AMERICAN CRYOSTEM Corp
Form 10-K
January 14, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

S ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

or

£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES

EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM __ TO __

Commission file number: 000-54672

American CryoStem Corporation

(Exact name of registrant as specified in its charter)

Nevada	26-4574088
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Code Number)

1 Meridian Road, Eatontown, NJ	07724
(Address of principal executive offices)	(Zip Code)

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

Title of each class registered:	Name of each exchange on which registered:
None	None

Securities registered under Section 12(g) of the Exchange Act: **Common Stock, $0.001 par value per share**

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

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 S

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 S 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes S No £

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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.

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of March 31, 2012 (the last business day of the registrant's most recently completed second fiscal quarter) was $3,868,349

As of January 11, 2013, the registrant had 28,586,362 shares of its common stock outstanding.

Documents incorporated by reference: none.

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PART I

Forward Looking Statements

Statements in this Form 10-K 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 our 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 probably will, 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 Form 10-K Annual Report, including the risks described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 financial condition, factors that affect our industry, market and customer acceptance, competition, government regulations and requirements and pricing, 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 this Form 10-K Annual Report.

ITEM 1. BUSINESS.

DESCRIPTION OF BUSINESS

Overview

American CryoStem Corporation, which we refer to as we, us, our and our Company, is a life sciences and biotechnology company that creates and markets products and services for the adipose tissue, personal stem cell collection, and stem cell processing and storage industry.

Our principal line of business is the collection, processing and storage of adipose (fat) tissue and adipose derived adult stem cells, in order to permit individuals to preserve their tissue and adult stem cells for potential future use in cosmetic and plastic surgery procedures and the creation of individualized cellular based products and regenerative cell therapy.

We have branded a number of products and services that are the result of the development and validation of our core tissue processing and banking services as well as a number of laboratory products and services that are used internally in the operation of our clinical tissue processing and storage operations. The products and services are based upon our validated core processing and storage methodologies which can be marketed to a variety of end users including consumers, physicians, research institutions, co-development partners and other biotechnology manufacturers.

We are also developing new products and services based upon and as a result of our development of our core tissue processing and banking business. These new products and services are designed for both professionals and consumers. We have continued the refinement of our intellectual property development to expand the opportunities to commercialize products and services for the developing adult stem cell industry. We offer these services under the brand name ACS Laboratory Services. To support the service offering and to provide a central location for potential customers to find information about the services, we have launched a new laboratory website, www.acslaboratories.com.

We believe that current published medical research indicates that adipose derived stem cells can be used to support tissue repair and cell therapies to expedite healing of wounds, physical trauma and burns in joints, bone, muscle, tendons and ligaments. Our management also believes that the effects of diseases such as cardiovascular disease, cancer, stroke, central nervous disorders and diabetes may be alleviated through the application of stem cells. Our management also believes that in the near-term, our services may be applied to the storage of adipose tissue collected from a customer during liposuction for future cosmetic and reconstructive procedures. Applications include the use of processed adipose tissue and stem cells as biocompatible fillers in cosmetic and reconstructive surgery of the face, hands breasts and buttocks.

Products and Services

Our business remains in its formative stage and to date has generated minimal revenue, however, subject to, among other factors, obtaining the requisite financing, management anticipates that we will be able to provide the following services:

- Collecting an individual's adipose tissue through a participating doctor who will forward the tissue to our laboratory;
- Processing the tissue in the laboratory to separate the component parts of an individual's adipose tissue, which includes the stem cells and other regenerative cells; and
- Cryopreserving adipose tissue and stem cells for immediate use or long-term storage.

Stem cells processed from adipose tissue are prepared and cryopreserved in their raw form without manipulation, bio-generation or the addition of biomarkers or other materials, which management believes may make such stem cells suitable for use in cellular treatments (i.e., the biomedical use of stem cells to treat patients) currently offered by existing and planned treatment centers worldwide. Management believes that affordably preserving cells derived from adipose tissue can provide a user with the opportunity to take advantage of the emerging field of regenerative medicine, i.e., healing the body using one's own stem cells.

Storage Services

The adipose tissue we receive for processing and storage is prepared and stored using a proprietary storage medium solution in our Mount Laurel, New Jersey laboratory facility. This proprietary storage medium is comprised of pharmaceutical grade materials that are approved by the FDA for human injection. We believe that the use of this storage medium as a cryoprotectant qualifies for exemption under section 361 of the PHS Act. On June 7, 2012 we filed a provisional patent application titled "Compositions and Methods for Collecting, Washing, Cryopreserving, Recovering and Return of Lipoaspirates to Physician for Autologous Adipose Transfer Procedures (US Serial No. 61/656,837) covering our methods and materials developed for its adipose tissue collection, processing and storage

services.

Management currently believes that we will be able to collect, process and store adipose tissue and adipose derived stem cells for adults and include the first six months of storage fees for an initial fee ranging from $750 to $2500 based upon the volume of tissue and the requested processing and testing services. During the initial stages of our marketing program with new providers and in new locations we may from time to time offer discounts from the list price. Thereafter, it is intended that each storage client will be responsible for the payment of an annual storage fee, initially priced at $200.00 per year. The storage fees are based upon the type of material stored, the total volume, and the storage configuration. Management believes that adipose tissue and Adipose Derived stem cells are currently being used in cosmetic surgery and the emerging field of regenerative medicine globally and have the potential to become a multibillion dollar industry in the future.

Wound Healing Market

On April 5, 2012 we entered into a Collaboration Agreement with Protein Genomics, Inc. (PGen) to test and develop new products combining certain intellectual property and patented products. Initially we provided PGen with research materials and our patented cell culture media for testing with PGen's patented products designed for the wound healing market. Initial testing has been completed and on September 1, 2012 we and PGen entered into a Memorandum of Understanding (MOU) to further develop products based upon the results of the initial collaboration. The terms of the MOU call for the creation of a new entity to be jointly owned by us and PGen for the mutual development and ownership of any jointly developed intellectual property and to provide a separate vehicle to fund the additional scientific work. PGen is a private Company under the control of Burt Ensley, PhD, a member of our medical advisory board.

Product Development

We are continuing to expand our intellectual property portfolio and have filed three additional patent applications for our methods of collecting, processing and storing individual adipose tissue, adipose derived cellular samples, the CELLECT™ service, methods for processing adipose tissue into its component cells, and a new cryoprotectant for the storage of adipose tissue samples, the ATGRAFT™ service. We believe that the combination of our cellular processing capabilities and patented products give us an economical platform to develop and produce cellular therapy applications for injection or intravenous therapy, topical applications, burn and wound healing, joint repair, disease treatments and cosmetics.

We have implemented a strategic approach to developing and launching new products that we believe can produce near term cash flow, residual revenue, and complimentary scientific data. We focus on products that require little or no regulatory approval. These products include adipose tissue and stem cell sample storage as a form of personal *"bio-insurance",* or fat storage for cosmetic fat engraftment procedures as well as the creation of topical applications and ingredients used by other companies in the wound healing and cosmetic industries.

Our cellular processing and storage services have been developed under the CELLECT™ trademark. Our adipose tissue storage services are marketed under the ATGRAFT™ trademark. These services are an end-to-end clinical solution for the collection, testing, processing, tracking and delivery of one or more tissue or cellular samples for any individual. Stored tissue may be retrieved for (a) immediate use in cosmetic engraftment, (b) further processing and delivery of a cellular sample for use in topical or orthopedic applications or (c) processing and expansion for direct or intravenous injection for disease management and treatment.

We anticipate revenue generation for our CELLECT™ services from the initial collection and storage procedure, and all future processing or expansion of stored tissue samples. Based upon the initial collection volume from the patient and intended use, we can create and store multiple tissue and cellular samples for a lifetime of customer use and generate additional revenue for each individual tissue or cellular sample retrieval. Our tissue collection, processing and storage services are marketed through physicians and our main website, www.americancryostem.com.

We also anticipate revenue generation from the sale of our internally developed ACSelerate™ proprietary cell culture media products and the sale or licensing of our internally validated standard operating procedures. Our laboratory processing products and services are marketed directly to research facilities, healthcare facilities, and biotechnology companies and through our website, www.acslaboratories.com

During the year ended September 30, 2012, we began offering contract manufacturing services to biotechnology and cosmetic product manufacturers. We entered into our first such contract manufacturing with Personal Cell Sciences (”PCS”) to provide cellular processing, sample storage and ingredient manufacturing for a line of personalized skin care products. Personal Cell Sciences is a private company founded by our Chairman and CEO, John Arnone.

Intellectual Property

On August 2, 2011, we were awarded US Patent No. US 7,989,205 B2, titled Cell Culture Media, Kits, and Methods of Use. This Patent was assigned to us by our Chief Scientist, Dr. David Moscatello in 2010 and was originally filed on October 4, 2006. We have continued to develop tools and cellular processing methods that have the potential to result in new products and services being offered for commercial sale and licensing at a future date. Our management cannot predict if a market for these products will develop and therefore cannot predict the potential impact these new products will have upon our revenue.

We are continuing to expand our intellectual property portfolio and have filed three additional patent applications for our methods of collecting, processing and storing individual adipose tissue, adipose derived cellular samples, the CELLECT™ service, methods for processing adipose tissue into its component cells, and a new cryoprotectant for the storage of adipose tissue samples, the ATGRAFT™ service.

