Stem Cell Therapy International, Inc.
Form S-1
December 17, 2009
Table of Contents

As Filed with the Securities and Exchange Commission December 16, 2009

Registration No. _____

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Stem Cell Therapy International, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**2834**	**88-0374180**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code number)**	**(I.R.S. Employer Identification No.)**

13046 Racetrack Rd. # 233

Tampa, FL 33626

(813) 283-2556

(Address and telephone number of principal executive offices)

Clint Gage, Esq.

Roetzel & Andress

350 E. Las Olas Boulevard

Suite 1150

Fort Lauderdale, FL 33301

Office: 954-462-4260 Fax: 954-462-4260

(Name, address and telephone number of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

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

Title of Each Class of Securities to be Registered	Amount	Proposed	Proposed	Amount of Registration Fee[(1)]

	to be Registered	Maximum Offering Price Per Share	Maximum Aggregate Offering Price	
Common stock $0.001 par value	10,560,000	$0.12	$1,267,200	$71.00

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, using the average of the high and low prices as reported on the Over The Counter Bulletin Board on December 14, 2009, which was $0.12 per share.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. The selling security holders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and neither Stem Cell Therapy International, Inc. nor the selling security holders are soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 16, 2009

Stem Cell Therapy International, Inc.

10,560,000 Shares of Common Stock

This prospectus relates to the resale of up to 10,560,000 shares of our common stock by Socius life Science Capital Group, LLC Ltd. (the selling stockholder), consisting of 10,560,000 shares of common stock issuable upon exercise of warrant issued to the selling shareholder pursuant to the Purchase Agreement. The selling stockholder may sell such common stock from time to time in the principal market on which the stock is traded at the prevailing market price or in negotiated transactions. The selling stockholder may be deemed an underwriter within the meaning of the Securities Act of 1933, as amended, of the shares of common stock that it is offering. We will pay the expenses of registering these shares. We will not receive proceeds from the sale of our shares by the selling stockholder; however, we will receive payment in cash or notes issued by the selling stockholder upon any exercise of warrants.

The securities are being registered to permit the selling stockholder to sell the securities from time to time in the public market. The selling stockholder may sell the securities through ordinary brokerage transactions or through any other means described in the section titled Plan of Distribution. We do not know when or in what amount the selling stockholder may offer the securities for sale. The selling stockholder may sell any, all or none of the securities offered by this prospectus.

Our common stock is quoted on the OTC Bulletin Board and trades under the symbol OTC: SCII . The last reported sale price of our common stock on the OTC Bulletin Board on December 14, 2009, was $0.12 per share.

Investing in our common stock involves substantial risks.

See Risk Factors, beginning on page 2.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus and any amendments or supplements carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December , 2009.

Table of Contents

STEM CELL THERAPY INTERNATIONAL, INC. HAS NOT REGISTERED THE SHARES FOR SALE BY THE SELLING SHAREHOLDERS UNDER THE SECURITIES LAWS OF ANY STATE. BROKERS OR DEALERS EFFECTING TRANSACTIONS IN THE SHARES SHOULD CONFIRM THAT THE SHARES HAVE BEEN REGISTERED UNDER THE SECURITIES LAWS OF THE STATE OR STATES IN WHICH SALES OF THE SHARES OCCUR AS OF THE TIME OF SUCH SALES, OR THAT THERE IS AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES LAWS OF SUCH STATES.

THIS PROSPECTUS IS NOT AN OFFER TO SELL ANY SECURITIES OTHER THAN THE SHARES. THIS PROSPECTUS IS NOT AN OFFER TO SELL SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS UNLAWFUL.

STEM CELL THERAPY INTERNATIONAL, INC.

TABLE OF CONTENTS

You may only rely on the information contained in this prospectus or that we have referred you to. We have not authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any common stock in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date. In this prospectus, references to Stem Cell Therapy International, Inc., the Company, we, us, and our, refer to Stem Cell Therapy International, Inc.

Table of Contents

PROSPECTUS SUMMARY

Business Overview

Our substantive business operations have focused primarily on positioning the Company to leverage Histostem s platform throughout the United States and the world and to obtain the necessary financing to complete the transaction and achieve our combined strategic goals.

We are a biotechnology company currently focused on three phases of our business development strategy. The first phase is the establishment of distribution channels for various cosmetic products developed and produced by Histostem Co, Ltd., a Korean Company (Histostem). In addition to the commercialization of cosmetic products, we also are making progress on establishing clinics and hospitals to run protocols, such as our hair regeneration treatments. This initial phase has the intent to quickly establish revenue streams that will reduce the overall cash used in operations. The second phase is the establishment of accreditation with associations such as American Association of Blood Banks (AABB) and National Center for Biotechnology Information (NCBI), in addition to Bone Marrow Donors Worldwide (BWDW), National Marrow Donor Program (NMDP) and others, with the intention of making our large repository of Cord Blood and Stem Cells available around the world for research and treatments. In addition, we will be expanding the facilities in Seoul, transforming it into the premier cord blood bank and therapy clinic in the world and establishing additional stem cell therapy clinics in North and Central America and Europe; commencing an international marketing campaign to expand the awareness of stem cell storage, technologies, therapies, and to encourage medical treatment. Phase three will focus on expanding clinical stem cell trials in Korea, thereby compiling the preliminary data necessary to submit applications to the United States Food and Drug Administration (FDA) for the approval of various products and treatments. We will also look for strategic acquisitions that will enable us to expand our services or expedite various parts of our strategic plan. The progress we make on our strategic plan will greatly depend on our ability to get the necessary capital for each phase.

