion date multiplied by two.

On October 11, 2013, the Company was advised that the convertible promissory note was assigned to Redwood Management, LLC.

WHC Capital Convertible Promissory Note

On November 15, 2013, the Company issued a 75,000 convertible promissory note to WHC Capital. The Company received $66,000 in cash and $9,000 was recorded as an other receivable on the balance sheet. The terms of the convertible promissory note require repayment on November 15, 2014 and bears an interest rate of 12% per annum. The convertible promissory note is convertible into shares of the Company's common stock, par value, $0.001 per share (the "Common Stock") at a price equal to 48% of the lowest intra-day trading price for the Company's common stock during the fifteen trading days immediately preceding the conversion date.

During November and December 2013, $39,617 of the principal of the convertible promissory note was converted to 49,920 shares of common stock.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

Contractual Obligation and Commitments

The following table is a summary of contractual cash obligations for the periods indicated that existed as of December 31, 2013, and is based on information appearing in the notes to Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

	Total	Less than 1 Year	1-2 Years	3-5 Years	More than 5 Years
Current Debt Obligations	$	$ 4,733,319	$	$	$
Current Operating Lease Obligations					
Total obligations	$	$4,733,319	$	$	$

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The full text of our audited consolidated financial statements as of December 31, 2013 and December 31, 2012, begins on page F-1 of this amended annual report on Form 10-K /A .

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

We do not have any changes in or disagreements with accountants on accounting and financial disclosure.

ITEM 9A. CONTROLS AND PROCEDURES.

On or about August 29, 2014, the Board of Directors of the Company, upon the recommendation of the Company's management and after discussions with the Company's current and former independent registered public accounting firms, concluded that the quarterly financial statements filed on Form 10-Q for the period ended September 30, 2013 and March 31, 2014 and the annual financial statements filed on Form 10-K for the year ended December 31, 2013 as previously issued should no longer be relied upon and will be restated.

This amended annual report on Form 10-K/A reflects certain corrections made in connection with the Company's accounting for the application of fair value assessment for transactions involving derivative obligations related to the issuance of convertible debt instruments. The transactions include (1) derivative valuation at inception of the debt instrument, (2) upon conversion of the instrument to common stock, (3) upon assignment of the debt instrument and (4) upon valuation of the derivative at December 31, 2013. The Company also detected errors in the recording of debt discounts, upon issuance of debt instruments. These incorrectly recorded debt discounts also affected amortization expense for the fiscal year ended December 31, 2013.

This restatement has impacted the Company’s CEO and accounting professionals original conclusions regarding the effectiveness of disclosure controls and procedures and internal controls over financial reporting by further demonstrating the need for the Company to segregate duties and develop a stronger internal control environment. The Company is planning to further segregate duties related to internal controls over financial reporting as it increases its number of employees. The Company plans to hire additional employees in 2015 to change its disclosure controls and procedures and prevent future misstatements of a similar nature.

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures include, without limitation, means controls and other procedures that are designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and (ii) accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, because of our limited resources and limited number of employees, management concluded that our disclosure controls and procedures were ineffective as of December 31, 2013.

Management has identified control deficiencies regarding the lack of segregation of duties and the need for a stronger internal control environment. Management believes that these material weaknesses are due to the small size of our accounting staff. The small size of our accounting staff may prevent adequate controls in the future, such as segregation of duties, due to the cost/benefit of such remediation.

To mitigate the current limited resources and limited employees, we rely heavily on direct management oversight of transactions, along with the use of external legal and accounting professionals. As we grow, we expect to increase our number of employees, which will enable us to implement adequate segregation of duties within the internal control framework.