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Marketing and Distribution

We have deployed a multichannel marketing strategy to enroll physicians and consumers in our tissue or stem cell storage programs. Our business relationships with other synergistic companies are focused on marketing our laboratory services and products through either licensing or contract manufacturing arrangements. Our major focus is the continual branding of American CryoStem’s tissue and stem cell storage platform as the “gold-standard” in the industry. Increasing physician, consumer and corporate confidence in our ability to process and store a clinical grade sample has led to unsolicited third party exposure of our technology.

As part of our marketing campaign towards physicians we are actively seeking to bring highly qualified peer leaders onto our Medical Advisory Board to assist us in our industry speaking and education platform. This physician education platform is designed to focus on the industry’s needs and demands as it relates to current and future treatments using our adipose tissue and adult stem cell technologies. We have initiated a direct marketing program focused upon plastic and cosmetic surgeons and have an initial group of providers that have begun to offer our services to their patients. This marketing program has been implemented using a traditional sales approach common to the pharmaceutical and biotechnology industries. This basic industry sales approach and the core of our marketing activities are being expanded using a combination of in-house sales personnel and outside independent channels.

In addition, we have begun a comprehensive integrated marketing campaign through various media such as the internet, social media, video, print, TV, radio and trade shows to reach targeted potential consumers to promote awareness of our company and our products. The essence of this targeted strategy is to reach the end-users as quickly as possible and to accelerate the adoption curve of our products and services. In addition, we plan to utilize outside marketing resources and trade groups to increase the number of surgeons willing to offer our products and services to their patients.

The combination of a traditional sales approach supported by continuous internal and external marketing programs will be closely coordinated with the expansion of our laboratory processing capabilities. The initial approach is a ‘Top Down and Bottom Up Push’ which is intended to disseminate current and future uses of adipose tissue and adult stem cells which supports our business model and products and services. We intend to also employ both print advertising and social media sales campaigns. In addition, we plan to utilize key leaders, and early adaptors in the medical community as a marketing resource to increase the number of surgeons who join our network and collaborate with us.

A key objective of our marketing campaign is to position American CryoStem in the market as the premier, affordable adipose tissue and adult stem cell banking company in North America. Our marketing strategy seeks to generate company awareness and increase the customer base through an Integrated Marketing Campaign consisting of the following:

Social Media: development of social communities through Face book, Twitter, Linked-In, etc. for topic(s) discussion and word-of-mouth promotion.
Print media: for brand awareness generating an 'informed customer' through national newspapers, and magazine
Online media: to channel customers to our website where customers are educated on the benefits of adult stem cell therapies and regenerative medicine. Traditional TV and Radio
Networking: with specific organizations to generate large long-term contracts (hospitals, surgery center franchises, unions, etc.)
Trade shows: conference participation with major institutions will help with company exposure and future relationships with other companies and doctors.
News publications: promoting the innovation of American CryoStem and stem cell/regenerative medicine industry
Vertical alignment: with targeted associations and organizations specifically seeking alternative research for cures that can be facilitated through the use of our proprietary stem cell processing.

EMPLOYEES

Currently, we have six employees and continue to use consultants on an as needed basis. As we grow, we will need to attract an unknown number of additional qualified employees, however we could be unsuccessful in attracting and retaining the persons needed.

HISTORICAL DEVELOPMENT

We were incorporated in the State of Nevada on March 13, 2009 under the name R&A Productions, Inc. On April 20, 2011, we acquired, through our wholly owned subsidiary American CryoStem Acquisition Corporation, substantially all of the assets from, and assumed substantially all of the liabilities of, American CryoStem Corporation, a Nevada corporation (which subsequently changed its name to ACS Global, Inc.) in exchange for our issuance of 21,000,000 shares of our common stock, par value $0.001 per share, to ACS Global, Inc. ("ACS Global") (the "Asset Purchase"). Our fiscal year ends September 30 of each calendar year.

Upon the Asset Purchase Closing: (i) ACS Global became our majority shareholder, (ii) John Arnone was appointed as our chief executive officer and president and Anthony Dudzinski was appointed as our chief operating officer, treasurer and secretary, (iii) Messrs. Dudzinski and Arnone were appointed to our board of directors, with Mr. Arnone being appointed as Chairman of the Board, and (iv) Mr. Medina resigned as the chief executive officer, president, treasurer, secretary and the sole member of the board of directors and was simultaneously appointed as our Vice President of Film Operations. Mr. Dudzinski is also a director and the President and Treasurer of ACS Global and Mr.

Arnone is a director and Secretary of ACS Global.

The 21,000,000 shares of Common Stock issued to ACS Global were issued pursuant to the exemption from registration provided under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”) and Rule 506 promulgated thereunder.

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Contemporaneously with the Asset Purchase Closing, we sold 1,860,000 shares of Common Stock to accredited investors in a private placement at a purchase price of $0.50 per share for aggregate gross proceeds of $930,000.

The Company issued an additional 712,000 shares of common stock and received net proceeds of $356,000 for the year ended September 30, 2011.

The Company issued an additional 1,558,000 shares of common stock and received net proceeds of $779,000 for the year ended September 30, 2012,

The foregoing shares of our common stock were issued pursuant to the exemption from registration provided under Regulation D of the Securities Act and Rule 506 promulgated thereunder.

During the year ended September 30, 2012, the Company issued 25,000 shares of common stock for services rendered to pay an outstanding invoice of $12,500. During the year ended September 30, 2011, the Company issued 57,500 shares of common stock for services rendered at a cost of $28,751.

The Company did not issue any shares for services for the year ended September 30, 2012.

As of September 30, 2012, the number of issued and outstanding shares of our Common Stock was 28,158,362, consisting of (i) the 21,000,000 shares held by ACS Global, constituting approximately 74.6% of the issued and outstanding shares of our Common Stock, (ii) 2,845,862 shares held by our shareholders prior to the Asset Purchase Closing Date, constituting approximately [10.1]% of the issued and outstanding shares of our Common Stock, (iii) 1,860,000 shares sold in the private offering completed in April 2011, constituting approximately [6.60]% of the issued and outstanding shares of Common Stock, (iv) 2,270,000 shares sold in the Company's current private offering as of September 30, 2012 constituting approximately [8.06]% of the issued and outstanding shares of our Common Stock, (v) 100,000 shares issued upon the exercise of options by an option holder representing less than 1% of the issued and outstanding shares of our Common Stock and (vi) 25,000 shares in 2012 and 57,500 shares in 2011 issued for consulting services from unaffiliated parties, representing less than 1% of the issued and outstanding shares of our Common Stock.

In September 2011, we completed the required testing, validation and verification of our core processing methodology and laboratory equipment.

On June 15, 2011, we changed our name from “R & A Productions, Inc.” to “American CryoStem Corporation.” Simultaneously, our ticker symbol was changed from “RAPP” to “CRYO.” On June 15, 2011, ACS Global changed its name from “American CryoStem Corporation” to “ACS Global, Inc.” ACS Global’s ticker symbol on the pink sheets remains “AMCY.”

CORPORATE INFORMATION

Our principal executive offices are located at 1 Meridian Road, Eatontown, NJ 07724 and our telephone number is (732) 747-1007. We also lease and operate a tissue processing laboratory in Mount Laurel, New Jersey at the Burlington County College Science Incubator located on the Burlington County College Campus. Our website address is *www.americancryostem.com.*

AVAILABLE INFORMATION

We file electronically with the SEC our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to such reports, as well as other documents. Copies of these reports are available, free of charge, on our website. The public may read and copy any materials filed with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC, 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies of these reports can also be obtained from the SEC’s website at www.sec.gov. We make available through our website, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to such reports, as soon as reasonably practicable after they have been electronically filed with the SEC. Such reports are available via a link from the Investors page on our website to a list of our reports on the SEC’s EDGAR website.

ITEM 1A. RISK FACTORS

Our business involves a high degree of risk and uncertainty, including the following risks and uncertainties:

We have a history of losses; there are doubts about our ability to continue as a going concern.
We have not achieved our planned principal operations and we are in the formative stage of operations. We have incurred negative cash flows since inception from our developmental activities, and at this time as well as for the foreseeable future will finance (until we can generate sufficient revenues, if ever, to cover expenses) our activities and overhead expenses through the issue and sale of debt or equity securities. The recoverability of the costs incurred by us to date is highly uncertain and is dependent upon achieving commercial production and sales of our services, of which no assurances can be given. Our prospects must be considered in light of the risks, expenses and difficulties which are frequently encountered by companies in the development stage in the emerging industry that we hope to commence operations in.

We expect to incur increased operating expenses for the foreseeable future. The amount of net losses and the time required for us to reach and sustain profitability are uncertain. The likelihood of our success must be considered in light of the problems, expenses, difficulties, and delays frequently encountered in connection with a development stage business, including, but not limited to, uncertainty as to development and the time required for our planned services to become available in the marketplace. There can be no assurance that we will ever generate revenues or achieve profitability at all or on any substantial basis. These matters raise substantial doubt about our ability to continue as a going concern. If we cease or curtail our development activities, it is highly likely that you would lose your entire investment in our Company.