Merger with Histostem:

The Company entered into a Reorganization and Stock Purchase Agreement with Histostem Co., Ltd., a Korean company (Histostem) on March 10, 2008, as amended and restated on September 23, 2009 (the SPA), pursuant to which we have agreed to acquire 90% of the issued and outstanding shares of Histostem in consideration for the issuance of at least 75,382,640 shares of our common stock. The closing of the transaction is subject to a number of conditions, including, but not limited to, (i) increasing the size of the Board of Directors to seven members; (ii) effectuating an increase in the Company s authorized shares of common stock from 100 million shares to 500 million shares and to change the Company s name to AmStem International Corp. (subsequent to September 30, 2009, the Company received a majority of the shareholder s consent for number i and ii); and (iii) the Company will also issue a total of 4,000,000 shares to certain parties that have assisted with the completion of the SPA. The Company has filed a Form 14C with the SEC as notice of the name change and increase to the authorized number of shares.

Our principal executive offices are located at 13046 Racetrack Road, Tampa, Florida 33626, and our telephone number is (813) 283-2556.

The Offering

Common Stock outstanding prior to the offering	62,575,571
Common stock to be sold by the selling stockholder	10,560,000 (1)
Common Stock to be outstanding after the offering	73,135,571 (2)
Use of proceeds	We will not receive any proceeds from the sale of the common stock hereunder. We will receive the exercise price of any common stock issued upon exercise of the warrants. We expect to use the proceeds received from the exercise of warrants, if any, for general working capital purposes.
OTCBB Symbol	SCII

(1) Includes 10,560,000 shares underlying a warrant, based on the assumed sale of $5 million of Series A Preferred Stock at times when our stock price is $0.12 per share.

(2) Assumes the exercise of the full amount of the warrant.

Table of Contents

RISK FACTORS

You should carefully consider the risks described below as well as other information provided to you in this document, including information in the section of this document entitled Forward Looking Statements. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial may also impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected and the value of our common stock could decline.

Risks Relating to Our Business

Our business is at an early stage of development and we may not develop therapeutic products that can be commercialized.

Our business is at an early stage of development. We do not have any products in late-stage clinical trials. We have one cosmetic product under a distribution agreement, which has no significant sales history. We are still in the early stages of identifying and conducting research on potential therapeutic products. Our potential therapeutic products will require significant research and development and preclinical and clinical testing prior to regulatory approval in the United States and other countries. We may not be able to obtain regulatory approvals, enter clinical trials for any of our product candidates, or commercialize any products. Our product candidates may prove to have undesirable and unintended side effects or other characteristics adversely affecting their safety, efficacy or cost-effectiveness that could prevent or limit their use. Any product using any of our technology may fail to provide the intended therapeutic benefits, or achieve therapeutic benefits equal to or better than the standard of treatment at the time of testing or production.

We have a history of operating losses and do not expect to be profitable in the near future. We have a limited operating history on which to base an evaluation of our business and prospects. Our prospects must consider the risks, expenses and difficulties frequently encountered by companies in their early stage of development. Nonetheless, there is no assurance that we will be successful in addressing such risks, and the failure to do so could have a material adverse effect on our business, prospects, financial condition and results of operations.

We have not generated any profits since our entry into the biotechnology business and have incurred significant operating losses. We expect to incur additional operating losses for the foreseeable future and, as we increase our research and development activities, we expect our operating losses to increase significantly. We do not have any sources of significant revenues and may not have any in the foreseeable future. We will need additional capital to conduct our operations and develop our products and our ability to obtain the necessary funding is uncertain. We need to obtain significant additional capital resources from sources including equity and/or debt financings, cosmetic product sales, license arrangements, grants and/or collaborative research arrangements in order to develop products. Our current burn rate is approximately $100,000 per month excluding capital expenditures and the company has been funding this through private equity financings, as required. We believe that more formal financing in an amount sufficient to fund operations for a year or more will be required and we intend to seek such financing when the capital markets permit. However, if such financing is not available or available only on terms that are detrimental

Table of Contents

to the long-term survival of the company, it could have a major adverse effect on our ability to continue to function. The timing and degree of any future capital requirements will depend on many factors, including:

- the accuracy of the assumptions underlying our estimates for capital needs in 2010 and beyond;
- scientific progress in our research and development programs;
- the magnitude and scope of our research and development programs and our ability to establish, enforce and maintain strategic arrangements for research, development, clinical testing, manufacturing and marketing;
- our progress with preclinical development and clinical trials;
- the time and costs involved in obtaining regulatory approvals; and
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims.

