

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.
Form 10-Q
May 14, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2013

. 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: **000-54554**

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada

45-1226465

(I.R.S. Employer Identification No.)

(State or Other Jurisdiction of
Incorporation or Organization)

4093 Oceanside Boulevard, Suite B

Oceanside, California 92056

(Address of principal executive offices, including zip code)

(760) 295-7208

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes . No .

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

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

Large Accelerated Filer . Non-Accelerated Filer .
(Do not check if a smaller reporting company)

Accelerated Filer . Smaller reporting company .

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

As of May 10, 2013, the Registrant had 83,466,400 outstanding shares of Common Stock with a par value of \$0.001 per share.

IMPORTANT PREFATORY NOTE

On August 24, 2012, we entered into a Master Dispute Resolution Agreement (the "MDRA") with James P. Boyd ("Boyd"), Boyd Research, Inc. ("Boyd Research") and TMD Courses, Inc. ("TMD" and together with Boyd and Boyd Research, the "Boyd Parties") and Timothy G. Dixon ("Dixon") and Gerry B. Berg ("Berg"), and on August 24, 2012 we also entered into a License Agreement with Boyd Research and TMD (the "New License Agreement"), an Escrow Agreement with Boyd and with Chicago Title Company as escrow agent (the "Escrow Agreement"), and a Voting Agreement with Boyd. We filed Form 8-K's with the Securities and Exchange Commission on August 28, 2012, August 29, 2012 and August 30, 2012 in regard to these matters.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this report and the information incorporated by reference herein may contain forward-looking statements (as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). These statements, which involve risks and uncertainties, reflect our current expectations, intentions, or strategies regarding our possible future results of operations, performance, and achievements. Forward-looking statements include, without limitation: statements regarding future products or product development; statements regarding future selling, general and administrative costs and research and development spending; statements regarding our product development strategy; and statements regarding future financial performance, results of operations, capital expenditures and sufficiency of capital resources to fund our operating requirements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and applicable rules of the Securities and Exchange Commission and common law.

These forward-looking statements may be identified in this report and the information incorporated by reference by words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "plan", "predict", "project", "should" expressions, including references to assumptions and strategies. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those

expressed in, or implied by, such statements.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- .
- Need for additional capital;
- .
- Limited operating history in our new business model;
- .
- Exclusion from the United States market for AMPSA Products;
- .
- Limited experience introducing new products;
- .
- Limited operating history in international markets;
- .
- Our ability to successfully expand our operations and manage our future growth;
- .
- Difficulty in managing our growth and expansion;
- .
- Dilutive effects of any raising of additional capital;
- .
- The deterioration of global economic conditions and the decline of consumer confidence and spending;
- .
- Material weaknesses reported in our internal control over financial reporting;
- .

Our ability to retain independent distributors or to hire new independent distributors on an ongoing basis;

.

The potential for government or third party actions against us resulting from independent distributor activities that violate applicable laws or regulations;

.

Our ability to protect intellectual property rights and the value of our products;

.

Potential competition from an authorized seller of identical products;

.

The potential for product liability claims against us;

.

Our dependence on third party manufacturers to manufacture our products;

.

Our common stock is currently classified as a penny stock;

.

Our stock price may experience future volatility;

.

The illiquidity of our common stock; and

Substantial sales of shares of our common stock.

Other factors not specifically described above, including the other risks, uncertainties, and contingencies described under Description of Business , Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in Items 1 and 7 of our Annual Report on Form 10-K for the year ended December 31, 2012.

When considering these forward-looking statements, you should keep in mind the cautionary statements in this report and the documents incorporated by reference. We have no obligation and do not undertake to update or revise any such forward-looking statements to reflect events or circumstances after the date of this report.

Actual results may vary materially from those in such forward-looking statements as a result of various factors. No assurance can be given that the risk factors described in this Quarterly Report on Form 10-Q are all of the factors that could cause actual results to vary materially from the forward-looking statements. References in this Quarterly Report on Form 10-Q to the Company, TSOI, we, our, and us refer to Therapeutic Solutions International, Inc.

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.

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PART I Financial Information

Item 1. Financial Statements

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.
Consolidated Balance Sheets

	March 31, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,176	\$ 35,011
Accounts receivable, net	39,468	16,358
Inventories	29,929	30,790
Prepaid expenses and other current assets	45,229	14,535
Total current assets	124,803	96,694
Other non-current assets	12,410	12,410
Property and equipment, net	86,623	92,453
Total assets	\$ 223,836	\$ 201,557
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 277,486	\$ 230,786
Accrued expenses and other current liabilities	152,133	24,814
Due to related parties	78,203	30,013
Royalties payable, related party	-	48,842
Total current liabilities	507,821	334,454
Long term liabilities:		
Due to related parties	45,000	60,000
Total long term liabilities	45,000	60,000

Shareholders' Deficit

Preferred stock, \$.001 par value; 5,000,000 shares authorized	-	-
Common stock, \$.001 par value; 699,999,999 shares authorized, 83,466,400 issued and outstanding at March 31, 2013 and 699,999,999 shares authorized, 305,458,333 issued and outstanding at December 31, 2012	83,466	305,458
Capital in excess of par	1,537,725	1,285,533
Deficit accumulated	(1,950,176)	(1,783,888)
Total shareholders' deficit	(328,985)	(192,897)
Total liabilities and shareholders' deficit	\$ 223,836	\$ 201,557

See accompanying notes to financial statements.

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.
Consolidated Statements of Operations
(Unaudited)

	For the Quarter Ended March 31, 2013	For the Quarter Ended March 31, 2012
Net international revenues	\$ 107,956	\$ 101,152
Net domestic revenues	-	506,622
Total revenues	107,956	607,774
Cost of goods sold	3,604	13,863
Gross profit	104,352	593,911
Operating expenses:		
Selling	3,215	22,649
General and administrative	18,026	38,995
Salaries, wages, and related costs	159,308	320,653
Royalties	4,158	178,736
Amortization and depreciation	5,830	76,049
Consulting fees	5,033	260,140
Legal and professional fees	77,431	86,049
Total operating expenses	273,002	983,270
Loss from operations	(168,650)	(389,359)
Other income (expense):		
Net other income (expense)	2,770	11,732
Interest expense	(408)	(9)
Total other income (expense)	2,362	11,723
Net loss	\$ (166,288)	\$ (377,636)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	81,913,067	81,466,400

See accompanying notes to financial statements.

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.
Consolidated Statements of Cash Flows
(Unaudited)

	For the Quarter Ended March 31, 2013	For the Quarter Ended March 31, 2012
Cash flows from operating activities		
Net loss	\$ (166,288)	\$ (377,636)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Non-cash expenses:		
Amortization	-	75,000
Depreciation	5,830	1,049
Stock based compensation to consultants	30,200	-
Compensation expense - employee stock option plan	-	79,327
Changes in operating assets and liabilities:		
(Increase) decrease in inventory	861	5,508
(Increase) decrease in accounts receivable	(23,110)	13,905
(Increase) decrease in prepaid expenses and other current assets	(30,694)	263,009
(Increase) decrease in other assets	(0)	(2,377)
Increase (decrease) in accounts payable	46,700	