We will require substantial additional capital to pursue our business plan.
We have limited revenues and no income. We have financed our development activities since inception through the sale of securities. Our capital requirements will depend on many factors, including, among other things, the cost of developing our business and marketing activities, the efficacy and effectiveness of our proposed services, costs (whether or not foreseen), the length of time required to collect accounts receivable we may in the future generate, competing technological and market developments and acceptance. Changes in our proposed business or business plan could materially increase our capital requirements. We cannot assure you that our proposed plans will not change or that changed circumstances will not result in the depletion of our capital resources more rapidly than currently anticipated.

We will need to obtain substantial additional financing to, among other things, fund the future development of any services we attempt to undertake and for general working capital purposes. Any additional equity financing, if available, may be dilutive to stockholders and any such additional equity securities may have rights, preferences or privileges that are senior to those of the holders of shares of our Common Stock. Debt financing, if available, will require payment of interest and may involve our granting security interests on our assets and restrictive covenants that could impose limitations on our operating flexibility.

Our ability to obtain needed financing may be impaired by such factors as the capital markets, our capital structure, our development stage, the lack of an active market for shares of our Common Stock, and our lack of profitability, all of which would impact the availability or cost of future financings. We cannot assure prospective investors that we will be able to obtain requisite financing in a timely fashion or at all and, if obtained, on acceptable terms. Our

inability to obtain needed financing on acceptable terms would have a material adverse effect on the implementation of our proposed business plan.

We are wholly dependent on Messrs. Arnone and Dudzinski.
We are wholly dependent on Messrs. Arnone and Dudzinski, our only two (2) executive officers and directors. Our future performance will depend on the continued services of such persons and our ability to retain such persons and/or hire additional qualified persons. The loss of Messrs. Arnone and/or Dudzinski would materially and adversely affect our proposed business. We have not yet entered into employment agreements with Messrs. Arnone and Dudzinski, but we intend to do so in the near future. It is expected that such employment agreements will, among other terms, permit each of Messrs. Arnone and Dudzinski to conduct other business activities outside of their employment with us.

Mr. Arnone is presently involved with another entity that operates in an industry similar to ours but that management does not believe to be in competition with us. We may in the future seek to initiate a business relationship with, and/or acquisition of, this other entity. Management cannot assure you that any such business relationship or acquisition, if consummated, would be on terms favorable to us.

We have not obtained any “key-man” life insurance policies nor do we presently plan to obtain or maintain any such policies on Messrs. Arnone, Dudzinski or any other of our employees.

We may be unable to protect our intellectual property from infringement by third parties, and third parties may claim that we are infringing on their intellectual property, either of which could materially and adversely affect us.

We intend to rely on patent protection, trade secrets, technical know-how and continuing technological innovation to protect our intellectual property, and we expect to require any employees, consultants and advisors that we may hire or engage in the future to execute confidentiality and assignment of inventions agreements in connection with their employment, consulting or advisory relationships. There can be no assurance, however, that these agreements will not be breached or that we will have adequate remedies for any such breach.

Despite our efforts to protect our intellectual property, third parties may infringe or misappropriate our intellectual property or may develop intellectual property competitive with ours. Our competitors may independently develop similar technology or otherwise duplicate our proposed processes or services. As a result, we may have to litigate to enforce and protect our intellectual property rights to determine their scope, validity or enforceability. Intellectual property litigation is particularly expensive, time-consuming, diverts the attention of management and technical personnel and could result in substantial cost and uncertainty regarding our future viability. The loss of intellectual property protection or the inability to secure or enforce intellectual property protection would limit our ability to produce and/or market our services in the future and would likely have an adverse affect on any revenues we may in the future be able to generate by the sale or license of such intellectual property.

We may be subject to costly litigation in the event our future services or technology infringe upon another party’s proprietary rights. Third parties may have, or may eventually be issued, patents that would be infringed by our technology. Any of these third parties could make a claim of infringement against us with respect to our technology. We may also be subject to claims by third parties for breach of copyright, trademark or license usage rights. Any such claims and any resulting litigation could subject us to significant liability for damages. An adverse determination in any litigation of this type could require us to design around a third party’s patent, license alternative technology from another party or otherwise result in limitations in our ability to use the intellectual property subject to such claims.

Cell therapy is a developing field and a significant market for our services has yet to emerge.
Cell therapy and regenerative medicine is a developing field, with few cell therapy products or services approved for clinical and/or commercial use. We are wholly dependent on the acceptance of cell therapy (and specifically stem cells) to develop into a large and profitable industry. We hope to develop services related to the collection, processing and storage of stem cells. We believe the market for cell and tissue-based therapies is in its infancy, substantially research oriented and financially speculative and has yet to achieve substantial commercial success. Stem cell products and services may in general be susceptible to various risks, including undesirable and unintended side effects, unintended immune system responses, inadequate therapeutic efficacy, lack of acceptance by physicians, hospital and consumers, or other characteristics that may prevent or limit their approval or commercial use. Management believes that the demand for stem cell processing and the number of people who may use cell or tissue-based therapies is difficult, if not impossible, to forecast. Our success is dependent on the establishment of a market for our proposed services and our ability to capture a share of this market.

Our proposed services may not attain commercial acceptance absent endorsement by physicians.
Our proposed services will compete against individual cellular samples derived from alternate sources, such as bone marrow, umbilical cord blood and perhaps embryos. We believe that physicians and hospitals are historically slow to adopt new technologies like ours, whatever the merits, when older technologies continue to be supported by established providers. Overcoming such inertia often requires very significant marketing expenditures or definitive product performance and/or pricing superiority. Management currently believes physicians' and hospitals' inertia and skepticism to be a significant barrier as we attempt to gain market penetration with our proposed services. Failure to achieve market acceptance of our proposed services could have a material adverse effect on our future prospects.

If we should in the future become required to obtain regulatory approval to market and sell our proposed services we will not be able to generate any revenues until such approval is received.
The medical industry is subject to stringent regulation by a wide range of authorities. While we believe that, given our proposed business, we are not presently required to obtain regulatory approval to market our services because we do not (i) produce or market any clinical devices or other products, (ii) sell any products or services to the customer, we cannot predict whether regulatory clearance will be required in the future and, if so, whether such clearance will at such time be obtained, whether for the stem cells and/or any other services that we are developing or may attempt to develop. Should such regulatory approval in the future be required, our services may be suspended or may not be able to be marketed and sold in the United States until we have completed the regulatory clearance process as and if implemented by the FDA. Satisfaction of regulatory requirements typically takes many years, is dependent upon the type, complexity and novelty of the product or service and would require the expenditure of substantial resources.

If regulatory clearance of a service we propose to provide is granted, this clearance may be limited to those particular states and conditions for which the service is demonstrated to be safe and effective, which would limit our ability to generate revenue. We cannot ensure that any service developed by us will meet all of the applicable regulatory requirements needed to receive marketing clearance. Failure to obtain regulatory approval will prevent commercialization of our services where such clearance is necessary. There can be no assurance we will obtain regulatory approval of our proposed services that may require it.

We are authorized to issue 300,000,000 shares of Common Stock and 50,000,000 shares of "blank check" preferred stock, the issuance of which could, among other things, reduce the proportionate ownership interests of current shareholders.

We are authorized to issue 300,000,000 shares of Common Stock and 50,000,000 shares of "blank check" preferred stock. As of September 30, 2012, there were 28,158,362 shares of Common Stock and no shares of preferred stock issued and outstanding. Our board of directors (the "Board") has the ability, without seeking shareholder approval, to

issue additional shares of Common Stock and/or to designate, establish the terms and conditions of, and issue shares of preferred stock for such consideration, if any, as the Board may determine. Any such shares of preferred stock could have dividend, liquidation, conversion, voting or other rights, which could adversely affect the voting power or other rights of the holders of shares of Common Stock. In the event of such issuance, the preferred stock could, among other items, be used as a method of discouraging, delaying or preventing a change in control of our Company, which could have the effect of discouraging bids for our Company and thereby prevent security-holders from receiving the maximum value for their shares of our Common Stock.

Lack of liquidity.

The shares of our Common Stock trade sporadically, if at all, on the OTCQB under the symbol “CRYO.” Consequently, holders of our Common Stock may not be able to liquidate their investment in the event of an emergency or at any time. There can be no assurance that a robust market will ever develop for our Common Stock or, if developed, will continue or be sufficiently liquid to enable the shareholders to liquidate their investment in us.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES.

We currently rent office space at 1 Meridian Road, Eatontown, NJ 07724 for our corporate offices. Additionally we rent laboratory space at the Burlington County College Science Incubator 100 Technology Way, Mount Laurel NJ 08054.

Our laboratory facility consists of approximately 1300 square feet of leased space located in the science incubator on the Campus of the Burlington Community College located in Mount Laurel, NJ.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER REPURCHASES OF EQUITY SECURITIES

Our common stock was listed on the OTCBB under the symbol "RAPP" on November 12, 2010. In June 2011 we changed our name to American CryoStem Corporation and since June 15, 2011, our common stock has traded under the stock symbol "CRYO." The following table shows the reported high and low closing bid prices per share for our common stock for each quarterly period since our common stock was first listed based on information provided by the OTCQB. The over-the-counter market quotations set forth for our common stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

2011 Fiscal Year	High	Low
First Quarter	$0.70	$0.70
Second Quarter	$3.75	$0.25
Third Quarter	$3.75	$0.75
Fourth Quarter	$3.25	$0.28

2012 Fiscal Year	High	Low
First Quarter	$1.75	$0.50
Second Quarter	$1.35	$0.20
Third Quarter	$0.95	$0.15
Fourth Quarter	$0.58	$0.12

As of September 30, 2012 we had 28,158,362 shares of our common stock outstanding and the number of stockholders of record of our common stock was 102.