Additional financing through strategic collaborations, public or private equity financings or other financing sources may not be available on acceptable terms, or at all. Additional equity financing could result in significant dilution to our stockholders. Further, if additional funds are obtained through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies, product candidates or products that we would otherwise seek to develop and commercialize on our own. If sufficient capital is not available, we may be required to delay, reduce the scope of or eliminate one or more of our product lines, any of which could have a material adverse affect on our financial condition or business prospects.

Clinical trials are subject to extensive regulatory requirements, very expensive, time-consuming and difficult to design and implement. Our products may fail to achieve necessary safety and efficacy endpoints during clinical trials.

Human clinical trials can be very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The clinical trial process is also time consuming. We estimate that clinical trials of our product candidates will take at least several years to complete. Furthermore, failure can occur at any stage of the trials, and we could encounter problems that cause us to abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed by several factors, including:

- unforeseen safety issues;
- determination of dosing issues;
- lack of effectiveness during clinical trials;
- slower than expected rates of patient recruitment;
- inability to monitor patients adequately during or after treatment; and

inability or unwillingness of medical investigators to follow our clinical protocols.

In addition, we or the FDA may suspend our clinical trials at any time if it appears that we are exposing participants to unacceptable health risks or if the FDA finds deficiencies in our IND submissions or the conduct of these trials.

Table of Contents

The unpredictability of our future revenues and potential fluctuations in quarterly operation results could significantly impact our stock price and potential funding sources.

As a result of our limited operating history and the emerging nature of the biotechnological markets in which we compete, we are unable to accurately forecast its revenues. Our current and future expense levels are based largely on our investment plans and estimates of future revenues and are to a large extent fixed and expected to increase.

We may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in revenues in relation to our planned expenditures would have an immediate adverse effect on our business, prospects, financial condition and results of operations. Further, as a strategic response to changes in the competitive environment, we may from time to time make certain pricing, service or marketing decisions which could have a material adverse effect on our business, prospects, financial condition and results of operations.

We expect to experience significant fluctuations in our future quarterly operating results due to a variety of factors, many of which are outside our control. Factors that may adversely affect our quarterly operating results include (i) our ability to retain existing patients, attract new patients at a steady rate and maintain patient satisfaction, (ii) our ability to manage our facility and maintain gross margins, (iii) the announcement or introduction of new treatments and/or patents by us and our competitors, (iv) price competition or higher prices in the industry, (v) the level of use of the Internet and on-line patient services, (vi) Our ability to upgrade and develop our systems and infrastructure and attract new personnel in a timely and effective manner, (vii) the level of traffic on our websites, (viii) technical difficulties, system downtime, (ix) the amount and timing of operating costs and capital expenditures relating to expansion of our business, operations and infrastructure, (x) governmental regulation, and (xi) general economic conditions.

Patents obtained by other persons may result in infringement claims against us that are costly to defend and which may limit our ability to use the disputed technologies and prevent us from pursuing research and development or commercialization of potential products.

A number of pharmaceutical, biotechnology and other companies, universities and research institutions have filed patent applications or have been issued patents relating to cell therapy, stem cells, and other technologies potentially relevant to or required by our expected products. We cannot predict which, if any, of such applications will issue as patents or the claims that might be allowed. We are aware that a number of companies have filed applications relating to stem cells. We are also aware of a number of patent applications and patents claiming use of stem cells and other modified cells to treat disease, disorder or injury. If third party patents or patent applications contain claims infringed by either our licensed technology or other technology required to make and use our potential products and such claims are ultimately determined to be valid, there can be no assurance that we would be able to obtain licenses to these patents at a reasonable cost, if at all, or be able to develop or obtain alternative technology. If we are unable to obtain such licenses at a reasonable cost, we may not be able to develop some products commercially. We may be required to defend ourselves in court against allegations of infringement of third party patents. Patent litigation is very expensive and could consume substantial resources and create significant uncertainties. An adverse outcome in such a suit could subject us to significant liabilities to third parties, require disputed rights to be licensed from third parties, or require us to cease using such technology.

We may not be able to obtain the necessary management or senior management resources to support our growth.

While we cannot be sure we will be successful in growing the Company s operations, our goal is to rapidly and significantly expand our operations to address potential growth and market opportunities. We intend to seek to accomplish this by adding additional affiliate clinics, and by our marketing efforts. By adding affiliates, our intention is to seek to not only increase the number of patients that can be treated, but

Table of Contents

increase the visibility of stem cell therapy in general. We believe that the combination of word of mouth and our marketing efforts may lead to a significant growth in demand for our products and services.

This expansion if successful could place a significant strain on the Company s management, operational and financial resources. The Company will be required to hire new employees including senior management, key managerial, technical and operations personnel who would have to be fully integrated into the Company, operational and financial systems, procedures and controls, and to expand, train and manage its already growing employee base.

The Company also would be required to add finance, administrative and operations staff. Further, the Company s management would be required to maintain and expand its relationships with Affiliate Treatment Clinics and Medical Facilities, University Labs, Private Labs and Treating Physicians globally.

