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 X . 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 X .

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	X .

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

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:

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Need for additional capital;

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Limited operating history in our new business model;

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Exclusion from the United States market for AMPSA Products;

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Limited experience introducing new products;

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Limited operating history in international markets;

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Our ability to successfully expand our operations and manage our future growth;

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Difficulty in managing our growth and expansion;

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Dilutive effects of any raising of additional capital;

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The deterioration of global economic conditions and the decline of consumer confidence and spending;

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Material weaknesses reported in our internal control over financial reporting;

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

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

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

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Potential competition from an authorized seller of identical products;

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The potential for product liability claims against us;

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Our dependence on third party manufacturers to manufacture our products;

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Our common stock is currently classified as a penny stock;

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Our stock price may experience future volatility;

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The illiquidity of our common stock; and

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Substantial sales of shares of our common stock.

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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	(21,377)
Increase (decrease) in accrued expenses and other current liabilities	112,319	(2,879)
Increase (decrease) in other related party liabilities	(15,652)	(4,663)
Net cash provided by operating activities	(39,835)	28,866
Cash flows from investing activities		
Acquisition of fixed assets	-	(2,763)
Net cash used by investing activities	-	(2,763)
Cash flows from financing activities		
Advance from related party	15,000	-
Net cash provided by financing activities	15,000	-
Increase (decrease) in cash	(24,835)	26,104
Cash at beginning of period	35,011	87,976

Cash at end of period	$	10,176	$	114,080
Supplemental Cash Flow Information:				
Cash paid for interest	$	408	$	277

See accompanying notes to financial statements.

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

As of and for the three months ended March 31, 2013

(Unaudited)

These unaudited Financial Statements and Notes should be read in conjunction with the audited financial statements and notes of Therapeutic Solutions International, Inc. as of and for the year ended December 31, 2012 included in its Annual Report on Form 10-K.

Note 1 Organization and Presentation Basis

The consolidated financial statements included herein have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). In the opinion of the management of Therapeutic Solutions International, Inc. (the Company), these interim Financial Statements include all adjustments, consisting of normal recurring adjustments, that are considered necessary for a fair presentation of the Company s financial position as of March 31, 2013 and the results of operations for the three months ended March 31, 2013 and 2012. Interim results are not necessarily indicative of results for a full year or for any future period.

The consolidated financial statements and notes included herein are presented as required by Form 10-Q, and do not contain certain information included in our audited financial statements and notes for the fiscal year ended December 31, 2012 pursuant to the rules and regulation of the SEC. For further information, refer to the financial statements and notes thereto as of and for the year ended December 31, 2012, and included in the Annual Report on Form 10-K on file with the SEC.

Therapeutic Solutions International, Inc. (the Company) was organized August 6, 2007 under the name Friendly Auto Dealers, Inc. under the laws of the State of Nevada. In the first quarter of 2011 the Company changed its name from Friendly Auto Dealers, Inc. to Therapeutic Solutions International, Inc., and acquired Splint Decisions Inc., a California corporation organized September 21, 2010 (Splint). Splint is treated as the accounting acquirer in the accompanying financial statements. In the transaction, the Company issued 250,523,333 common shares to the shareholders of Splint; such shares represented, immediately following the transaction, 85% of the outstanding shares

of the Company. The transaction was accounted for as a reverse merger and a reverse recapitalization and the issuances of common stock were recorded as a reclassification between paid-in-capital and par value of Common Stock.

On August 24, 2012, the Company entered into a Master Dispute Resolution Agreement (the MDRA) with James P. Boyd (Boyd), Boyd Research, Inc. and TMD Courses, Inc. (together with Boyd, the Boyd Parties) and Timothy G. Dixon (Dixon) and Gerry B. Berg, and on August 24, 2012, the Company also entered into a License Agreement with Boyd Research, Inc. and TMD Courses, Inc. (the New License Agreement), an Escrow Agreement with Boyd and with Chicago Title Company as escrow agent, and a Voting Agreement with Boyd.