DIVIDENDS

We have never declared or paid any cash dividends on our common stock. We do not anticipate paying any cash dividends to stockholders in the foreseeable future. In addition, any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements, and such other factors as the board deem relevant.

PURCHASES OF EQUITY SECURITIES BY THE REGISTRANT AND AFFILIATED PURCHASERS

There were no purchases of our equity securities by us or any affiliated purchasers during any month within the fourth quarter of the fiscal year covered by this Annual Report.

RECENT SALES OF UNREGISTERED SECURITIES

During the fiscal year ended September 30, 2012 we sold to certain accredited investors in a private offering, 1,558,000 shares of common stock at a purchase price of $0.50. The shares were issued pursuant to the exemptions from the registration requirements of the Securities Act provided under Regulation D and Rule 506 promulgated thereunder.

ITEM 6. SELECTED FINANCIAL DATA.

This item is not applicable because we are a smaller reporting company.

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

Forward-looking Statements

We and our representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this annual report and other filings with the Securities and Exchange Commission (the "SEC"), reports to our stockholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements. In addition, other written or oral statements which constitute forward-looking statements may be made by us or on our behalf. Words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," "project," "forecast," "may," "should," variations of such words and similar expressions are inte identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in or suggested by such forward-looking statements. We undertake no obligation to update or revise any of the forward-looking statements after the date of this annual report to conform forward-looking statements to actual results. Important factors on which such statements are based are assumptions concerning uncertainties, including but not limited to, uncertainties associated with the following:

Inadequate capital and barriers to raising the additional capital or to obtaining the financing needed to implement our business plan;
Our failure to earn revenues or profits;
Inadequate capital to continue business;
Volatility or decline of our stock price;
Potential fluctuation in quarterly results;
Rapid and significant changes in markets;
Litigation with or legal claims and allegations by outside parties; and
Insufficient revenues to cover operating costs.

The following discussion should be read in conjunction with the financial statements and the notes thereto which are included in this annual report. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ substantially from those anticipated in any forward-looking statements included in this discussion as a result of various factors.

Background

We were incorporated in the State of Nevada on March 13, 2009 under the name R&A Productions, Inc. On April 20, 2011, we acquired, through our wholly owned subsidiary American CryoStem Acquisition Corporation, substantially all of the assets from, and assumed substantially all of the liabilities of, ACS Global, Inc. ("ACS Global") in exchange for our issuance of 21,000,000 shares of our common stock, par value $0.001 per share, to ACS Global (the "Asset Purchase"). We filed a Current Report on Form 8-K with the Securities and Exchange Commission on April 27, 2011 disclosing the Asset Purchase and certain related matters including, but not limited to, the appointment of our present

officers and directors as well as the resignation as such by the former chief executive officer and sole director. Our fiscal year ends September 30 of each calendar year.

Overview of our Business

Tissue and Stem Cell Processing and Storage

Our principal line of business is the collection processing and storage of adipose (fat) tissue and adipose derived adult stem cells, permitting individuals to preserve their adipose tissue and adipose derived stem cells for potential future use in cell therapy.

We believe that we will be able to store adipose tissue and adipose derived stem cells for adults charging a fixed fee which includes the first year of storage fees. Thereafter, we intend to have clients be responsible for the payment of an annual storage fee. We believe that stem cells are currently being used in the emerging field of regenerative medicine globally and have the potential to become a multibillion dollar industry in the future. We further believe that stem cells have the potential to heal a substantial number of diseases and chronic conditions and that we will be able to provide a streamlined and affordable method to process and cryopreserve stem cells for autologous (self) use in humans for the emerging regenerative medicine market.

In September of 2011 we completed the required testing, validation and verification of our core processing methodology and laboratory equipment. The laboratory is located in the science incubator on the Campus of the Burlington Community College located in Mount Laurel, NJ.

On August 2, 2011, we were awarded US Patent No. US 7,989,205 B2, titled Cell Culture Media, Kits, and Methods of Use. This Patent was assigned to us by our Chief Scientist, Dr. David Moscatello in 2010 and was originally filed on October 4, 2006. We have continued to develop tools and cellular processing methods that have the potential to result in new products and services being offered for commercial sale and licensing at a future date. Our management cannot predict if a market for these products will develop and therefore cannot predict the potential impact these new products will have upon our revenue.

On April 5, 2012 the Company entered into a Collaboration Agreement with Protein Genomics, Inc (PGen) to test and develop new products combining certain intellectual property and patented products. Initially the Company provided PGEN with research materials and its patented cell culture media for testing with PGen’s proprietary patented products designed for the wound healing market. Initial testing has been completed and on September 1, 2012 the Company and PGen entered into a Memorandum of Understanding (MOU) to further develop products based upon the results of the initial collaboration. The terms of the MOU call for the creation of a new entity to be jointly owned by the Company and PGen for the joint development and ownership of any jointly developed intellectual property and to provide a separate vehicle to fund the additional scientific work. Protein Genomics, Inc is a private Company under the control of Burt Ensley, PhD, a member of the Company’s medical and scientific advisory board.

Plan of Operations

We have begun a direct marketing program focused on doctors and have an initial group of providers that we anticipate will offer our services to their patients. This marketing program has been implemented using a traditional sales approach common to the pharmaceutical and biotechnology industries. This basic approach is the core of our marketing activities which we intend to expand using a combination of in-house sales personnel and independent channels. In addition, we anticipate engaging in a comprehensive integrated marketing campaign through various media such as the Internet, video, print, TV, radio and trade shows to initiate the education of medical professionals and their patients about our products and services and to promote awareness of our company and our products and services. The essence of this educational strategy is to reach the end-users as quickly as possible and to accelerate the adoption curve of our services. In addition, we plan to utilize outside marketing resources to attempt to increase the

number of surgeons who are willing to offer our services to their patients.

The combination of a traditional sales approach supported by continuous marketing will be coordinated with the anticipated expansion of our laboratory processing capabilities. In preparation for our commercial operations, we doubled the laboratory space that we are leasing at the Burlington County College (“BCC”) science incubator.

We intend to pursue opportunities to generate revenue from the development of our intellectual property. This intellectual property also includes processing and testing methods developed in our laboratories that may be licensed to researchers and other companies currently researching and developing cellular therapies and regenerative medicine products. Management believes that as the adipose derived adult stem cell business continues to grow there is an opportunity to assist them in the development of our products and services through sale of our developed products, licensing of our processing and testing methods and potential collaborative development opportunities. Although our management intends to pursue these new lines of business, there can be no assurance that we will be able to generate additional revenue from these sources.

Cash Requirements

We will require additional capital to fund marketing, operational expansion, processing staff training, as well as for working capital. We are attempting to raise sufficient funds would enable us to satisfy our cash requirements for a period of the next twelve (12) to twenty-four (24) months. We have minimal long term debt and have been able to meet our past financial obligations on a current basis.

In order to finance further market development with the associated expansion of operational capabilities for the time period discussed above, However, we cannot assure you we can attract sufficient capital to enable us to fully fund our anticipated cash requirements during this period. In addition, we cannot assure you that the requisite financing, whether over the short or long term, will be raised within the necessary time frame or on terms acceptable to us, if at all. Should we be unable to raise sufficient funds we may be required to curtail our operating plans if not cease them entirely. As a result, we cannot assure you that we will be able to operate profitably on a consistent basis, or at all, in the future.

We expended $326,188 during the fiscal year ended September 30, 2012 in professional fees (principally legal and accounting). In addition, we expended $304,273 for Research and Development for the period ended September 30, 2012 primarily on the continuing development and optimization of the Company’s patented cell culture medium products and the development of the new adipose tissue processing and storage services and materials.

Going Concern

As of the date of this annual report, there is substantial doubt regarding our ability to continue as a going concern as we have not generated sufficient cash flow to fund our proposed stem cell business.

We have suffered recurring losses from operations since our inception. In addition, we have yet to generate an internal cash flow from our business operations or successfully raised the financing required to expand our business. As a result of these and other factors, our independent auditor has expressed substantial doubt about our ability to continue as a going concern. Our future success and viability, therefore, are dependent upon our ability to generate capital financing. The failure to generate sufficient revenues or raise additional capital may have a material and adverse effect upon us and our shareholders.

Our plans with regard to these matters encompass the following actions: (i) obtaining funding from new investors to alleviate our working capital deficiency, and (ii) implementing a plan to generate sales of our proposed products. Our continued existence is dependent upon our ability to resolve our liquidity problems and achieve profitability in our current business operations. However, the outcome of management’s plans cannot be ascertained with any degree of certainty. Our financial statements do not include any adjustments that might result from the outcome of these risks and uncertainties.

Commitments

As of the date of this annual report, our material capital commitments were (I) the continued funding of the expansion of our marketing efforts and laboratory processing capabilities, (ii) an equipment lease in the amount of $71,050 for laboratory equipment with monthly payments of $1,869.74 and the final payment due March 2015, and (iii) the current lease for the laboratory spaces at the Burlington County College Science Incubator, Laboratory 110 and 108, Each Laboratory lease requires a monthly payment of $1,650. The lease for each laboratory is renewable annually in December (Lab 110) and April (Lab 108).