If we grow rapidly, there is no assurance that the Company s planned personnel, systems, procedures and controls would be adequate to support the Company s future operations that the management would be able to hire train, retain, motivate and manage required personnel or that Company management would be able to successfully identify, manage and exploit existing and potential market opportunities. If the Company is unable to manage growth effectively, its business, prospects, financial condition and results of operations will be materially adversely affected.

We may not be able to adequately protect against piracy of intellectual property in foreign jurisdictions.

Considerable research in the areas of stem cells, cell therapeutics and regenerative medicine is being performed in countries outside of the United States, and a number of our competitors are located in those countries. The laws protecting intellectual property in some of those countries may not provide adequate protection to prevent our competitors from misappropriating our intellectual property.

Our competition includes fully integrated biotechnology and pharmaceutical companies that have significant advantages over us.

The market for therapeutic stem cell products is highly competitive. We expect that our most significant competitors will be fully integrated pharmaceutical companies and more established biotechnology and stem cell companies. These companies are developing stem cell-based products and they have significantly greater capital resources in research and development, manufacturing, testing, obtaining regulatory approvals, and marketing capabilities. Many of these potential competitors are further along in the process of product development and also operate large, company-funded research and development programs. As a result, our competitors may develop more competitive or affordable products, or achieve earlier patent protection or product commercialization than we are able to achieve. Competitive products may render any products or product candidates that we develop obsolete.

Restrictive and extensive government regulation could slow or hinder our production of a cellular product.

The research and development of stem cell therapies is subject to and restricted by extensive regulation by governmental authorities in the United States and other countries. The process of obtaining FDA and other necessary regulatory approvals is lengthy, expensive and uncertain. We may fail to obtain the necessary approvals to continue our research and development, which would hinder our ability to manufacture or market any future product.

To the extent we utilize governmental grants in the future, the governmental entities involved may retain certain rights in technology that we develop using such grant money and we may lose the revenues from such technology if we do not commercialize and utilize the technology pursuant to established government guidelines.

Certain of our research has been or is being funded in part by government grants and our research may be so funded in the future. In connection with certain grants, the governmental entity involved retains rights in

Table of Contents

the technology developed. These rights could restrict our ability to fully capitalize upon the value of this research by reducing total revenues that might otherwise be available since such governmental rights may give it the right to practice the invention without payment of royalties.

The outcome of pre-clinical, clinical and product testing of our products is uncertain, and if we are unable to satisfactorily complete such testing, or if such testing yields unsatisfactory results, we will be unable to commercially produce our proposed products.

Before obtaining regulatory approvals for the commercial sale of any potential human products, our products will be subjected to extensive pre-clinical and clinical testing to demonstrate their safety and efficacy in humans. The clinical trials of our products, or those of our licensees or collaborators, must demonstrate the safety and efficacy of such products to the extent necessary to obtain appropriate regulatory approvals. Similarly, the testing of such products may not be completed in a timely manner, if at all, or only after significant increases in costs, program delays or both, all of which could harm our ability to generate revenues. In addition, our prospective products may not prove to be more effective for treating disease or injury than current therapies. Accordingly, we may have to delay or abandon efforts to research, develop or obtain regulatory approval to market our prospective products. The failure to adequately demonstrate the safety and efficacy of a therapeutic product under development could delay or prevent regulatory approval of the product and could harm our ability to generate revenues, operate profitably or produce any return on an investment in us.

If we are unable to keep up with rapid technological changes in our field or compete effectively, we will be unable to operate profitably.

We are engaged in activities in the biotechnology field, which is characterized by extensive research efforts and rapid technological progress. If we fail to anticipate or respond adequately to technological developments, our ability to operate profitably could suffer. Research and discoveries by other biotechnology, agricultural, pharmaceutical or other companies may render our technologies or potential products or services uneconomical or result in products superior to those we develop. Similarly, any technologies, products or services we develop may not be preferred to any existing or newly-developed technologies, products or services.

We may not be able to protect our proprietary technology, which could harm our ability to operate profitably.

The biotechnology and pharmaceutical industries place considerable importance on obtaining patent and trade secret protection for new technologies, products and processes. Our success will depend, to a substantial degree, on our ability to obtain and enforce patent protection for our products, preserve any trade secrets and operate without infringing the proprietary rights of others. We cannot assure you that we will be successful in these efforts.

Certain of our technology may not be subject to protection through patents, which leaves us vulnerable to theft of our technology.

Certain parts of our know-how and technology are not patentable. To protect our proprietary position in such know-how and technology, we intend to require all employees, consultants, advisors and collaborators to enter into confidentiality and invention ownership agreements with us. These agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure. Further, in the absence of patent protection, competitors who independently develop substantially equivalent technology may harm our business.

We depend on our collaborators to help us develop and test our proposed products, and our ability to develop and commercialize products may be impaired or delayed if collaborations are unsuccessful.