These control deficiencies could result in a misstatement of account balances that would result in a reasonable possibility that a material misstatement to our consolidated financial statements may not be prevented or detected on a timely basis. In light of this material weakness, we performed additional analyses and procedures in order to conclude that our consolidated financial statements for the fiscal year ended December 31, 2013 included in this amended annual report on Form 10-K /A were fairly stated in accordance with US GAAP. Accordingly, management believes that despite our material weaknesses, our consolidated financial statements for the fiscal year ended December 31, 2013 are fairly stated, in all material respects, in accordance with US GAAP.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, which consists of our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of internal control over financial reporting based on criteria established in the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), as supplemented by the COSO publication *Internal Control over Financial Reporting – Guidance for Smaller Public Companies* . Based on their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was not effective as of December 31, 2013 for the deficiencies set forth above.

This amended annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to such attestation pursuant to rules of the Securities and Exchange Commission that permits us to provide only management's report in this amended annual report.

Limitations on Effectiveness of Controls and Procedures

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

No changes in our internal control over financial reporting have come to management's attention during our last fiscal quarter that have materially affected, or are likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Executive Officers and Directors

The names, ages and positions of our directors and executive officers as of May 9, 2014, are as follows:

Name	Age	Position
Steven A. Victor, M.D.	62	Chairman of the Board of Directors, Chief Executive Officer, President, Secretary and Treasurer
Leonard Mazur	68	Interim Chief Operating Officer and Director
Michael Hershman	69	Director
Myron Holubiak	67	Director
Sam Khashman	45	Director

All directors hold office until the next annual meeting of stockholders and the election and qualification of their successors. Officers are elected annually by the board of directors and serve at the discretion of the board.

Background of Executive Officers and Directors

The principal occupations for the past five years (and, in some instances, for prior years) of each of our directors and executive officers are as follows:

STEVEN A. VICTOR M.D. was appointed as our chief executive officer, president, secretary, treasurer and director on June 3, 2011. Dr. Victor is a practicing celebrity dermatologist with over 20 years of experience. Author of the book “Ageless Beauty – A Dermatologist’s Guide to Looking Younger Without Plastic Surgery”, Guest Appearances on 20/20, Good Morning America, The Today Show, etc., along with features in nationally published fashion/style magazines. Dr. Victor is renowned in the field of Dermatology, pioneering some of the most effective and interesting treatments in skin rejuvenation today. He has lectured around the world, consulted for numerous cosmetic companies, featured in numerous magazines and featured in various Television and News segments. Dr. Victor has developed numerous successful consumer products for distribution through the Cosmeceuticals and Prescription skin care channels. Medicis (MRX/NYSE), a specialty pharmaceutical company that develops and markets products for the treatment of dermatological, aesthetic, and podiatric conditions, was initially launched successfully with 6 Rx products of Dr. Victor’s including Benzashave, a patented product. Dr Victor launched the one of the first acne infomercials in 1992 and developed the products for the Cher Skin Care infomercial. Dr. Victor has held numerous teaching appointments and holds a Bachelor of Arts degree from New York University and a received his M.D. degree from New York College. Dr. Victor was selected to serve as a director due to his deep familiarity with our business, the regenerative medical industry, our proprietary process and his extensive entrepreneurial background.

LEONARD L. MAZUR was appointed to our Board of Directors on June 3, 2011 and interim chief operating officer on February 14, 2013. Mr. Mazur since January 2008 is the co-founder and Vice Chairman of Akrimax Pharmaceuticals, LLC, a privately held pharmaceutical company specializing in producing cardiovascular and general pharmaceutical drugs Between January 2005 to May 2012 he served as Co-Founder and Chief Operating Officer of Triax Pharmaceuticals LLC, a specialty pharmaceutical company producing prescription dermatological drugs.. Prior to joining Triax, he was the founder and, from 1995 to 2005, Chief Executive Officer of Genesis Pharmaceutical, Inc., a dermatological products company that marketed its products through dermatologists' offices. In addition, Mr. Mazur has extensive sales, marketing and business development experience from his tenures at Medicis Pharmaceutical Corporation, as executive vice president, ICN Pharmaceuticals, Inc., Knoll Pharma (a division of BASF), and Cooper Laboratories, Inc. Mr. Mazur is a member of the Board of Trustees of Manor and is a recipient of the Ellis Island Medal of Honor. Mr. Mazur has marketing and entrepreneurial experience in the pharmaceutical industry, and his experiences with pharmaceutical products make him a valuable member of our Board of Directors.