In connection with the closing of the April 2011, Asset Purchase we assumed (i) an unsecured note payable in the face amount of $65,000 with interest payable upon maturity of 6%. The current balance due is $72,475. The note matured on October 31, 2012 (ii) unsecured liabilities without interest of $139,812 due to ACS Global, the majority shareholder of the Company, for certain prepaid expenses made by ACS Global prior to the closing of the transaction, there is no due date associated with this liability.

We anticipate that any further capital commitments that may be incurred will be financed principally through the issuance of our securities. However, we cannot assure you that additional financing will be available to us on a timely basis, on acceptable terms, or at all.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

RESULTS OF OPERATIONS –

Comparison of the Twelve Months Ended September 30, 2012 to the Year Ended September 30, 2011:

Revenue. Our total revenue was $21,364 for the 12 months ended September 30, 2012 exclusive of discontinued operations, compared to $4,995.00 for the same period ended September 30, 2011.

Selling, General and Administrative Expenses. Selling, general and administrative expenses ("SG&A") for the 12 months ended September 30, 2012 were $1,004,050, as compared to SG&A of $1,302,553 for the 12 months ended September 30, 2011.

Net Income (Loss). Our net loss for the 12 months ended September 30, 2012 was $(2,364,259), which includes a non-cash loss of $1,329,480 recorded for the issuance of options during the period, compared to a net Loss of $(1,294,793) for the year ended September 30, 2011.

LIQUIDITY AND CAPITAL RESOURCES –

Liquidity and Financial Position

As shown in the accompanying financial statements, we incurred a net loss of $2,364,259 for the year ended September 30, 2012 which includes a non-cash loss of $1,329,480 recorded for the issuance of options during the period as compared to net loss of $1,294,793 for the previously fiscal period ended September 30, 2011. At the year ended September 30, 2012 our current assets were $4,039 and our total assets were $459,699 and our total liabilities were $483,957. Our liabilities exceeded its assets by $24,252.

Outlook To date we have worked with minimal capital and we remain in the early stages of marketing our services following the completion of the necessary scientific validation and verification work in September of 2011. We intend to accelerate our marketing strategies and expand our marketing efforts subject to available capital and the success of its sales strategies. We have also identified several additional products and services that are complimentary to the current services of collecting, processing and storage of adipose tissue and adipose derived stem cells.

We are also aggressively pursuing additional marketing opportunities in our target markets to further expand the delivery of our services to clients. These additional marketing programs are designed to provide a constant flow of clients interested in taking advantage of our services and the burgeoning cellular therapy and regenerative medicine market.

Liquidity and Capital Resources

We had a cash balance of $4,039 as of the date of this annual report. Our principal source of funds has been sales of our securities.

Should we be unable to raise sufficient funds, we will be required to curtail our operating plans if not cease them entirely. We cannot assure you that we will generate the necessary funding to operate or develop our business. Please see "*Cash Requirements*" above for our existing plans with respect to raising the capital we believe will be required.

In the event that we are able to obtain the necessary financing to move forward with our business plan, we expect that our expenses will increase significantly as we attempt to grow our business. Accordingly, the above estimates for the financing required may not be accurate and must be considered in light these circumstances.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management’s application of accounting policies. Critical accounting policies include revenue recognition, impairment of marketing rights and accounting for legal contingencies.

We recognize revenue in accordance with Staff Accounting Bulletin No.101, "Revenue Recognition in Financial Statements." Sales are recorded when products are shipped to customers. Provisions for discounts and rebates to customers, estimated returns and allowances and other adjustments are provided for in the same period the related sales are recorded.

We evaluate our long-lived assets for financial impairment on a regular basis in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" evaluates the recoverability of long-lived assets not held for sale by measuring the carrying amount of the assets against the estimated discounted future cash flows associated with them. At the time such evaluations indicate that the future discounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

New Accounting Pronouncements

In July 2012, the FASB issued changes to the testing of indefinite-lived intangible assets for impairment, similar to the goodwill changes issued in September 2011. These changes provide an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the fair value of an indefinite-lived intangible asset is less than its carrying amount. Such qualitative factors may include the following: macroeconomic conditions; industry and market considerations; cost factors; overall financial performance; and other relevant entity-specific events. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the existing two-step quantitative impairment test, otherwise no further analysis is required. An entity also may elect not to perform the qualitative assessment and, instead, proceed directly to the two-step quantitative impairment test. These changes become effective for any indefinite-lived intangible asset impairment test performed on January 1,

2013 or later, although early adoption is permitted. Upon adoption of these changes, management plans to proceed directly to the two-step quantitative test for indefinite-lived intangible assets. As these changes should not affect the outcome of the impairment analysis of an indefinite-lived intangible asset, management has determined these changes will not have a material impact on the financial statements.

Critical Accounting Policies

We prepare financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"), which requires us to make estimates and assumptions that affect the amounts reported in our combined and consolidated financial statements and related notes. We periodically evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements.

Basis of Presentation. Our financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles in the United State of America, whereby revenues are recognized in the period earned and expenses when incurred.

Management's Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Long-Lived Assets. We review and evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, we compare the assets' carrying amounts against the estimated undiscounted cash flows to be generated by those assets over their estimated useful lives. If the carrying amounts are greater than the undiscounted cash flows, the fair values of those assets are estimated by discounting the projected cash flows. Any excess of the carrying amounts over the fair values are recorded as impairments in that fiscal period.

Statement of Cash Flows. For purposes of the statement of cash flows, we consider all highly liquid investments (i.e., investments which, when purchased, have original maturities of three months or less) to be cash equivalents.

Fair Value of Financial Instruments

Our financial instruments consist of cash and cash equivalents. The fair value of cash and cash equivalents approximates the recorded amounts because of the liquidity and short-term nature of these items.

Recent Accounting Pronouncements

We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe that any future adoption of such pronouncements will have a material impact on our financial condition or the results of our operations.

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

This item is not applicable because we are a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

AUDITED FINANCIAL STATEMENTS AND SCHEDULES

SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010

American CryoStem Corporation

Index to Financial Statements

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Report of Independent Registered Public Accounting Firm

The Shareholders,

American CryoStem Corporation

We have audited the accompanying financial statements of American CryoStem Corporation, which comprise the balance sheet at September 30, 2012 and the related statements of operations, changes in shareholder equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financials statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements presented are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American CryoStem Corporation as of September 30, 2012 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses and negative cash flows from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Donahue Associates LLC

Monmouth Beach, New Jersey

January 15, 2013

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American CryoStem Corporation

Balance Sheets

As of September 30, 2012 and 2011

ASSETS	30-Sep-12	30-Sep-11
Current assets:		
Cash	$4,039	$107,330
Prepaid expense	0	18,062
Total current assets	4,039	125,392
Other assets:		
Other deposit	5,000	0
Security deposits	5,800	3,300
Patent	126,273	98,913
Fixed assets- net	318,587	333,678
Total assets	$459,699	$561,283
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable & accrued expenses	$240,530	$128,586
Capital lease payable	20,239	16,584
Total current liabilities	$260,769	$145,170
Note payable to shareholder	72,475	68,575
Capital lease payable	10,901	49,460
Payable to shareholder	139,812	134,812
Shareholders' equity:		
Common stock- $.001 par value, authorized 300,000,000 shares authorized, issued and outstanding, 26,475,662 shares at September 30, 2011 and 28,158,362 at September 30, 2012	$28,159	$26,476
Additional paid in capital	3,623,232	1,448,180
Accumulated deficit	(3,675,649)	(1,311,390)
Total shareholders' equity	(24,258)	163,266
Total Liabilities & Shareholders' Deficit	$459,699	$561,283

See the notes to the financial statements.

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American CryoStem Corporation

Statements of Operations

For the Years Ended September 30, 2012 and 2011

	30-Sep-12	30-Sep-11
Net sales revenue	$21,364	$4,995
Cost of sales	(658)	(1,410)
Gross margin on sales	$20,706	$3,585
General and administrative expenses:		
Professional fees	$326,188	$324,465
Research & development	304,273	176,836
Administration	1,743,949	793,133
Total general & administrative expenses	2,374,410	1,294,434
Net loss from operations	$(2,353,704)	$(1,290,849)
Other income (expenses):		
Interest income	2	774
Interest expense	(10,557)	(4,718)
Net loss before provision for income taxes	$(2,364,259)	$(1,294,793)
Provision for income taxes	0	0
Loss before discontinued operations	$(2,364,259)	$(1,294,793)
Discontinued operations (net of tax)	0	4,298
Net loss	$(2,364,259)	$(1,290,495)
Basic & fully diluted net loss per common share:		
Net gain (loss) - continuing operations	$(0.04)	$(0.09)
Net gain (loss)- discontinued operations	0.00	0.00
Basic & fully diluted net loss per common share	$(0.04)	$(0.09)
Weighted average of common shares outstanding:		
Basic & fully diluted	27,383,587	14,893,895

See the notes to the financial statements.