Our strategy for the development, clinical testing and commercialization of our proposed products requires that we enter into collaborations with corporate partners. We are dependent upon the subsequent success of

Table of Contents

these other parties in performing their respective responsibilities and the continued cooperation of our partners. Our collaborators may not cooperate with us or perform their obligations under our agreements with them. We cannot control the amount and timing of our collaborators resources that will be devoted to our research and development activities related to our collaborative agreements with them. Our collaborators may choose to pursue existing or alternative technologies in preference to those being developed in collaboration with us.

Our reliance on the activities of our non-employee consultants, research institutions, and scientific contractors, whose activities are not wholly within our control, may lead to delays in development of our proposed products.

We rely upon and have relationships with scientific consultants at academic and other institutions, some of whom conduct research at our request, and other consultants with expertise in clinical development strategy or other matters. These consultants are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. We have limited control over the activities of these consultants and, except as otherwise required by our collaboration and consulting agreements to the extent they exist, can expect only limited amounts of their time to be dedicated to our activities. These research facilities may have commitments to other commercial and non-commercial entities. We have limited control over the operations of these laboratories and can expect only limited amounts of time to be dedicated to our research goals.

We may be subject to litigation that will be costly to defend or pursue and uncertain in its outcome.

Our business may bring us into conflict with our licensees, licensors or others with whom we have contractual or other business relationships, or with our competitors or others whose interests differ from ours. If we are unable to resolve those conflicts on terms that are satisfactory to all parties, we may become involved in litigation brought by or against us. That litigation is likely to be expensive and may require a significant amount of management s time and attention, at the expense of other aspects of our business. The outcome of litigation is always uncertain, and in some cases could include judgments against us that require us to pay damages, enjoin us from certain activities, or otherwise affect our legal or contractual rights, which could have a significant adverse effect on our business.

Our products may be expensive to manufacture, and they may not be profitable if we are unable to control the costs to manufacture them.

Our products may be significantly more expensive to manufacture than other therapeutic products currently on the market today. We hope to substantially reduce manufacturing costs through process improvements, development of new science, increases in manufacturing scale and outsourcing to experienced manufacturers. If we are not able to make these, or other improvements, and depending on the pricing of the product, our profit margins may be significantly less than that of other therapeutic products on the market today. In addition, we may not be able to charge a high enough price for any cell therapy product we develop, even if they are safe and effective, to make a profit. If we are unable to realize significant profits from our potential product candidates, our business would be materially harmed.

We depend on key personnel for our continued operations and future success, and a loss of certain key personnel could significantly hinder our ability to move forward with our business plan.

The Company s performance is substantially dependent on the continued services and on the performance of its senior management and other key personnel, particularly the Company s President, David Stark and Chief Financial Officer, Andrew Norstrud. The Company s performance also depends on the Company s ability to employ, retain and motivate its other officers and key employees. The loss of the services of any of its executive officers or future key employees could have a material adverse effect on the Company s business, prospects, financial condition and results of operations. The Company has negotiated 4 year employment agreements with its executive officers and intends to obtain key person life insurance policies. The Company s future success also depends on its ability to identify, attract, hire, train, retain and motivate other highly skilled doctors, scientists, qualified PhD s, technical, managerial, marketing and

Table of Contents

customer service personnel. Competition for such personnel is intense, and there is no assurance that the Company will be able to successfully attract, assimilate or retain sufficiently qualified personnel. The failure to retain and attract the necessary doctors, scientists, qualified PhD s, technical, managerial, marketing and customer service personnel could have a material adverse effect on the Company s business, prospects, financial condition and results of operations.

We may not have sufficient product liability insurance, which may leave us vulnerable to future claims we will be unable to satisfy.

The testing, manufacturing, marketing and sale of human therapeutic products entails an inherent risk of product liability claims. We currently have a limited amount of product liability insurance, which may not be adequate to meet potential product liability claims. In the event we are forced to expend significant funds on defending product liability actions, and in the event those funds come from operating capital, we will be required to reduce our business activities, which could lead to significant losses. Adequate insurance coverage may not be available in the future on acceptable terms, if at all. If available, we may not be able to maintain any such insurance at sufficient levels of coverage and any such insurance may not provide adequate protection against potential liabilities. Whether or not a product liability insurance policy is obtained or maintained in the future, any product liability claim could harm our business or financial condition.

There are no assurance of public market for our common stock, possible lack of market makers and significant volatility in our stock.

Although our stock is currently quoted on the Over-the-Counter Bulletin Board, there is no assurance that a public trading market will continue or develop for our Common Stock. There is also no assurance that the existing trading or any such future market will be characterized as active.

Development of an active trading market for the Company s Common Stock may depend upon the interest of securities market makers and the investing public which may depend in turn on the Company s revenues and profits. The prices of securities of companies which are in limited supply in the public securities markets, which could describe the Company, are typically volatile.

There is a possible negative effect of common stock available for future sales.

A substantial component of the Common Stock issued by us is restricted stock as defined in SEC Rule 144, promulgated under the Securities Act of 1933. The offer of a significant number of restricted shares of Common Stock in the future in the public market, at or about the same time pursuant to Rule 144 or pursuant to a subsequent registration statement under the Securities Act of 1933 could have a depressive effect on the public market price of the Company s common stock.

