

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **BioStem Technologies, Inc.**

2836 Center Port Circle, Pompano Beach, FL 33064

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www.biostemtech.com

info@biostemtech.com

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### **Quarterly Report** **For the Period Ending: 6/30/2020** **(the "Reporting Period")**

As of June 30, 2020, the number of shares outstanding of our Common Stock was:

9,045,391

As of March 31, 2020, the number of shares outstanding of our Common Stock was:

9,145,391

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

9,135,391

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

- (a) BioStem Technologies, Inc. (Active)
- (b) BioStem Technologies was formerly named Caribbean International Holdings, Inc., until August 28, 2014 when the issuer changed its name to BioStem Technologies, Inc.
- (c) Caribbean International Holdings, Inc. was formerly named Caribbean Casino & Gaming Corporation, until November 29, 2012, when it changed its name to Caribbean International Holdings, Inc.
- (d) Caribbean Casino & Gaming Corporation was formed on February 12, 2009.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

## 2) Security Information

Trading symbol:	<u>BSEM</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>090684200</u>	
Par or stated value:	<u>\$ .001</u>	
Total shares authorized:	<u>975,000,000</u>	as of date: <u>June 30, 2020</u>
Total shares outstanding:	<u>9,045,391</u>	as of date: <u>June 30, 2020</u>
Number of shares in the Public Float <sup>2</sup> :	<u>4,652,619</u>	as of date: <u>June 30, 2020</u>
Total number of shareholders of record:	<u>292</u>	as of date: <u>June 30, 2020</u>

*All additional class(es) of publicly traded securities (if any):*

Exact title and class of securities outstanding: Preferred  
CUSIP: N/A  
Par or Stated Value: \$.001  
Preferred Stock Series A-1 Authorized: 500,000 as of March 31, 2020  
Preferred Stock Series A-1 Outstanding: 300 as of March 31, 2020  
Preferred Stock Series B-1 Authorized: 500,000 as of March 31, 2020  
Preferred Stock Series B-1 Outstanding: 0 as of March 31, 2020

### Transfer Agent

Name: V Stock Transfer  
Phone: 212-828-8436  
Email: info@vstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

A 1-400 reverse split of the issuer's common stock was effected on January 27, 2015.

### 3) Issuance History

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/18</u> Common: <u>9,134,864</u> Preferred: <u>300</u>									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
2/7/19	New Issuance	49	Common	3.05	Yes	Innovative P.T. Inc.	Services	Restricted	Rule 506c
6/4/19	New Issuance	126	Common	1.98	Yes	Innovative P.T. Inc.	Services	Restricted	Rule 506c
6/4/19	New Issuance	102	Common	1.96	Yes	Innovative P.T. Inc.	Services	Restricted	Rule 506c
8/1/19	New Issuance	250	Common	1.00	Yes	Innovative P.T. Inc.	Services	Restricted	Rule 506c
6/1/20	New Issuance	18000	Common	5.00	Yes	Laura Klein	Services	Restricted	Rule 506c
6/17/20	New Issuance	10000	Common	1.30	Yes	Brant Watson	Services	Restricted	Rule 506c
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date <u>6/31/20</u> Common: <u>9,045,0391</u> Preferred: <u>300</u>									

#### B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities..

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>12/23/19</u>	<u>\$155,230</u>	<u>\$150,000</u>	<u>\$5,230</u>	<u>12/23/20</u>	<u>Converts at \$2.00 a share</u>	<u>Brent Young</u>	<u>Loan</u>
<u>1/7/2020</u>	<u>\$77,895</u>	<u>\$75,000</u>	<u>\$2,895</u>	<u>1/7/2021</u>	<u>Converts at \$2.00 a share</u>	<u>Wyatt Young</u>	<u>Loan</u>

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Mirtha Fonte-Okunski  
Title: Controller  
Relationship to Issuer: Employee

#### 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Since our founding in 2014, we've pursued a singular goal: growing into an innovative life sciences company with the power to change lives for the better. BioStem Technologies is a leading manufacturer and distributor of superior perinatal tissue products for use in regenerative therapies. Our team has extensive scientific, medical and technical expertise in birth tissue processing for biologic products.

Over 10,000 allografts have been distributed using BioStem products, with zero reported adverse events. Through our rigorous quality and proprietary production processes, we demonstrate our commitment to excellence and our focus on patient safety.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Bluet Tech Industries Inc. dba BioStem Life Science, a Delaware corporation, ("Life Sciences") is focused on the development and manufacturing of high quality placental-based amniotic tissue products. With a broad range of experience in product development and clinical production, BioStem Life Sciences has the insight and expertise to identify and address key issues as we work with you to produce your material. BioStem Life Sciences also offers full support for your IND filing by providing QA audited batch records for your Investigational New Drug (IND) filing

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

including Chemistry, Manufacturing, and Control (CMC) support. In 2018, the Company sold 10 percent ownership in this subsidiary. The Company owns 90.0% interest of the subsidiary as of December 31, 2019 and 2018.

BioStem Wellness, Inc., a Florida corporation (“Wellness”), develops and markets nutraceutical products through its own brands, Dr. Dave’s Best and Nesvik Organics as well as other non-proprietary products throughout the U.S. and internationally. The Company is currently selling Wellness products via two ecommerce platforms, Shopify and Amazon.