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American CryoStem Corporation

Statements of Cash Flows

For the Years Ended September 30, 2012 and 2011

	30-Sep-12	30-Sep-11
Operating Activities:		
Net loss	$(2,364,259)	$(1,290,495)
Adjustments to reconcile net income items not requiring the use of cash:		
Labor & salaries	1,397,735	363,751
Impairment expense	0	65,359
Interest expense	3,900	0
Depreciation expense	35,271	14,788
Changes in other operating assets and liabilities :		
Prepaid expense	18,062	(18,062)
Other deposit	(5,000)	0
Accounts payable and accrued expenses	111,944	44,431
Net cash used by operations	$(802,347)	$(820,228)
Investing activities:		
Patents & trademarks	$(27,360)	$(46,294)
Security deposits	(2,500)	0
Purchase of equipment	(20,180)	(83,924)
Net cash used by investing activities	(50,040)	(130,218)
Financing activities:		
Issuance of common stock	$779,000	$1,286,000
Sale of treasury stock	0	(355,000)
Payment of capital lease	(34,904)	(9,546)
Note payable to shareholder	0	134,812
Payable to shareholder	5,000	0
Net cash provided by financing activities	749,096	1,056,266
Net increase (decrease) in cash	$(103,291)	$105,820
Cash balance at beginning of the fiscal year	107,330	1,510
Cash balance at September 30th	$4,039	$107,330
Supplemental disclosures of cash flow information:		
Interest paid during the fiscal year	$6,657	$4,718
Income taxes paid during the fiscal year	$0	$0

See the notes to the financial statements.

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American CryoStem Corporation

Statements of Changes in Shareholders' Equity

For the Years Ended September 30, 2012 and 2011

	Common Shares	Par Value	Paid in Capital	Retained Deficit	Total Equity
Balance at September 30, 2010	5,552,764	$5,553	$75,740	$(20,895)	$60,398
Issuance of common stock	2,572,000	2,572	1,283,428		1,286,000
Sale of treasury stock	(3,376,902)	(3,377)	(351,623)		(355,000)
Purchase of AMCY	21,000,000	21,000	77,612		98,612
Issued shares for services	727,500	728	363,023		363,751
Net loss				(1,290,495)	(1,290,495)
Balance at September 30, 2011	26,475,362	$26,476	$1,448,180	$(1,311,390)	$163,266
Issuance of common stock	1,558,000	1,558	777,442		779,000
Shares issued to pay invoice	25,000	25	12,475		12,500
Options exercised	100,000	100			100
Issuance of options			1,329,480		1,329,480
Net loss				(2,364,259)	(2,364,259)
Balance at September 30, 2012	28,158,362	$28,159	$3,567,577	$(3,633,796)	$(24,258)

See the notes to the financial statements.

American CryoStem Corporation

Notes to the Financial Statements

For the Years Ended September 30, 2012 and 2011

Note 1. Organization of the Company and Significant Accounting Policies

American CryoStem Corporation (the "Company") is a publicly held corporation formed on March 13, 2009 in the state of Nevada as R&A Productions Inc. (R&A)

In April 2011, R&A purchased substantially all the assets and liabilities of American CryoStem Corporation (ACS) for 21 million shares of common stock. ACS was deemed to be the accounting acquirer. At that time, the former operations of R&A were discontinued and the name of the Company was changed to American CryoStem Corporation.

The Company is in the business of collecting adipose tissue, processing it to separate the adult stem cells, and preparing such stem cells for long-term storage. The process allows individuals to preserve their stem cells for future personal use in cellular therapy. The adipose derived stem cells are prepared and stored in their raw form without manipulation, bio-generation or the addition of biomarkers or other materials, making them suitable for use in cellular treatments and therapies offered by existing and planned treatment centers worldwide. Individualized collection and storage of adult stem cells provides personalized medicine solutions by making the patient's own preserved stem cells available for future cellular therapies.

Use of Estimates - The preparation of the financial statements in conformity with United States generally accepted accounting principles ("GAAP") uniformly applied requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements and for the period they include. Actual results may differ from these estimates.

Cash and interest bearing deposits - For the purpose of calculating changes in cash flows, cash includes all cash balances and highly liquid short-term investments with an original maturity of three months or less.

Revenue Recognition – The Company recognizes revenue from the processing of adipose tissue into usable stem cells once all the procedures have been performed and the client sample has been stored in the Company' cryogenic storage tank. Storage revenues for stored client samples are recognized on an annual basis on the anniversary date of the storage.

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

Fixed Assets – Fixed assets are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful life of the assets, which is estimated as follows:

Office equipment	5 years
Lab equipment & furniture	7 years
Lab software	5 years

Income taxes - The Company accounts for income taxes in accordance with generally accepted accounting principles which require an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between financial statement and income tax bases of assets and liabilities that will result in taxable income or deductible expenses in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities.

The Company follows the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2012, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. All tax returns from fiscal years 2009 to 2011 are subject to IRS audit.

Recently Issued Accounting Pronouncements

In July 2012, the FASB issued changes to the testing of indefinite-lived intangible assets for impairment, similar to the goodwill changes issued in September 2011. These changes provide an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the fair value of an indefinite-lived intangible asset is less than its carrying amount. Such qualitative factors may include the following: macroeconomic conditions; industry and market considerations; cost factors; overall financial performance; and other relevant entity-specific events. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the existing two-step quantitative impairment test, otherwise no further analysis is required. An entity also may elect not to perform the qualitative assessment and, instead, proceed directly to the two-step quantitative impairment test. These changes become effective for any indefinite-lived intangible asset impairment test performed on January 1, 2013 or later, although early adoption is permitted. Upon adoption of these changes, management plans to proceed directly to the two-step quantitative test for indefinite-lived intangible assets. As these changes should not affect the outcome of the impairment analysis of an indefinite-lived intangible asset, management has determined these changes

will not have a material impact on the financial statements.

Note 2. Going Concern

The accompanying financial statements have been presented in accordance with GAAP, which assumes the continuity of the Company as a going concern. However, the Company has incurred significant losses since its inception and has no material revenues to date and continues to rely on financing and the issuance of shares to raise capital to fund its business operations. Management's plans with regard to this matter are as follows:

The Company has been actively engaged in creating and implementing its new business model. In connection with this process, management of the Company has raised $2,065,000 under SEC Rule 506 during the years ended September 30, 2012 and September 30, 2011.

The Company plans to continue to fund its operations through capital fundraising activities in 2013 until the new commercial facilities generate sufficient revenue to support its operations.

Note 3. Loss per Share

The Company applies ASC 260, "*Earnings per Share"* to calculate loss per share. In accordance with ASC 260, basic net loss per share has been computed based on the weighted average of common shares outstanding during the years, adjusted for the financial instruments outstanding that are convertible into common stock during the years. The Company issued options to purchase 3,000,000 shares of common stock during fiscal year 2012 however, the effects of the options are not included in the calculation of loss per share since their inclusion would be anti-dilutive.

Net loss per share is computed as follows:

	30-Sep-12	30-Sep-11
Net gain (loss) - continuing operations	$(1,004,050)	$(1,294,793)
Net gain (loss)- discontinued operations	$0	$4,298
Weighted average shares outstanding	27,383,587	14,893,895
Basic & fully diluted net loss per common share:		
Net gain (loss) - continuing operations	$(0.04)	$(0.09)
Net gain (loss)- discontinued operations	$0.00	$0.00

Basic & fully diluted net loss per common share	$(0.04)	$(0.09)

Note 4. Fixed Assets

The fixed assets accounts of the Company are comprised as follows.

	30-Sep-12	30-Sep-11
Office equipment	$ 26,638	$ 16,106
Lab furniture	642	642
Lab equipment	246,407	219,414
Lab software	123,000	110,000
Accumulated depreciation	(78,100)	(12,484)
Fixed assets- net	$ 318,587	$ 333,678

Lab equipment includes the leasing of equipment valued at $71,050. Depreciation expense on this leased asset for the year ended September 30, 2012 was $12,571 for fiscal year 2012 and $5,040 for fiscal year 2011.

The assets of the former company, R&A, were deemed by management to be impaired and the Company recognized an impairment expense of $65,359 in its statement of operations for the fiscal year ended September 30, 2011.

Note 5. Patent

On August 2, 2011, the Company was awarded U.S. Patent No. US 7,989,205 B2, titled Cell Culture Media, Kits, and Methods of Use. The Patent is for cell culture media kits for the support of primary culture of normal non-hematopoietic cells of mesodermal origin suitable for both research and clinical applications.

Note 6. Note Payable

An unsecured note payable to a shareholder was acquired by the Company in the asset purchase in April 2011 previously discussed. The note is for $65,000 and carries an interest rate of 6% and is due in October 2012. The note plus accrued interest on the note was $72,475 at September 30, 2012 and $68,575 at September 30, 2011.

Note 7. Income Taxes

Provision for income taxes is comprised of the following:

	30-Sep-12	30-Sep-11
Net loss before provision for income taxes	$(2,322,406)	$(1,294,793)
Current tax expense:		
Federal	$0	$0
State	0	0
Total	0	0
Less deferred tax benefit:		
Tax loss carryforwards	(834,796)	(557,959)
Allowance for recoverability	834,796	557,959
Provision for income taxes	$0	$0

A reconciliation of provision for income taxes at the statutory rate to provision for income taxes at the Company's effective tax rate is as follows:

Statutory U.S. federal rate	34 %	34 %
Statutory state and local income tax	10 %	10 %
Less allowance for tax recoverability	-44%	-44%
Effective rate	0 %	0 %

Deferred income taxes are comprised of the following:

Tax loss carryforwards	$834,796	$557,959
Allowance for recoverability	(834,796)	(557,959)
Deferred tax benefit	$0	$0

Note: The deferred tax benefits arising from the timing differences begin to expire in fiscal year 2031 and 2032 and may not be recoverable upon the purchase of the Company under current IRS statutes.