The application of the penny stock rules to our common stock could limit the trading and liquidity of our common stock, adversely affect the market price of our common stock and increase stockholder transaction costs to sell those shares.

Management cannot predict the market price of the Common Stock in the public market. At any time that the market price is less than $5.00 per share, certain larger stock brokerage firms may prohibit purchase or sale of the Shares within their clients accounts.

All securities brokerage firms effecting purchase orders for clients in our common stock at a time when the common stock has a market bid price of less than $5.00 per share are required by federal law to send a standardized notice to such clients regarding the risks of investing in penny stocks , to provide additional bid, ask and broker compensation and other information to the stockholders and to make a written determination that the Company s common stock is a suitable investment for the client and receive the client s written agreement to the transaction, unless the client is an established client of the firm, prior to effecting a transaction for the client. These business practices may inhibit the development of a public

Table of Contents

trading market for the Company s common stock during periods that the price of the common stock in the public market is less than $5.00 by both limiting the number of brokerage firms which may participate in the market and increasing the difficulty in selling the Company s common stock.

It is likely that we will need additional financing.

In order to continue as a going concern, we will require significant additional financing or a merger partner with substantial resources. We cannot guarantee that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. Even if we are able to expand our business, we cannot provide certainty that we will be successful or that investors will derive a profit from an investment in our equity.

We do not expect to pay cash dividends in the foreseeable future.

We have not paid cash dividends on our common stock and we do not plan to pay cash dividends on our common stock in the foreseeable future.

Stock prices for biotechnology companies have historically tended to be very volatile.

Stock prices and trading volumes for many biotechnology companies fluctuate widely for a number of reasons, including but not limited to the following factors, some of which may be unrelated to their businesses or results of operations:

clinical trial results;

the amount of cash resources and such company s ability to obtain additional funding;

announcements of research activities, business developments, technological innovations or new products by competitors;

entering into or terminating strategic relationships;

changes in government regulation;

disputes concerning patents or proprietary rights;

changes in our revenues or expense levels; and

public concern regarding the safety, efficacy or other aspects of the Company s products.

This market volatility, as well as general domestic or international economic, market and political conditions, could materially and adversely affect the market price of our common stock.

The market price for our common stock may be particularly volatile given our status as a relatively unknown company with a limited operating history and lack of profits, which could lead to wide fluctuations in our share price. The price at which stockholders purchase shares of our common stock may not be indicative of the price of our common stock that will prevail in the trading market.

The market for our common stock has been characterized by significant price volatility when compared to seasoned issuers, and we expect that our stock price could continue to be more volatile than a seasoned issuer for the indefinite future. The potential volatility in our share price is

attributable to a number of factors. First, there has been limited trading in our common stock. As a consequence of this lack of liquidity, any future trading of shares by our stockholders may disproportionately influence the price of those shares in either direction. Second, we are a speculative or risky investment due to our limited

Table of Contents

operating history and lack of profits to date, and uncertainty of future market acceptance for our potential products. As a consequence of this enhanced risk, more risk averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors will be beyond our control and may decrease the market price of our common stock, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time or as to what effect the sale of shares or the availability of shares for sale at any time will have on the prevailing market price.

In addition, the market price of our common stock could be subject to wide fluctuations in response to:

- quarterly variations in our revenues and operating expenses;
- announcements of new products or services by us;
- fluctuations in interest rates;
- significant sales of our common stock;
- the operating and stock price performance of other companies that investors may deem comparable to us; and
- news reports relating to trends in our markets or general economic conditions.

The sale or issuance of a substantial number of shares may adversely affect the market price for our common stock.

The future sale of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could significantly and negatively affect the market price for our common stock. We expect that we will likely issue a substantial number of shares of our capital stock in financing transactions in order to fund our operations and the growth of our business. Under these arrangements, we may agree to register the shares for resale soon after their issuance. We may also continue to pay for certain goods and services with equity, which would dilute our current stockholders. Also, sales of the shares issued in this manner could negatively affect the market price of our stock.

Compliance with the rules established by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 will be complex. Failure to comply in a timely manner could adversely affect investor confidence and our stock price.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require us to perform an annual assessment of our internal controls over financial reporting and certify the effectiveness of those controls. The standards that must be met for management to assess the internal controls over financial reporting as now in effect are complex, and require significant documentation, testing and possible remediation to meet the detailed standards. We may encounter problems or delays in completing activities necessary to make an assessment of our internal controls over financial reporting. In addition, the attestation process is new for us and we may encounter problems or delays in completing the implementation of any requested improvements and receiving an attestation of the assessment by our independent registered public accountants. If we cannot perform the assessment or certify that our internal controls over financial reporting are effective, or our independent registered public accountants are unable to provide an unqualified attestation on such assessment, investor confidence and share value may be negatively impacted.