Before the New License Agreement, the Company and certain Boyd Parties were party to an Exclusive License Agreement dated April 1, 2011, as amended on November 1, 2011 (the 2011 Agreement). Also, the Company s predecessor Splint Decisions Inc. and certain Boyd Parties were party to an Exclusive License Agreement dated October 22, 2010, as amended on July 8, 2011 (together with the 2011 Agreement, the Exclusive Agreements). The Exclusive Agreements granted the Company an exclusive worldwide license to certain Boyd Parties patent rights and related technology. Since April 1, 2011, essentially the Company s entire active business has consisted of the manufacture and sale of Anterior Midpoint Stop Appliance intraoral devices (AMPSA Products) as authorized by the Exclusive Agreements and the New License Agreement.

The New License Agreement terminated the Exclusive Agreements. However, the New Licensee Agreement grants the Company new licenses under the applicable patent rights and related technology of the Boyd Parties to manufacture and sell the Company s existing chairside AMPSA Products (but not any such products other than the Company s currently existing ones) and laboratory-manufactured semi-custom AMPSA Products.

The New License Agreement essentially carried forward the Exclusive Agreements terms as to sales to the US up to December 31, 2012, but under the New License Agreement the Company s rights to sell AMPSA Products to the US market expired at the end of 2012. For sales of the existing AMPSA Products to non-US markets, the New License Agreement granted the Company an exclusive license until December 31, 2012, and then converted to a non-exclusive license on January 1, 2013. Under the New License Agreement, the Company payed a 30% royalty on 2012 net sales, but, under the New License Agreement, on January 1, 2013 the Company s net sales of AMPSA products are royalty-free.

The Company had been paying a 30% royalty on all net sales of the existing AMPSA Products (to both the US and non-US markets) under the Exclusive Agreements.

The 2011 Agreement required the Company to pay a deferred $3,000,000 license inception fee. The New License Agreement eliminated this license inception fee.

Beginning January 1, 2014, the Company will no longer be able to use the in-licensed NTI trademark for its AMPSA Products.

Note 2 Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For the Statements of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of March 31, 2013 and December 31, 2012. Other assets include restricted cash of $10,000 that is used to secure a company credit card.

Inventory

Inventory consists of finished goods, and is stated at the lower of cost or market. The Company records cost of sales using the moving average cost method. There was no excess or obsolete inventory reserve at March 31, 2013 and December 31, 2012.

Depreciation and Amortization

Depreciation is calculated using the straight line method over the estimated useful lives of the assets. Amortization is computed using the straight line method over the term of the agreement.

Intangible Assets

Intangible assets consist primarily of intellectual properties such as regulatory product approvals and patents. The Company does not own any such intangible assets. However, the Company entered into a License Agreement on August 24, 2012, which grants the Company a royalty-free nonexclusive worldwide license to make and sell certain products under certain patent rights and related technology (but excludes the United States market). See Note 5 License Agreements.

Income Taxes

The Company accounts for income taxes under ASC 740 *"Income Taxes,"* which codified SFAS 109, *"Accounting for Income Taxes"* and FIN 48 *Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109.* Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Under the New License Agreement the Company s rights to sell AMPSA Products to the US market (81% of total revenue) expired at the end of 2012. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Share Based Expenses

ASC 718 *"Compensation - Stock Compensation,"* which codified SFAS 123, prescribes accounting and reporting standards for all stock-based payments awarded to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. Such payments may be classified as either equity or liabilities. The Company should determine if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (a) the option to settle by issuing equity instruments lacks commercial substance or (b) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity. See also Note 6 Equity Transactions.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50 *"Equity-Based Payments to Non-Employees,"* which codified SFAS 123, and the Emerging Issues Task Force consensus in Issue No. 96-18, *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services".* Measurement of share-based payment transactions with non-employees shall be based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction should be determined at the earlier of the performance commitment date or performance completion date. See also Note 6 Equity Transactions.

Recently Implemented Standards

Accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company s consolidated financial statements upon adoption.

Note 3 Restricted Cash

Other non-current asset is a $10,000 certificate of deposit with an annual interest rate of 0.6%. This certificate matures on June 17, 2013, and is used as collateral for a Company credit card, pursuant to a security agreement dated June 20, 2011.