MICHAEL HERSHMAN was appointed as a director on November 19, 2012**.**Mr. Hershman has been president and chief executive officer of The Fairfax Group LLC, an investigative, security and crises management firm, since founding the company in 1983. Mr. Hershman is an internationally recognized expert on matters relating to transparency, accountability, governance, litigation and security. Over the years, Mr. Hershman has served as a senior staff investigator for the Senate Watergate Committee, as chief investigator for a joint Presidential and Congressional commission, reviewing state and federal laws on wiretapping and electronic surveillance, as chief investigator for the Federal Election Commission, as deputy staff director for the Subcommittee on International Organizations of the U.S. House of Representatives and as deputy auditor general for the Foreign Assistance Program of the U.S. Agency for International Development. In 1993, Mr. Hershman co-founded Transparency International, the largest independent, not-for-profit coalition promoting transparency and accountability in business and in government. For the past six years he has served Interpol as a member of the International Group of Experts on Corruption, and for the past twelve years, he has sat on the board of the International Anti-Corruption Conference Committee. Mr. Hershman is a member of the board of directors of the U.S. Chamber of Commerce Foundation. Since 2007, Mr. Hershman has been a member of the board of directors and the executive committee of the Center for International Private Enterprise. For the past twelve years Mr. Hershman has been a member of Interpol's International Group of Experts on Corruption and now serves as Vice Chairman. Mr. Hershman is also on the board of the International Anti-Corruption Conference Committee, the Financial Coalition against Child Pornography, which is a project of the National Center for Missing and Exploited Children and he is a member of the Advisory Council of the George Mason University School of Information Technology and Engineering. Mr. Hershman was selected to serve as a director due to his experience as a director of other public companies and his experience with corporate compliance.

MYRON HOLUBIAK was appointed to our Board of Directors on October 23, 2012. Mr. Holubiak is the former President of Roche Laboratories, Inc. He held this position from December 1998 to August 2001. From August 2001 to June 2002, Mr. Holubiak was President, Chief Operating Officer and member of the Board of Directors of iPhysicianNet, Inc., a video detailing company. From July 2002 to April 2007 Mr. Holubiak was President and Chief Operating Officer of HealthSTAR Communications, Inc., a health care marketing communications network of 16 companies. Currently, Mr. Holubiak is the President and a member of the board of directors of 1-800-Doctors, Inc., a medical referral company that provides consumers with access to physicians and hospitals. From April 2004 to July 2008 Mr. Holubiak served on the board of directors of Nastech Pharmaceuticals Company, Inc. (now Marina Biotech, Inc.). Mr. Holubiak is also a member of the board of directors of Venture Biosciences, Inc. Mr. Holubiak is currently

the Chairman of the Board of Directors of BioScrip, Inc, which is a specialty pharmaceutical company. Mr. Holubiak was selected to serve as a director due to his deep familiarity with the healthcare industry, his extensive entrepreneurial background and his public company experience.

SAM KHASHMAN founded Technology Partners, Inc. (dba IMAGINE Software) in 2000 and has an extensive background in systems integration, process efficiency, and imaging systems with more than 18 years of experience in executive leadership. He has spent his career implementing and developing national and international markets for various business software solutions, and is recognized in radiology for combining complex processes into single system solutions. Mr. Khashman is also involved in numerous civic organizations and currently serves on the board of the National Chamber Foundation, the public policy think tank of the U.S. Chamber of Commerce in Washington D.C. and the advisory board of InfraGard Nations Capital Members Alliance, Inc.

