

Intellicell Biosciences, Inc.  
Form 10-Q  
August 21, 2012

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2012

TRANSITIONAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transitional period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No000-54729

INTELLICELL BIOSCIENCES, INC.  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

91-1966948  
(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)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer

Edgar Filing: Intellicell Biosciences, Inc. - Form 10-Q

Smaller Reporting  
Company  x

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

Number of shares of common stock issued and outstanding as of August 14, 2012 was 32,883,235.

INTELLICELL BIOSCIENCES, INC.  
QUARTERLY REPORT ON FORM 10-Q  
TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Consolidated Financial Statements</u>	3
<u>Item 2.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	24
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	29
<u>Item 4.</u>	<u>Controls and Procedures</u>	29

PART II – OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	30
<u>Item 1A.</u>	<u>Risk Factors</u>	30
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	30
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	30
<u>Item 5.</u>	<u>Other Information</u>	31
<u>Item 6.</u>	<u>Exhibits</u>	31

<u>SIGNATURES</u>		32
-------------------	--	----

## PART I - FINANCIAL STATEMENTS

## Item 1. Financial Statements

Intellicell BioSciences Inc. and Subsidiary  
CONSOLIDATED BALANCE SHEETS

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
<b>ASSETS</b>		
Current assets:		
Cash	\$ -	\$ 110,194
Accounts Receivable - related party	150,000	-
Total current assets	150,000	110,194
Property & Equipment - net of accumulated depreciation of \$26,110 and \$15,226 as of June 30, 2012 and December 31, 2011		
	2,663,665	556,834
Deposit - License Agreement with related party	100,000	100,000
Financing Fees, net of accumulated amortization of \$18,550 and \$0 as of June 30, 2012 and December 31, 2011	204,050	-
Restricted cash for security deposit	650,000	650,000
	\$ 3,767,715	\$ 1,417,028
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>		
Current liabilities:		
Bank Overdraft	\$ 11,606	\$ -
Convertible debentures	1,360,000	1,312,859
Convertible promissory note payable	500,000	-
Notes payable and accrued interest	646,389	1,161,758
Accounts payable and accrued expenses	654,893	584,585
Deferred income	1,160,000	502,500
Advances from related party	42,882	67,882
Accrued liabilities, related party	887,147	735,932
Total current liabilities	5,262,917	4,365,516
Long term liabilities - Derivative liabilities		
	1,710,597	14,791,291
Total liabilities	6,973,514	19,156,807
Commitments		
Stockholders' deficit:		
Convertible preferred stock; \$0.01 par value, Series B, 21,000 shares authorized, 16,733 and 18,280 issued and outstanding at June 30, 2012 and December 31, 2011, respectively	167	183
Convertible preferred stock; \$0.01 par value, Series C, 13,000 shares authorized, 10,000 and 10,823 issued and outstanding at June 30, 2012 and December 31, 2011, respectively	100	108
	1,130	420

Edgar Filing: Intellicell Biosciences, Inc. - Form 10-Q

Convertible preferred stock; \$0.01 par value, Series D, 500,000 shares authorized, 113,000 and 42,000 issued and outstanding at June 30, 2012 and December 31, 2011, respectively		
Common stock; \$0.001 par value; 500,000,000 shares authorized; 29,671,760 and 21,034,938 shares and issued and outstanding at June 30, 2012 and December 31, 2011, respectively.	29,671	21,035
Additional paid in capital	28,841,155	15,849,217
Accumulated deficit	(32,078,022)	(33,610,742)
Total stockholders' deficit	(3,205,799)	(17,739,779)
	\$ 3,767,715	\$ 1,417,028

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

## Intellicell BioSciences Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues	\$ 6,769	\$ 58,500	\$ 18,869	\$ 58,500
Revenues - related party	150,000	-	150,000	-
Total revenue	156,769	58,500	168,869	58,500
Cost of Goods Sold	172,472	46,536	177,248	46,536
Gross Profit	(15,703)	11,964	(8,379)	11,964
Operating Expenses:				
Research and development	74,528	83,402	123,449	176,290
Sales and marketing	146,468	106,457	273,517	142,939
General and administrative	519,133	424,563	1,103,128	640,988
Employee Stock Based Compensation	1,098,161	-	1,858,459	-
Non-Employee Stock Based Compensation	2,973,420	-	8,027,354	827,125
Total Operating Expense	4,811,710	614,422	11,385,907	1,787,342
Loss from operations	(4,827,413)	(602,458)	(11,394,286)	(1,775,378)
Other Income (Expenses):				
Interest Expense	(33,733)	(91,506)	(135,138)	(91,506)
Financing Costs	(18,550)	-	(18,550)	-
Change in fair value of derivative liabilities	15,881,264	(11,323,404)	13,080,694	(11,332,694)
Total Other Income (Expenses)	15,828,981	(11,414,910)	12,927,006	(11,424,200)
Income (Loss) Before Income Taxes	11,001,568	(12,017,368)	1,532,720	(13,199,578)
Provision for Income Taxes	-	-	-	-
Net Income (loss)	\$ 11,001,568	\$ (12,017,368)	\$ 1,532,720	\$ (13,199,578)
Loss per share:				
Basic	\$ 0.40	\$ (0.69)	\$ 0.06	\$ (0.76)
Diluted	\$ 0.17	\$ (0.69)	\$ 0.02	\$ (0.76)
Weighted Average shares outstanding				
Basic	27,810,172	17,524,021	25,298,312	17,445,886
Diluted	63,922,597	17,524,021	61,391,011	17,445,866

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



Intellicell BioSciences Inc. and Subsidiary  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
For the Six Months Ended June 30, 2012  
(Unaudited)

	Convertible Series B Preferred Stock		Convertible Series C Preferred Stock		Convertible Series D Preferred Stock		Common Stock		Additional Paid In Capital	Accumulated (Deficit)	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balances, December 31, 2011	18,280	\$ 183	10,823	\$ 108	42,000	\$ 420	21,034,938	\$ 21,035	\$ 15,849,217	\$ (33,610,742)	\$ (17,000,000)
Proceeds from sales of common stock at \$1.00 per share, net of fees	-	-	-	-	-	-	2,100,000	2,100	2,042,150	-	2,042,150
Conversion of note payable and accrued interest to common stock	-	-	-	-	-	-	500,000	500	527,049	-	527,049
Stock issued for the conversion of convertible debenture and accrued interest	-	-	-	-	-	-	118,794	118	103,530	-	103,530
Conversion of Series B Preferred to common stock	(1,547)	(15)	-	-	-	-	1,546,527	1,546	(1,531)	-	-
Conversion of Series C Preferred to common stock	-	-	(823)	(8)	-	-	822,500	823	(815)	-	-
Issuance of Series D	-	-	-	-	14,500	145	-	-	229,855	-	229,855



Preferred  
shares, net of  
fees

Issuance of  
additional  
shares for  
anti-dilution

- - - - 56,500 565 - - (565) -

Stock-based  
compensation  
expense  
related to  
employee  
stock options

- - - - - - - - 1,858,459 - 1

Stock-based  
compensation  
expense  
related to  
non-employee  
stock options

- - - - - - - - 15,052 -

Compensation  
expense  
related to the  
issuance of  
warrants

- - - - - - - - 2,720,764 - 2