Table of Contents

FORWARD-LOOKING STATEMENTS

Information in this prospectus contains forward-looking statements. These forward-looking statements can be identified by the use of words such as believes, estimates, could, possibly, probably, anticipates, projects, expects, may, or should or other variations or sim assurances can be given that the future results anticipated by the forward-looking statements will be achieved. A description of key factors that have a direct bearing on our results of operations is provided above under Risk Factors beginning on page 5 of this Prospectus.

USE OF PROCEEDS

All shares of our common stock offered by this prospectus are being registered for the account of the selling stockholder. We will not receive any of the proceeds from the sale of these shares. We will receive the exercise price of any common stock we issue to selling stockholder upon exercise of the warrants. We expect to use the proceeds received from the exercise of the warrants, if any, for general working capital purposes.

MARKET FOR REGISTRANT S COMMON EQUITY

Our common stock is approved for quotation on the OTC Bulletin Board under the trading symbol SCII.OB. The OTC Bulletin Board is a regulated quotation service that displays real-time quotes, last-sale prices and volume information in over-the-counter equity securities. The OTC Bulletin Board securities are traded by a community of market makers that enter quotes and trade reports. This market is extremely limited and any prices quoted may not be a reliable indication of the value of our common stock.

On December 14, 2009 the last reported sales price of our common stock as reported by the OTC Bulletin Board was $0.12 per share. As of December 14, 2009, we had 62,575,571 shares of common stock outstanding and approximately 300 holders of record of our common stock, and we had no shares of preferred stock outstanding.

The following table shows the high and low per share price quotations of Stem Cell Therapy International, Inc. common stock as reported in the OTCBB for the periods presented. High and low bid quotations reflect inter-dealer prices without adjustment for retail mark-ups, markdowns or commissions and may not necessarily represent actual transactions. We completed our acquisition of Stem Cell Therapy Corp. (Stem Cell Florida) in the third calendar quarter of 2005. Our stock has been thinly traded.

	HIGH	LOW
(Calendar Quarters)		
Fiscal year ended March 31, 2010:		
October 1, 2009 December 14, 2009	$ 0.29	$ 0.06
July 1, 2009 September 30, 2009	$ 0.50	$ 0.03
April 1, 2009 June 30, 2009	$ 0.13	$ 0.04
Fiscal year ended March 31, 2009:		
January 1, 2009 March 31, 2009	$ 0.15	$ 0.05
October 1, 2008 December 31, 2008	$ 0.09	$ 0.01
July 1, 2008 September 30, 2008	$ 0.09	$ 0.01
April 1, 2008 June 30, 2008	$ 0.16	$ 0.06
Fiscal year ended March 31, 2008:		
January 1, 2008 March 31, 2008	$ 0.27	$ 0.08
October 1, 2007 December 31, 2007	$ 0.21	$ 0.05
July 1, 2007 September 30, 2007	$ 0.40	$ 0.15
April 1, 2007 June 30, 2007	$ 0.43	$ 0.07

Table of Contents

As of December 14, 2009 there were approximately 300 holders of record of Stem Cell Therapy International, Inc. common stock. Many of these shares are held in street name, and consequently we have numerous additional beneficial owners.

The transfer agent of our common stock is Standard Transfer & Trust Co., Inc., 2980 S. Rainbow Blvd., Suite 220H, Las Vegas, NV 89146.

DIVIDEND POLICY

We have not declared any dividends on our common stock to date. We have no present intention of paying any cash dividends on our common stock in the foreseeable future, as we intend to use earnings, if any, to generate growth. The payment by us of dividends, if any, in the future, rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, our capital requirements and our financial condition, as well as other relevant factors. There are no restrictions in our articles of incorporation or bylaws that restrict us from declaring dividends on shares of our common stock, except that we would be required to pay dividends on outstanding shares of preferred stock in an amount equal to the dividend those shares would receive if they were converted to shares of common stock.

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes and other financial information included elsewhere in this prospectus. The discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, expectations and intentions. Our actual results may differ significantly from management s expectations. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

General Overview

The Company was originally incorporated in Nevada on December 28, 1992 as Arklow Associates, Inc.

On September 1, 2005, R Capital, Stem Cell Florida, and the Company (then Altadyne, Inc.) entered into a Reorganization and Stock Purchase Agreement. At that point, the Company had no assets, liabilities or ongoing operations. Pursuant to the agreement, Altadyne acquired 100% of the issued and outstanding shares of common stock of Stem Cell Florida in a non-cash transaction and Stem Cell Florida became a wholly-owned subsidiary of Altadyne, and the shareholders of Stem Cell Florida became shareholders of the Company. The Company assumed operation of the business of Stem Cell Florida, which was to establish stem cell therapy clinics and stem cell marketing. On October 5, 2005, the Company changed its name to Stem Cell Therapy International, Inc. to reflect the new business of the Company.