Significant Employees

None

Advisory Board

We have access to a number of academic and industry advisors with expertise in regenerative medicine. Members of our advisory board meet with our management and key employees on an ad hoc basis to provide advice in their respective areas of expertise and further assist us by periodically reviewing with management our proposed activities. The members of our advisory board include the following doctors and scientific personnel: Dr. James R. Andrews, Dr. Frederic Nicola, Dr. Sydney Coleman, Dr. Eric Richter, Dr. Harold Bafitis, Dr. Lyle Cain, Dr. Benton Emblom. Additional members of our advisory board include Mr. Jack Schneider, a former managing director of Allen & Co, as well as Mr. Stuart Goldfarb, a former director of the Company who was also the former CEO of Atrinsic, Inc. as well as the former President and CEO of Bertelsmann Direct North America (now known as Direct Brands, Inc.). Many of our advisory board members possess insight and significant experience in the emerging market for regenerative medicine, as well as the potential areas of application of our proprietary, patent pending process technology. We further believe that some of these individuals may be instrumental in advancing our research and development programs. Our advisory board members have already made significant contributions to our proposed programs, including providing input on proposed trials and protocols as well as endpoint design. In connection with a member's retention on our advisory board, they enter into advisory agreements that provide for compensation to them, generally in the form of warrants to purchase shares of common stock of the Company, which also contain provisions for confidentiality as well as assignment of invention agreements, subject to the member respective obligations and responsibilities to any institution or institutions at which they are employed.

Advisory Board Consulting Agreement with Dr. James Andrews

On March 11, 2014, the Company executed a Consulting Agreement (the "Consulting Agreement") with Dr. James Andrews, effective March 7, 2014, pursuant to which Dr. Andrews shall serve as Chairman of the Intellicell Orthopedic Cellular Therapy Advisory Board. The initial term of the Agreement shall be for a period of ten (10) years unless extended as provided in the Agreement or unless terminated by either party with thirty (30) days advance written notice to the other party. In consideration for Consultant's services, the Consultant shall be paid a monthly fee and make a monthly charitable contribution to the Andrews Foundation after the Company closes a Capital Raise (as defined in the Consulting Agreement), and the amount of such monthly fee and monthly charitable contribution shall be determined based on the amount raised in the Capital Raise. For example, if the value of the Capital Raise is equal to or greater than $2,000,000 but less than $15,000,000, the monthly fee payable to the Consultant thereafter shall be equal to $30,000 (with $6,000 of such amount payable to Dr. Michael Immel) with a charitable contribution of $10,000 payable to the Andrews Foundation thereafter for the term of the Consulting Agreement.

Furthermore, commencing on March 1, 2014 and ending on May 1, 2017, on each of March 1, June 1, October 1 and January 1 during such period, the Company shall issue and the Consultant shall be entitled to receive non-qualified stock options to purchase a number of shares of the Company's common stock equal to 750,000 divided by the average of the closing bid price per share of such common stock for the ten (10) trading days immediately prior to the date of issuance, subject to certain adjustments as set forth in the Consulting Agreement. The options have a strike price of $0.0058 per share and are exercisable for ten (10) years. A portion (13.33%) of such options will be issued to the Andrews Foundation (and Dr. Immel shall receive 20% of such options). In addition, The Company shall issue to the Consultant 6,666,666 shares of its common stock based on the market price at the date of the execution of the License Agreement (see description above), as well as 2,000,000 shares to Dr. Immel and 1,333,333 shares to the Andrews Foundation. Additionally, 1,000,000 shares shall be issued to the Consultant, 200,000 shares shall be issued to Dr. Immel and 133,333 shares shall be issued to the Andrews Foundation upon FDA approval of the Company's Stromal Vascular Fraction Cell injection for treatment of osteoarthritis.

The Consulting Agreement contains customary representations and warranties, as well as a mutual indemnification provision, an assignment of inventions and patents provision and a confidentiality and trade secrets provision. The foregoing description of the Consulting Agreement does not purport to be complete and is qualified in its entirety by reference to such document, which is attached as Exhibit 10.2 hereto and incorporated herein by reference.