Note 4 Equipment

The cost and accumulated depreciation of fixed assets and equipment at March 31, 2013 and December 31, 2012 are summarized below:

	March 31, 2013	December 31, 2012
Computer Hardware	$ 10,747	$ 10,747
Office Furniture and Equipment	3,639	3,639
Shipping and Other Equipment	1,575	1,575
Molding Equipment Interests	90,000	90,000
Total	105,961	105,961
Accumulated Depreciation	(19,338)	(13,508)
Property and Equipment, net	$ 86,623	$ 92,453

Depreciation is calculated using the straight line method over the estimated useful lives of the assets.

Note 5 License Agreements

The Exclusive Agreements, which terminated on August 24, 2012, granted the Company an exclusive worldwide license to make and sell under certain Boyd Parties patent rights and related technology (but excluding the United States market as to the laboratory-products semi-custom field of use), with a 30% royalty on net sales (subject to reduction under certain conditions) and, for the 2011 Agreement, a deferred $3,000,000 license inception fee.

The New License Agreement, dated August 24, 2012, granted the Company, for the period from August 24, 2012 to December 31, 2012, an exclusive worldwide license to make and sell under certain Boyd Parties patent rights and related technology (but excluding the United States market as to the laboratory-products semi-custom field of use), with a 30% royalty on net sales (subject to reduction under certain conditions). Also, the New License Agreement granted the Company, for the period from January 1, 2013 forward, a royalty-free nonexclusive worldwide license to make and sell certain products under certain Boyd Parties patent rights and related technology (but excluding the United States market). The New License Agreement eliminated the 2011 Agreement s license inception fee.

From April 1, 2011 through March 31, 2013, essentially the Company s entire active business consisted of the manufacture and sale of AMPSA Products as authorized by the Exclusive Agreements and the New License Agreement. The Exclusive Agreements licensor and the New License Agreement licensors are wholly owned by James P. Boyd, who was, at the time those agreements were entered into, a related party of the Company.

Under the MDRA, which was entered into on August 24, 2012, James P. Boyd agreed to surrender 223,991,933 shares of Company common stock when certain conditions were met. On January 17, 2013 all the conditions were met, and so the 223,991,933 shares were surrendered to the Company and on January 18, 2013 the Company cancelled such shares, and reduced its number of total outstanding common shares from 305,458,333 to 81,466,400.

Note 6 Equity Transactions

Preferred Stock

The Company is authorized to issue 5,000,000 shares of $.001 par value preferred stock. The Company has not issued any preferred stock.

Common Stock

The Company is authorized to issue 699,999,999 shares of $.001 par value common stock. All shares have equal voting rights, are non-assessable, and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

Under the MDRA, which was entered into on August 24, 2012, James P. Boyd agreed to surrender 223,991,933 shares of Company common stock when certain conditions were met. On January 17, 2013 all the conditions were met, and the 223,991,933 shares were surrendered to the Company, and on January 18, 2013 the Company cancelled such shares, and reduced its number of total outstanding common shares from 305,458,333 to 81,466,400.

On March 8, 2013, the Company issued 2,000,000 shares of its common stock to two consultants as compensation for services to be rendered in assisting the Company with its business plan.

Warrants

On February 20, 2009, the Company granted certain compensatory warrants. The fair value of each compensatory warrant granted is estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatilities are based on volatilities from the Company's traded common stock since February 20, 2009.

The risk-free rate for the periods within the contractual life of the compensatory warrants is based on the U.S. Treasury bond rate in effect at the time of grant for bonds with maturity dates at the estimated term of the warrants.

The following values were used to calculate the intrinsic values of the Company s outstanding compensatory warrants as of their issuance dates:

Expected volatility	136.53% - 217.26%
Expected dividends	0
Expected term (in years)	2 - 4
Risk-free rate	1.29% - 1.86%

A summary of these compensatory warrants outstanding at December 31, 2012 and March 31, 2013 and changes during the period is presented below:

Warrants	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Exercisable at December 31, 2012	250,000	$1.00	1.25	$ -
Granted	0			
Exercised	0			
Cancelled	0			
Exercisable at March 31, 2013	250,000	$1.00	1.00	$ -

Stock Based Compensation

On August 31, 2011, the Company issued options to purchase an aggregate of 7,950,000 shares of the Company s common stock with an estimated fair value of $636,000 to its officers and employees. The options have an exercise price of $0.08 per share. As of March 31, 2013, 4,300,000 options had vested and no options were exercised. The options expire ten years from the date of grant unless earlier terminated. Compensation cost, using the graded vesting attribute method in accordance with ASC 718, is recognized over the requisite service period.