Note 8. Commitments & Contingencies

Operating Leases - The Company has two operating leases for its laboratory facilities at the Burlington County College Science Incubator in Burlington, New Jersey. Each lease is for a term of one year with a monthly rent of $1,650 per laboratory.

Capital Lease – The Company has a capital lease for laboratory equipment. The minimum lease payments due on the capital lease are as follows.

2013	$22,440
2014	22,440
2015	11,220
Total minimum lease payments	$56,100
Less amounts representing interest	(6,639)
Present value of net minimum lease payments	$49,461

Note 9. Common Stock and Options Transactions

On April 20, 2011, the Company purchased 3,376,902 shares of common stock from the former president of R&A for $355,000. The shares were recorded as treasury stock and immediately cancelled by the Company for no proceeds.

On April 20, 2011, the Company issued 21,000,000 shares of common stock to purchase substantially all the assets and liabilities of ACS. Upon issuance of these shares, ACS became the majority shareholder of the Company. The assets and liabilities acquired in the transaction were valued at $98,612

During the year ended September 30, 2011, the Company issued 2,572,000 shares of common stock and received net proceeds of $1,286,000.

During the year ended September 30, 2011, the Company issued 727,500 shares of common stock for services rendered at a cost of $363,751.

During fiscal year ended September 30, 2012, the Company issued 1,558,000 shares of common stock and received proceeds of $779,000.

In addition, an option holder exercised 100,000 options and the Company received proceeds of $100.

During fiscal year ended September 30, 2012, the Company issued 25,000 shares of common stock to pay an invoice totaling $12,500.

During fiscal year 2012, the Company issued 3,000,000 options with an average exercise price of $0.125. The Company recorded compensation expense of $1,385,135 as a result of the issue.

The Company applies ASC 718, “Accounting for Stock-Based Compensation” to account for its option issues. Accordingly, all options granted are recorded at fair value using a generally accepted option pricing model at the date of the grant. For purposes of determining the option value at issuance, the fair value of each option granted is measured at the date of the grant by the option pricing model with the following assumptions:

Dividend yield	0.00 %
Risk free interest rate	0.50 %
Volatility	68.04%

The fair values generated by option pricing model may not be indicative of the future values, if any, that may be received by the option holder.

The following is a summary of common stock options outstanding at September 30, 2012:

	Options	Wgtd Avg Exercise Price	Wgtd Years to Maturity
Outstanding at September 30, 2011	0		
Issues	3,000,000		
Exercises	0		
Expires	0		
Outstanding at September 30, 2012	3,000,000	$ 0.14	4.80

Note. Fair Values of Financial Instruments

Fair Value Measurements under generally accepted accounting principles clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy as follows.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

Cash, prepaid expense, other deposit, security deposit, accounts payable and accrued expenses, capital lease payable, payable to shareholder, and note payable to shareholder in the balance sheet are estimated to approximate fair market value at September 30, 2012 and September 30, 2011.

Note 11. Reliance on Key Personnel

The Company largely relies on the efforts of its Chief Operating Officer and its Chief Executive Officer and Chairman of its Board of Directors. A withdrawal of the efforts of the Chief Operating Officer or the Chief Executive Officer and Chairman would have a material adverse affect on the Company's ability to continue as a going concern.

Note 12. Litigation

The Company is not party to any pending litigation against it and is not aware of any litigation contemplated against it as of September 30, 2012.

Note 13. Subsequent Events

The Company has made a review of material subsequent events from September 30, 2012 through the date of this report and found no material subsequent events reportable during this period.

For MDA:

American Cryo

30-Sep-11

Analytical Review

	30-Sep-12	30-Sep-11
Professionals	326,188	324,465
R&D	304,273	176,836
Advertising & promotion	17,536	111,713
Automobile	5,019	5,776
Bank fees	1,016	447
Business meetings	4,772	1,658
Consulting	113,473	160,500
Depreciation	35,271	14,788
Dues & subscriptions	1,663	2,600
Impairment expense	0	65,359
Insurance	27,420	17,987
Travel & meals	21,608	20,695
Administration	49,126	16,635
Labor & salaries	1,412,635	352,659
Rent	40,686	16,545
Postage	4,960	497
Telephone	5,419	4,647
Web site maintenance	3,345	627
Total	2,374,410	793,133

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PART III

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

None

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Treasurer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 30, 2012, our Chief Executive Officer and our Treasurer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act). Based on such evaluation, our Chief Executive Officer and our Treasurer concluded that our disclosure controls and procedures were effective as of September 30, 2011.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Treasurer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and the interpretive guidance issued by the SEC in Release No. 34-559239. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of September 30, 2012.

Attestation Report of the Registered Public Accounting Firm

This 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 attestation by our registered public accounting firm pursuant to an exemption for smaller reporting companies.

ITEM 9B OTHER INFORMATION

None.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Executive Officers and Directors

The names of the Company's current officers and directors, as well as certain information about them, are set forth below:

Name	Age	Position(s)
John Arnone	55	President, CEO and Chairman of the Board
Anthony Dudzinski	50	COO, Treasurer, Secretary and Director

John S. Arnone

Mr. Arnone has served as our President, CEO and Chairman of our Board of Directors since April 2011. Mr. Arnone has also served since February 2009 and continues to serve as a director and the Secretary of ACS Global, Inc. our majority shareholder. Prior to 2009 Mr. Arnone spent the last 25 years in the investment banking/financial consulting industry as an investment banker, management consultant and a hands-on investor specializing in strategic planning, corporate structure, administration and new business development. Over a period of 20 years, Mr. Arnone founded and managed two general securities broker-dealers based in New York. Mr. Arnone also co-founded and operated a global entertainment distribution corporation with 120 employees that under Mr. Arnone's guidance was voted medium wholesaler of the year in the music industry (1997, 1998 and 2000) by the National Association of Recording Merchants. Mr. Arnone has provided advisory and business management services as a founder, officer, director and/or shareholder to both mid-level and development stage private and public companies. Mr. Arnone holds a degree in Business Administration and a BA in Economics from Kean University in New Jersey.

Anthony F. Dudzinski
Mr. Dudzinski has served as our COO, Treasurer and Secretary and as a member of our Board of Directors since April 2011. Mr. Dudzinski has also served since [February 2009] and continues to serve as a director and the President and Secretary of ACS Global, Inc. our majority shareholder. Mr. Dudzinski has more than 25 years of experience in a variety of areas of senior management with a variety of both public and private companies. Mr. Dudzinski's past positions include chief executive officer, president, chief operating officer and director of small and medium-size organizations including a publicly traded company with approximately 300 employees and president and chief operating officer of a privately operated broker-dealer with more than 175 sales associates. In addition to this experience Mr. Dudzinski was a founder and chief executive officer of a number of publicly available exchange traded funds, and the founder, chairman and chief operating officer of a target date fund complex and a Registered Investment Company.

Employment Agreements

We currently do not have any employment agreements in place with our officers or significant employees.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, and the rules thereunder require our officers and directors, and persons who own more than 10% of our common stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish us with copies. To our knowledge, based solely upon review of the copies of such reports received or written representations from the reporting persons, we believe that during the 2012 fiscal year our directors, executive officers and persons who own more than 10% of our common stock complied with all Section 16(a) filing requirements with the exception of the following:

Name and Title	Form	Transactions
John S. Arnone, President and Chief Executive Officer	4	Mr. Arnone failed to file a Form 4 covering options to purchase common stock granted to him on September 4, 2012.
Anthony Dudzinski, Chief Financial Officer	4	Mr. Dudzinski failed to file a Form 4 covering options to purchase common stock granted to him on September 4, 2012.

CORPORATE GOVERNANCE

Board Committees

Our board of directors does not have separate audit, nominating or compensation committees. Our entire board of directors performs the functions of these committees.

Audit Committee Financial Expert

We have not made a determination as to whether any of our directors would qualify as an audit committee financial expert.

Nominating Procedures

We have not adopted any procedures by which our security holders may recommend nominees to our board of directors

CODE OF ETHICS

We have not adopted a code of ethics.

ITEM 11. EXECUTIVE COMPENSATION.

The following table reflects all compensation awarded to or earned by our Chief Executive Officer and our Chief Financial Officer (collectively referred to in this discussion as the “named executive officers”).

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards(1) ($)	Total ($)
John S. Arnone	2012	18,000	—	—	[408,829]	426,826
President and Chief Executive Officer	2011	21,082	—	—	—	21,082
Anthony Dudzinski	2012	19,650	—	—	[265,501]	285,151

Chief Financial Officer	2011	28,000	—	—	—	28,000

(1) This column represents the aggregate grant-date fair value of the awards computed in accordance with FASB ASC Topic 718. These amounts represent the accounting value for these awards and do not necessarily correspond to the actual value that may be realized by the named executive officer. The assumptions used in the calculation of these amounts for the fiscal year ended September 30, 2012 are described in the Notes to our financial statements for the fiscal year ended September 30, 2012.