Proposed Merger with Histostem:

The Company entered into a Reorganization and Stock Purchase Agreement with Histostem Co., Ltd., a Korean company (Histostem) on March 10, 2008, as amended and restated on September 23, 2009 (the SPA), pursuant to which we have agreed to acquire 90% of the issued and outstanding shares of Histostem in consideration for the issuance of at least 75,382,640 shares of our common stock. The closing of the transaction is subject to a number of conditions, including, but not limited to, (i) increasing the size of the Board of Directors to seven members; (ii) effectuating an increase in the Company s authorized shares of common stock from 100 million shares to 500 million shares and to change the Company s name to AmStem International Corp. (subsequent to September 30, 2009, the Company received a majority of the shareholder s consent for number i and ii); and (iii) the Company will also issue a total of 4,000,000 shares

Table of Contents

to certain parties that have assisted with the completion of the SPA. The Company has filed a Form 14C with the SEC as notice of the name change and increase to the authorized number of shares.

Since the Company entered into the Stock Purchase Agreement with Histostem our substantive business operations have focused primarily on positioning the Company to leverage Histostem s platform throughout the United States and the world and to obtain the necessary financing to complete the transaction.

In April 2009, the Company formed AmStem International, Inc., a wholly owned subsidiary of the Company. AmStem International, Inc. is a new biotechnology company which provides biotherapeutic and cosmetic stem cell products, stem cell collection and storage know-how, and access to nanotechnology vital to the cutting edge stem cell research. To date, there have been no significant activities with this Company.

Results of Operations

For the three months ended September 30, 2009 and 2008

We had no revenue during the three months ended September 30, 2009 or 2008. This is primarily due to the fact that management has been concentrating most of its efforts on finalizing the Histostem transaction. There are no immediate plans to enter into any new transactions prior to the completion of the acquisition.

Legal expenses increased $27,919 to $37,317 for the three months ended September 30, 2009 as compared to $9,398 for the three month period ended September 30, 2008. The increase in legal expense is primarily due to additional legal fees incurred to assist with the settlement of the Histostem USA and Histostem Korea litigation of $11,329. The Company also paid $5,000 for services in connection with one of the convertible notes payable agreements. Finally, the Company issued 350,000 warrants valued at $17,494 to an attorney in connection with the execution of the merger agreement.

Consulting expenses decreased $37,006 to $3,433 for the three months ended September 30, 2009 as compared to $40,439 for the three month period ended September 30, 2008. The decrease in consulting expense is primarily due to the decrease in consulting agreements while the Company is working on completing the merger agreement.

Accounting expenses decreased $9,178 to $11,525 for the three months ended September 30, 2009 as compared to $20,703 for the three month period ended September 30, 2008. The decrease in accounting expense is primarily due to the decrease in audit fees as the Company continues to work on completing the merger agreement.

Compensation expense decreased $36,250 to $50,000 for the three months ended September 30, 2009 as compared to $86,250 for the three month period ended September 30, 2008. The decrease in compensation expense is due to the expiration of the employment agreements with the Chief Financial Officer and the Chief Operating Officer. For the month of September 2009, the Company agreed to pay the Company s President and Chief Financial Officer each $25,000. The Company s Board of Director s have agreed to pay both the President and Chief Financial Officer $10,000 per month in October, November and December, 2009. Employment agreements have been entered into with the terms commencing on January 1, 2010.

Stock based compensation increased to $85,742 for the three months ended September 30, 2009 as compared to $8,777 for the three month period ended September 30, 2008. The increase in stock based compensation is due to grants of options for the Officers and Directors.

Settlement expenses decreased to $0 for the three months ended September 30, 2009 as compared to $188,850 for the three month period ended September 30, 2008. Settlement expense is primarily the result of the Company settling two lawsuits for $188,850.

Table of Contents

Selling, general and administrative expenses decreased $3,713 to $4,682 for the three months ended September 30, 2009 as compared to $8,395 for the three months ended September 30, 2008. The decrease in selling, general and administrative expenses is due to an overall decrease in expenses as the Company negotiates the merger agreement.

Gain on settlement of liabilities increased $89,716 for the three months ended September 30, 2009 as compared to $0 for the three months ended September 30, 2008. The increase in gain on settlement of liabilities is mainly due to the renegotiation of legal fees related to the merger expenses.

Interest expense, net, increased $303,563 to $304,636 for the three months ended September 30, 2009 as compared $1,073 for the three month period ended September 30, 2008. The increase in interest expense is due to the increase in notes payable and the related amortization of the discount.

Our net loss for the three months ended September 30, 2009 was $407,619 as compared to $363,885 during the same period in 2008. The loss primarily reflects the increase in legal and stock based compensation expenses, as well as the increase in interest expense.

For the six months ended September 30, 2009 and 2008

We had no revenue during the six months ended September 30, 2009 or 2008. This is primarily due to the fact that management has been concentrating most of its efforts on finalizing the Histostem transaction. There are no immediate plans to enter into any new transactions prior to the completion of the acquisition.

Legal expenses decreased $119,411 to $50,435 for the six months ended September 30, 2009 as compared to $169,846 for the six month period ended September 30, 2008. The decrease in legal expense is primarily due to the prior year including legal expenses to assist in resolving some consulting agreement discrepancies and the overall decrease in Company activity while working toward the completion of the merger agreement.