Family Relationships

There are no family relationships between any director, executive officer, or person nominated or chosen by the registrant to become a director or executive officer.

Involvement in Certain Legal Proceedings

To our knowledge, during the past ten years, none of our directors, executive officers, promoters, control persons, or nominees has been a party to:

any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;

being found by a court of competent jurisdiction in a civil action, the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

being subject of, or a party to, any federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of our code of ethics was filed as an exhibit to our 2011 Annual Report on Form 10-K. Investors may also request a copy of the code of ethics, free of charge, by contacting the Company's at 460 Park Avenue, 17th Floor, New York, New York 10021, Attention: Secretary.

Audit Committee

The Audit Committee's responsibilities include: (i) reviewing the independence, qualifications, services, fees, and performance of the independent registered public accountants, (ii) appointing, replacing and discharging the independent auditors, (iii) pre-approving the professional services provided by the independent auditors, (iv) reviewing the scope of the annual audit and reports and recommendations submitted by the independent auditors, and (v) reviewing our financial reporting and accounting policies, including any significant changes, with management and the independent auditors. The Audit Committee also prepares the Audit Committee report that is required pursuant to the rules of the SEC.

The Audit Committee currently consists of Michael Hershman, chairman of the Audit Committee, and Myron Holubiak. The board of directors has adopted a written charter setting forth the authority and responsibilities of the Audit Committee which is available on our website at www.intellicellbiosciences.com.

Compensation Committee

The Compensation Committee has responsibility for assisting the board of directors in, among other things, evaluating and making recommendations regarding the compensation of the executive officers and directors of our company; assuring that the executive officers are compensated effectively in a manner consistent with our stated compensation strategy; producing an annual report on executive compensation in accordance with the rules and regulations promulgated by the SEC; periodically evaluating the terms and administration of our incentive plans and benefit programs and monitoring of compliance with the legal prohibition on loans to our directors and executive officers.

Leonard Mazur is the chairman of the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

Mr. Mazur is an officer of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Corporate Governance/Nominating Committee

The Corporate Governance/Nominating Committee has responsibility for assisting the board of directors in, among other things, effecting board organization, membership and function including identifying qualified board nominees; effecting the organization, membership and function of board committees including composition and recommendation of qualified candidates; establishment of and subsequent periodic evaluation of successor planning for the chief executive officer and other executive officers; development and evaluation of criteria for Board membership such as overall qualifications, term limits, age limits and independence; and oversight of compliance with the Corporate Governance Guidelines. The Corporate Governance/Nominating Committee shall identify and evaluate the qualifications of all candidates for nomination for election as directors. Potential nominees are identified by the Board of Directors based on the criteria, skills and qualifications that have been recognized by the Corporate Governance/Nominating Committee. While our nomination and corporate governance policy does not prescribe specific diversity standards, the Corporate Governance/Nominating Committee and its independent members seek to

identify nominees that have a variety of perspectives, professional experience, education, differences in viewpoints and skills, and personal qualities that will result in a well-rounded Board of Directors.

The Corporate Governance/Nominating Committee currently consists of Myron Holubiak, chairman of the Corporate Governance/Nominating Committee, Michael Hershman.

Audit Committee Financial Expert

We do not currently have an “audit committee financial expert” as defined under Item 407(e) of Regulation S-K. The Board is actively seeking to appoint an individual to the Board of Directors and the Audit Committee who would be deemed an audit committee financial expert.

Director Compensation

Directors are expected to timely and fully participate in all regular and special board meetings, and all meetings of committees that they serve on.

For the fiscal year ended 2013, Dr. Steven Victor received 300,000,000 options to purchase our common stock and all other directors received 30,000,000 stock options to purchase our common stock.

Director Independence

Two of our directors, Michael Hershman and Myron Holubiak, are independent directors, pursuant to the NASDAQ definition of independence.