The fair value of these options was estimated at the date of grant using the Black-Scholes option-pricing model with dividend yield of 0%; expected volatility of 191%; risk-free interest rate of 2.23%; contractual life of ten years; and an exercise price ($0.08) equal to 100% of the grant-date common stock fair market value. Expected volatility is calculated based on the historic trade day stock market closing price of the preceding 406 trading days.

The expected term of options granted is estimated at half of the contractual term as noted in the individual option agreements and represents the period of time that options granted are expected to be outstanding.

The following table summarizes information regarding stock options outstanding as of March 31, 2013:

	Options Outstanding			Options Exercisable		
Exercise prices	Number Outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
$ 0.08	4,300,000	8.42	$ 0.08	4,300,000	8.42	$ 0.08

A summary of the stock options available under the 2009 Stock Incentive Plan at December 31, 2012 and March 31, 2013 and changes during the period then ended is presented below:

Available at December 31, 2012	3,100,000
Expired	2,600,000
Exercised	-
Canceled	-
Available at March 31, 2013	5,700,000

Note 7 Related Party Transactions

Under the 2011 Agreement and the New License Agreement, the Company incurred royalty expense payable to a related party of $53,000 at December 31, 2012 and this amount was paid in full in January 2013.

On August 24, 2012, the Company entered into the MDRA and the New License Agreement with various related parties, and the Company agreed under the MDRA to make deferred payments of $5,000 per month for 18 months (totaling $90,000; $45,000 is in short-term liabilities and $45,000 is in long-term liabilities) beginning July 1, 2013. This obligation does not bear interest and is unsecured.

Under the MDRA, James P. Boyd agreed to surrender 223,991,933 shares of Company common stock when certain conditions were met. On January 17, 2013 all the conditions were met, and the 223,991,933 shares were surrendered to the Company, and on January 18, 2013 the Company cancelled such shares, and reduced its number of total outstanding common shares from 305,458,333 to 81,466,400.

Note 8 Geographic Information

The following table provides information related to our revenues for the three months ended March 31, 2013 and March 31, 2012:

March 31, 2013:		
Net domestic revenues	$	-
Net international revenues		107,956
Total	$	107,956
March 31, 2012:		
Net domestic revenues	$	506,622
Net international revenues		101.152
Total	$	607,774

Note 9 Subsequent Event

On April 29, 2013 a former employee of the Company, Reid Jilek, sued the Company, its two directors and its three officers in San Diego County (California) Superior Court for breach of contract, retaliation, constructive discharge, failure to pay wages, failure to reimburse, conversion and fraudulent inducement. The complaint seeks damages of at least $50,000 and relates to his employment agreement with the Company and his resignation which was effective in January 2013. The Company intends to vigorously defend against these claims.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis contains forward-looking statements within the meaning of the federal securities laws. The safe harbor provided in section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934 ("statutory safe harbors") shall apply to forward-looking information provided pursuant to the statements made in this filing by the Company. We urge you to carefully review our description and examples of forward-looking statements included in the section entitled Cautionary Note Regarding Forward-Looking Statements at the beginning of this report. Forward-looking statements speak only as of the date of this report and we undertake no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this report. Actual events or results may differ materially from such statements. In evaluating such statements, we urge you to specifically consider various factors identified in this report, any of which could cause actual results to differ materially from those indicated by such forward-looking statements. The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes, as well as the Financial Statements and related notes in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and the risk factors discussed therein.

General

Our principal executive office is located at 4093 Oceanside Blvd., Suite B, Oceanside, California 92056, our telephone number is (760) 295-7208 and our website is www.therapeuticsolutionsint.com. The reference to our website does not constitute incorporation by reference of the information contained on our website.