Nesvik Pharmaceuticals, Inc., a Delaware corporation (Nesvik”), focused on the development of novel reformulated pharmaceutical products that address unmet needs in large, established and underserved markets. This subsidiary is considered inactive.

Quality Pharma Ingredients Inc., a Delaware corporation (“QPI”) is engaged in repackaging and distribution of active pharmaceutical ingredients at the Company’s facility in Oakland Park, Florida. The Company owned 70.0% interest of the subsidiary as of December 31, 2018. The Company purchased the 30 percent ownership from the minority interest in 2019. QPI was sold on April 18, 2019.

C. Describe the issuers’ principal products or services, and their markets

The products offered by BioStem Technologies™ include RHEO™, OROPRO™, AEON™, VENDAJE™, and VENDAJE™ OPTIC are perinatal tissue-derived allografts. They are designated as Human Cell, Tissue, and Cellular and Tissue-Based Products (HCT/P) by the U.S. Food and Drug Administration (FDA), are minimally manipulated, and are produced in accordance with the FDA regulations for Good Tissue Practices (21 CFR 1270, 1271).

6) **Issuer’s Facilities**

The issuer has established its Manufacturing and Development Lab at 2836 Center Port Circle, Pompano Beach, FL 33064. The property has an 18-month balloon note with current interest payments of \$2,083.33 per month and a condominium association fee of \$952.36 per month, with a buy-out of \$500,000 on October 10, 2017. On February 2, 2018, the Issuer entered into a refinance loan for the property located in Pompano Beach, Florida for \$500,000. The loan is payable monthly, interest only for the term of the loan at 12%. The loan maturity is on February 28, 2019. This loan was extended through February 28, 2020 for a fee of \$10,000. The loan requires monthly payments of interest and real estate taxes beginning on April 1, 2018. On November 25, 2020 the lender extended the term through May 21, 2021.

7) **Officers, Directors, and Control Persons**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Jason Matuszewski</u>	<u>Officer &amp; Director</u>	<u>Fort Lauderdale, FL</u>	<u>835,799</u> <u>300</u>	<u>Common</u> Preferred A	<u>9.24%</u> <u>.02%</u>	<u>See Note 1 and 2</u>
<u>Andrew VanVurst</u>	<u>Officer &amp; Director</u>	<u>Fort Lauderdale, FL</u>	<u>1,146,791</u> <u>300</u>	<u>Common</u> Preferred A	<u>12.67%</u> <u>.02%</u>	_____
<u>Henry VanVurst</u>	<u>Owner of more than 5%</u>	<u>Fort Lauderdale, FL</u>	<u>1,090,611</u> <u>300</u>	<u>Common</u> Preferred A	<u>12.01%</u> <u>.02%</u>	<u>See Note 1 and 2</u>

<u>GMA Bridge Holdings, LLC</u>	<u>Owner of more than 5%</u>	<u>Miami Lakes, FL</u>	<u>700,000</u>	<u>Common</u>	<u>7.74%</u>	<u>See Note 3</u>
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- (1) Effective March 24, 2016, Jason Matuszewski resigned as the issuer's Chief Executive Officer, and was named the issuer's Chief Financial Officer. Henry W. VanVurst IV was named the Issuer's Chief Executive Officer as of that date. Also as of that date, Andrew VanVurst was named the issuer's Chief Operating Officer.
- (2) Effective September 20, 2019, Henry W. VanVurst IV resigned as the issuer's Chief Executive Officer, and chairman of the board. Jason Matuszewski was named the Issuer's Chief Executive Officer and chairman of the board as of that date.
- (3) On July 27, 2018 and October 5, 2018, the Company entered into consulting agreements with GMA Bridge Holdings, LLC. According to the consulting agreement, the consultant is focused on facilitating meetings with Stem cell medical practices, regenerative medicine companies and early stage with regenerative medicine companies for acquisition or strategic partnerships, The services performed by the consultant would be compensated with a grant of 250,000 and 450,000 restricted shares upon commencement of the these agreements which shall vest over twelve month period valued at \$1,062,500 and \$1,822,500 at July 27, 2018 and October 5, 2018, respectively, based on the most recent issuance of common shares, included in deferred compensation at December 31, 2018, fully amortized to consulting expense as of December 31, 2019.

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Laura Anthony, Esq  
Firm: Anthony L.G., PLLC  
Address 1: 625 N Flagler Dr #600  
Address 2: West Palm Beach, FL 33401  
Phone: (800) 341-2684  
Email: \_\_\_\_\_

### Accountant or Auditor

Name: David Brooks  
Firm: D. Brooks & Associates CPA  
Address 1: 4440 PGA Boulevard, Suite 104  
Address 2: Palm Beach Gardens, FL 33410  
Phone: (561) 426-6225  
Email: \_\_\_\_\_

## 10) Issuer Certification

### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Jason Matsuzewski certify that:

1. I have reviewed this Quarterly Statement of BioStem Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: December 24, 2020  
Signature: /s/ Jason Matuszewski  
Name: Jason Matuszewski  
Title: CEO and Chairman

### *Principal Financial Officer:*

I, Jason Matuszewski certify that:

1. I have reviewed this Quarterly Statement of BioStem Technologies, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: December 24, 2020  
Signature: /s/ Jason Matuszewski  
Name: Jason Matuszewski  
Title: CEO and Chairman