2011 Stock Incentive Plan

The purpose of our 2011 Stock Incentive Plan, as amended (the "2011 Plan") is to enable us to attract, retain and motivate key employees, directors and, on occasion, consultants, by providing them with stock options. Stock options granted under the 2011 Plan may be either incentive stock options, as defined in Section 422A of the Internal Revenue Code of 1986, or non-qualified stock options. Pursuant to the 2011 Plan, stock options to purchase an aggregate of 7,000,000 shares of common stock may be granted under the 2011 Plan.

The 2011 Plan will be administered by the Compensation Committee, or by the board of directors as a whole. The Compensation Committee or the board of directors, if applicable, has the power to determine the terms of any stock options granted under the 2011 Plan, including the exercise price, the number of shares subject to the stock option and conditions of exercise. Stock options granted under the 2011 Plan are generally not transferable, and each stock option is generally exercisable during the lifetime of the optionee only by such optionee. The exercise price of all incentive stock options granted under the 2011 Plan must be at least equal to the fair market value of the shares of common stock on the date of the grant. With respect to any participant who owns stock possessing more than 10% of the voting power of all classes of our stock, the exercise price of any incentive stock option granted must be equal to at least 110% of the fair market value on the grant date. The term of all incentive stock options under the 2011Plan may not exceed ten years, or five years in the case of 10% owners.

2012 Stock Incentive Plan

The purpose of our 2012 Stock Incentive Plan, as amended (the "2012 Plan") is to enable us to attract, retain and motivate key employees, directors and, on occasion, consultants, by providing them with stock options. Stock options granted under the 2012 Plan may be either incentive stock options, as defined in Section 422A of the Internal Revenue Code of 1986, or non-qualified stock options. Pursuant to the 2012 Plan, stock options to purchase an aggregate of 7,000,000 shares of common stock may be granted under the 2011 Plan.

The 2012 Plan will be administered by the Compensation Committee, or by the board of directors as a whole. The Compensation Committee or the board of directors, if applicable, has the power to determine the terms of any stock

options granted under the 2012 Plan, including the exercise price, the number of shares subject to the stock option and conditions of exercise. Stock options granted under the 2012 Plan are generally not transferable, and each stock option is generally exercisable during the lifetime of the optionee only by such optionee. The exercise price of all incentive stock options granted under the 2012 Plan must be at least equal to the fair market value of the shares of common stock on the date of the grant. With respect to any participant who owns stock possessing more than 10% of the voting power of all classes of our stock, the exercise price of any incentive stock option granted must be equal to at least 110% of the fair market value on the grant date. The term of all incentive stock options under the 2012 Plan may not exceed ten years, or five years in the case of 10% owners.

ITEM 11. EXECUTIVE COMPENSATION.

Summary Compensation Table

The table below sets forth, for the last two fiscal years, the compensation earned by (i) each individual who served as our principal executive officer or principal financial officer during the last fiscal year and (ii) our most highly compensated executive officer, other than those listed in clause (i) above, who were serving as executive officers at the end of the last fiscal year (together, the "Named Executive Officers"). No other executive officer had annual compensation in excess of $100,000 during the last fiscal year.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	All Other Compensation ($)(2)	Total ($)
Steven A Victor,	2013	275,000	-	-	$ 15,000	$290,000
Chairman of the Board of Directors of the Company, Chief Executive Officer and President	2012	275,000(1)	-	-	$ 15,000	$290,000

(1) During the fiscal year ended December 31, 2012 and 2013, Dr. Victor was not paid and $275,000 was accrued as compensation for his employment with the Company.
(2) Represents the value of the use of a rental property by Dr. Victor that was paid for by the Company.

Outstanding Equity Awards at Fiscal Year-End

Other than as set forth below, there were no outstanding unexercised options, unvested stock, and/or equity incentive plan awards issued to our named executive officers as of December 31, 2013.

Option Award	Stock Award
&nbs	