We file our quarterly and annual reports with the Securities and Exchange Commission (SEC), which the public may view and copy at the SEC s Public Reference Room at 100 F Street, N.E. Washington D.C. 20549, on official business days during the hours of 10 a.m. to 3 p.m. The public may obtain information on the operation of the SEC s Public Reference Room by calling the SEC at 1 800 SEC 0330. The SEC also maintains an Internet site, the address of which is www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers which file electronically with the SEC. The periodic and current reports that we file with the SEC can also be obtained from us free of charge by directing a request to Therapeutic Solutions International, Inc., 4093 Oceanside Blvd, Suite B, Oceanside, California 92056, Attn: Corporate Secretary.

Description of Business

We manufacture and sell (directly and through distributors and sublicensees), in non-US countries, plastic intraoral devices known as **Anterior Midpoint Stop Appliances (AMPSA Products)**. Our customers are dentists and doctors; we do not sell directly to patients or consumers. The AMPSA Products, which are used for the treatment and prevention of common neurological and temporomandibular disorders including migraine headaches, migraine pain and bruxism, are based on patents which we in-license from the Boyd Parties. We sell our AMPSA Products under our registered trademarks AMPSA CS® and Migran-X®, and under the legacy in-licensed trademarks NTI and NTI-tss ®.

We also provide AMPSA-related educational programs; we have been approved as a Program Approval for Continuing Education (PACE) Provider of Dental Continuing Education by the Academy of General Dentistry.

The AMPSA Products are US FDA cleared for the prophylactic treatment of medically diagnosed migraine pain as well as migraine associated tension-type headaches, by reducing their signs and symptoms through reduction of trigeminally innervated muscular activity. The trigeminal nucleus complex of nerves is a relay nucleus for head and face pain and has three distinct branches: ophthalmic, mandibular and maxillary. From studies and clinical trials, we have determined that many migraine headaches most likely result from a dysfunction of the trigeminal nerve that is triggered by the clenching of the teeth, usually, but not always, at night. When such migraine sufferers clench their teeth, their distinct pathology allows for the trigeminal innervation of the surrounding blood vessels and meninges, the reflex connections of the trigeminal system with the cranial parasympathetic outflow, and local and descending pain modulation.

AMPSA Products are either fitted chairside by licensed dentists or produced and sold on a semi-custom basis by dental laboratories. AMPSA Products are made of polycarbonate plastic and are designed to fit over either the upper or lower front incisor teeth and protect teeth, muscles and joints by significantly suppressing parafunctional muscle contraction.

AMPSA Products treat patients suffering from tension and migraine headaches by reducing the intensity of jaw clenching while the patient sleeps. Specifically, AMPSA Products patented design prevents the posterior and canine teeth from clenching, as studies have found that when these particular teeth are clenched, the trigeminally induced muscular activity is exacerbated and the pathology of a migraine exists.

AMPSA Products include a patented design that we refer to as the discluding element. This discluding element prevents the posterior and canine teeth from clenching, thereby preventing the triggering pathology leading to many migraine headaches from occurring. As noted above, we in-license the relevant patents. We have not engaged in research and development.

We manufacture the chairside-fitted AMPSA Products through a sole-source contract manufacturer in the United States. The raw materials used in AMPSA Products are readily available.

We have CE Mark certification for our AMPSA Products. Our AMPSA Products received 510(k) clearance from the US Food and Drug Administration.

AMPSA Products generally also require, in each national market, some sort of clearance or approval from the national government agency with jurisdiction over dental and/or medical devices.

Business prior to January 1, 2013

Through December 31, 2012 we made (through our contract manufacturer) and sold chairside-fitted AMPSA Products directly to licensed dentists in the United States, and to licensed dentists in foreign countries both directly and through distributors.