Compensation of Officers

During 2012 Mr. Arnone received $18,000 and Mr. Dudzinski $19,650. We do not anticipate beginning to pay additional salaries until we have adequate funds to do so.

Compensation of Directors

We do not compensate any of our directors for their services as directors other than stock for their time. However, we do reimburse our directors for expenses incurred in attending board meetings and issue stock for their time.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information with respect to the outstanding equity awards to our named executive officers during 2012.

	Option awards				
Name	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercisable	Equity incentive plan awards: Number of securities underlying unexercised options (#)	Options exercise price ($)	Option expiration Date
John S. Arnone	880,000	—	880,000	0.15	[9/04/2017]
Anthony Dudzinski	580,000	—	580,000	0.15	[9/04/2017]

Option Plans

On September 18, 2011 our Board of Directors approved the “American CryoStem Corporation Incentive Stock Option Plan” (the “Plan”). Under the Plan, officers, directors, employees and consultants to the Company may be granted options to purchase shares of the Company’s common stock, par value $0.001 per share. There are 3,000,000 shares of common stock reserved for issuance under the Plan. The Plan is administered under the authority of the Stock Option Plan Committee (the “Committee”). Our current Board of Directors serves as the Committee. The Plan further provides for the Committee to set the terms of any Options granted at the time of the grant and terminates ten years for its effective date and is subject to final shareholder approval. During fiscal 2012 the Company issued 3,000,000 options with an average weighted exercise price of $0.14 per share. During fiscal 2012 100,000 options were exercised by a non-affiliate of the Company at an exercise price of $0.001 per share.

On September 18, 2011 our Board of Directors approved the Annual Bonus Performance Plan for Executive Officers. To promote the success of our Company by providing to participating executives bonus incentives that qualify as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code of 1986 as amended. The plan provides for the granting of up to an aggregate amount of bonuses awarded to all Participants of up to 10% of our income before taxes. The plan shall be administered by a Committee currently consisting of our Board of Directors. No bonuses have been granted under this plan during fiscal 2012.

EMPLOYMENT AGREEMENTS

There are no employment agreements in place at the year ended September 30, 2012.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of the shares of our Common Stock by: (i) each person who, to our knowledge, beneficially owns 5% or more of the shares of Common Stock and (ii) each of our directors and officers. As of December [31], 2012, there were [28,033,362] shares of Common Stock issued and outstanding.

Name	Shares beneficially owned (1)	Percentage beneficially owned	
Directors and Officers (2)			
John Arnone (3)	21,880,000	77.70	%
Anthony Dudzinski (4)	21,580,000	76.63	%
5% or Greater Beneficial Owners			
ACS Global, Inc.	21,000,000	74.57	%

(1) Beneficial ownership is calculated based on the number of shares of Common Stock outstanding as of the date hereof, together with securities exercisable or convertible into shares of Common Stock within sixty (60) days of the date hereof for each stockholder. Beneficial ownership is determined in accordance with Rule 13d-3 of the Commission. The number of shares of Common Stock beneficially owned by a person includes shares of Common Stock issuable upon conversion of securities and subject to options or warrants held by that person that are currently convertible or exercisable or convertible or exercisable within sixty (60) days of the date hereof. The shares of Common Stock issuable pursuant to those convertible securities, options or warrants are deemed outstanding for computing the percentage ownership of the person holding such convertible securities, options or warrants but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

(2) Unless otherwise specified, the address for the directors and officers is c/o American CryoStem Corporation at 1 Meridian Road, Eatontown, NJ 07724.

(3) Mr. Arnone presently owns 14,250,000 shares of common stock of ACS Global and has the right to receive an additional 12,000,000 such shares upon the conversion of Series C Preferred Stock of ACS Global owned by him. As a result, he beneficially owns 35.8% percent of the ACS Global common stock. Mr. Arnone is also an officer and a

director of ACS Global. Consequently, Mr. Arnone is a control person of ACS Global and may as such be deemed to "beneficially own" the 21,000,000 shares of Common Stock owned by ACS Global. Mr. Arnone, however, disclaims beneficial ownership of all such shares. Mr. Arnone also holds 880,000 options to purchase the Company's common shares which expire September 4, 2017.

(4) Mr. Dudzinski presently owns 2,020,000 shares of ACS Global common stock and has the right to receive an additional 12,000,000 such shares upon the conversion of ACS Global preferred stock owned by him. As a result, he beneficially owns 19.16% percent of the ACS Global common stock. Mr. Dudzinski is also an officer and a director of ACS Global. Consequently, Mr. Dudzinski is a control person of ACS Global and may as such be deemed to "beneficially own" the 21,000,000 shares of Common Stock owned by ACS Global. Mr. Dudzinski, however, disclaims beneficial ownership of all such shares. Mr. Dudzinski also holds 580,000 options to purchase the Company's common shares which expire September 4, 2017.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows information about securities authorized for issuance under our equity compensation plans as of September 30, 2012:

Plan Category	Number of Securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding (b)	Number of Securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	—	—	—
Equity compensation plans not approved by security holders	3,000,000	$ 0.14	0
Total	3,000,000	—	0

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

On April 20, 2011, we acquired, through our wholly owned subsidiary American CryoStem Acquisition Corporation, substantially all of the assets from, and assumed substantially all of the liabilities of, ACS Global, Inc. (formerly known as American CryoStem Corporation) a Nevada corporation ("ACS Global"), in exchange for 21,000,000 shares of our common stock. At the time of the acquisition, John Arnone, our Chairman of the Board, CEO and President was a director and the secretary of ACS Global and Anthony Dudzinski, one of our directors and our Chief Operating Officer, Treasurer and Secretary was a director, president and secretary of ACS Global. In addition, Mr. Arnone owns 14,250,000 shares of common stock of ACS Global and had the right to receive an additional 12,000,000 such shares upon the conversion of Series C Preferred Stock of ACS Global owned by him and Mr. Dudzinski owns 2,020,000 shares of ACS Global common stock and had the right to receive an additional 12,000,000 such shares upon the conversion of ACS Global preferred stock owned by him. As a result, assuming the conversion of such preferred stock, Mr. Arnone and Mr. Dudzinski would have been deemed to be the beneficial owners of approximately 35.8% and 19.2% of the common stock of ACS Global, respectively. Further, Mr. Arnone and Mr. Dudzinski, as control persons of ACS Global may be deemed to beneficially own the 21,000,000 shares of our Common Stock issued to

ACS Global in the acquisition. Each of Mr. Arnone and Mr. Dudzinski disclaim such beneficial ownership.

The amount of debt that we assumed in the acquisition was $[68,575], of which as of September 30, 2012, $[72,475] remained outstanding. The interest rate on such debt is [6] % per annum.

Mr. Arnone remains a director, and secretary of ACS Global and Mr. Dudzinski remains as a director and president and treasurer of ACS Global.

Director Independence

Using the definition of “independent” set forth in the rules of The Nasdaq Stock Market, we have determined that neither John Arnone or Anthony Dudzinski are independent.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

AUDIT FEES

The aggregate fees billed by Donahue Associates, for professional services rendered for the audit of our annual financial statements for fiscal year ended September 30, 2012 were $10,000 and $10,000 for the fiscal year ended September 2011.

AUDIT-RELATED FEES

There were no other fees billed by Donahue Associates, LLC for professional services rendered, other than as stated under the captions Audit Fees.

TAX FEES

There were no other fees billed Donahue Associates, LLC for professional services rendered, other than as stated under the captions Audit Fees.

ALL OTHER FEES

There were no other fees billed by Larry O'Donnell CPA PC or Malcolm Pollard, Inc. CPA PC for professional services rendered, other than as stated under the captions Audit Fees, Audit-Related Fees, and Tax Fees.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements.

The financial statements listed in the Index to Consolidated Financial Statements appearing on page F-1 of this Form 10-K are filed as a part of this report.

(2) Financial Statement Schedules

There are no financial statement schedules included in this annual report.

(3)The exhibits listed below are filed as part of this annual report.

Number	Exhibit
2.1	Asset Purchase and Redemption Agreement, dated April 20, 2011 by and among R&A Productions, Inc., American CryoStem Corporation, American CryoStem Acquisition Corporation and Hector Medina
3.1(a)	Amended and Restated Articles of Incorporation (1)
3.1(b)	Amendment to Articles of Incorporation (2)
3.2	Amended and Restated By-laws (2)
4.1	Stock Specimen (3)
10.1	American CryoStem Corporation Incentive Stock Option Plan
10.2	Annual Bonus Performance Plan for Executive Officers
10.3	Lease Agreement for Corporate Office
10.4	Lease Agreement for Laboratory Space
31.1	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document

(1) Incorporated by reference to the registrant’s current report on Form 8-K filed on June 15, 2011
(2) Incorporated by reference to the registrant’s current report on Form 8-K filed on April 27, 2011
(3) Incorporated by reference to the registrant’s registration statement on Form S-1 filed on February 16, 2010

SIGNATURES

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

DATE: January 14, 2012

American CryoStem Corporation.
(Registrant)

By: /s/ John S. Arnone
John S Arnone
President, CEO and Director

In accordance with the Securities Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

January 14, 2012	/s/ John S. Arnone John S. Arnone, President, CEO and Chairman of the Board (principal executive officer, principal financial and accounting officer)
January 14, 2012	/s/ Anthony Dudzinski Anthony Dudzinski, COO, Treasurer, Secretary and Director