On April 1, 2011, we entered into an Exclusive License Agreement (as amended on November 1, 2011, the 2011 Agreement) with Boyd Research. Our predecessor, Splint Decisions Inc., and Boyd Research and TMD were party to an Exclusive License Agreement dated October 22, 2010, as amended on July 8, 2011 (together with the 2011 Agreement, the Exclusive Agreements). The Exclusive Agreements provided us with, among other things, an

exclusive worldwide license for all patents and other information regarding the design, manufacture, operation, use, or sale of the AMPSA Products theretofore sold by Boyd Research. The only exception to such worldwide exclusivity was that Keller Laboratories, Inc. had the exclusive right to manufacture and distribute laboratory fabricated semi-custom versions of the AMPSA Products in the United States. The Exclusive Agreements called for us to pay a 30% royalty rate and a $3,000,000 license inception fee.

From the time we entered into the 2011 Agreement until December 31, 2012, essentially our entire active business consisted of the manufacture and sale of AMPSA Products to licensed dentists as authorized by the Exclusive Agreements.

On August 24, 2012, in connection with the MDRA, we entered into the New License Agreement with Boyd Research and TMD.

The New License Agreement terminated the Exclusive Agreements. However, the New License Agreement granted us new licenses under the applicable patent rights and related technology of the Boyd Parties to manufacture and sell our existing AMPSA Products (but not any such products other than our currently existing ones) and laboratory-manufactured semi-custom AMPSA Products.

The New License Agreement essentially carried forward the Exclusive Agreements terms as to the United States market for the remainder of 2012, but under the New License Agreement our rights to sell AMPSA Products to the United States market expired at the end of 2012. Specifically, for chairside AMPSA Product in the United States market, the New License Agreement granted us an exclusive license, carrying a 30% royalty on net sales; but such license expired on December 31, 2012.

For sales of the existing AMPSA Products to non-US markets, the New License Agreement granted us for the remainder of 2012 an exclusive license, which converted to a non-exclusive license on January 1, 2013. Under the New License Agreement, we paid a 30% royalty on 2012 net sales of the existing AMPSA Products to both US and non-US markets.

In the transition from the Exclusive Agreements to the New License Agreement, we gave up our license rights to the Total Splint System intraoral devices (which we had not successfully commercialized) and to all potential chairside AMPSA Products which could have been commercialized using our Exclusive Agreements rights but which we were not selling as of August 2012.

The MDRA and New License Agreement contained various provisions pertaining to the transition of US market sales of the existing AMPSA Products from us to a Boyd Party on January 1, 2013, joint access to AMPSA Products production molds, website and toll-free telephone number transition, regulatory matters, etc. We provided a limited supply of the existing AMPSA Products to the Boyd Parties so they were able to begin selling and shipping without interruption effective January 1, 2013.

Our Business January 1, 2013 forward

Under the New License Agreement, we have the non-exclusive right to manufacture and sell, free of any royalty or inception-fee obligations, our existing AMPSA Products in all non-US countries beginning January 1, 2013. However, beginning January 1, 2013, we have no right to sell AMPSA Products in the United States.

As of January 1, 2013, we no longer sell to the US market. Sales of chairside AMPSA Products to the US market constituted over 80% of our AMPSA business in 2011 and 2012. Our challenge in 2013 and future years is to counter the loss of our chairside AMPSA Products sales to the US market and the loss of the ability to introduce new products based on Boyd Party technology, by increasing sales of our existing AMPSA Products to non-US markets, making sales of laboratory-produced AMPSA Products to non-US markets and/or by successfully introducing into the US and non-US markets new products which do not require licenses from the Boyd Parties.

We currently have distributors for chairside-fitted AMPSA Products in the following markets: Canada, the United Kingdom, Ireland, France, Spain, Scandinavia, Germany, Switzerland, Austria, the Netherlands, Poland, Russia, Israel, Morocco, Turkey, South Africa, China, Singapore, Japan, Cambodia, Australia, New Zealand, and Hong Kong. In addition, we have a sublicensee for semi-custom laboratory-produced AMPSA Products in the United Kingdom, Ireland, France, Spain and Scandinavia, and we plan to sell chairside-fitted AMPSA Products directly to dentists and/or doctors in many countries, particularly Brazil. (There are almost three times as many dentists in Brazil as there are in the United States.)

Results of Operations

You should read the following discussion of our financial condition and results of operations together with the unaudited financial statements and the notes to the unaudited financial statements included in this quarterly report.

This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those anticipated in these forward-looking statements.

For the three months ended March 31, 2013 and March 31, 2012

Net revenues for the three month periods ended March 31, 2013 and 2012 were $107,956 and $607,774, a decrease of approximately $499,818 for the three months ended March 31, 2013. This decrease was due to the Company no longer being able to sell AMPSA products in the U.S. as of January 1, 2013 under the New License Agreement. Under the New License Agreement, we have the non-exclusive right to manufacture and sell, free of any royalty or inception-fee obligations, our existing AMPSA Products in all non-US countries. Our international AMPSA sales increased by 7% in the first quarter of 2013 from the first quarter of 2012, although our international sales would have to increase significantly more for us to achieve profitability.

Operating expenses of 983,270 for the three months ended March 31, 2013 decreased sharply to $273,002 for the three months ended March 31, 2012, a decrease of $710,268. This decrease was mainly due to the Company no longer being able to sell AMPSA products in the U.S. as of January 1, 2013 under the New License Agreement.

Selling expenses decreased $19,434, from $22,649 to $3,215 and General and Administrative costs decreased $20,969, from $38,995 to $18,026, for the three months ended March 31, 2012 and March 31, 2013, respectively. Salaries, wages and related costs decreased $161,345 due to a reduced employee headcount, from $320,653 to $159,345 for the three months ended March 31, 2012 and March 31, 2013, respectively. Royalties decreased $174,578 from $178,736 to $4,158 for the three months ended March 31, 2012 and March 31, 2013, respectively. The decrease in Royalty expense was due to sales under the New License Agreement being royalty free effective January 1, 2013. Amortization and depreciation decreased $70,219, from $76,049 to $5,830 for the three months ended March 31, 2012 and March 31, 2013, respectively. The decrease was mainly due to the absence in 2013 of amortization costs from the 2011 Agreement. Consulting fees decreased $255,107, from $260,140 to $5,033 for the three months ended March 31, 2012 and March 31, 2013, respectively. This decrease was mainly due to the recognition of pro-rata expense of the one year investor relations consulting agreement signed in June 2011.

Our net loss for the three months ended March 31, 2013 was $166,288 as compared to a net loss of $377,636 for the three month period ended March 31, 2012.

Liquidity and Capital Resources

Net cash used in operating activities totaled $39,835 for the three months ended March 31, 2013 and our loss for the three months ended March 31, 2013 was $166,288.

We had no material commitments for capital expenditures at March 31, 2013. On August 24, 2012, the MDRA provided us with a contractual right to continue to access the production molds to manufacture our AMPSA Products. For the rights to access and use the molds for production of AMPSA Products we will pay to TMD a total of $0.09 million, payable in equal monthly payments of $5,000 per month, for 18 months, beginning July 1, 2013.

As of March 31, 2013, we had approximately $10,000 of cash. We had no cash equivalents at the end of the quarter. Clearly, such a cash level is untenable. Based upon our current plans, we believe that our existing capital resources will be sufficient to meet our operating expenses into mid 2013. However, changes in our product development or marketing plans or other events affecting our operating expenses may result in the expenditure of such cash before that time.

In view of the MDRA and the New License Agreement, we believe we will need outside financing to execute our business plan in 2013 and beyond. There is no guarantee we will receive the required financing to complete our business strategies, and it is uncertain whether future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Our auditor has stated in their opinion on our 2012 annual financial statements that there is substantial doubt about our ability to continue as a going concern.

Off Balance Sheet Arrangements

We currently do not have any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

No disclosure required.

Item 4. Controls and Procedures

A.

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, or Exchange Act, our principal executive officer and principal financial officer evaluated our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of March 31, 2013. Based on this evaluation, these officers concluded that as of the end of the period covered by this Quarterly Report on Form 10-Q, these disclosure controls and procedures were adequate to ensure that the information required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and include controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

B.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fiscal quarter ended March 31, 2013 that materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On April 29, 2013 a former employee of the Company, Reid Jilek, sued the Company, its two directors and its three officers in San Diego County (California) Superior Court for breach of contract, retaliation, constructive discharge, failure to pay wages, failure to reimburse, conversion and fraudulent inducement. The complaint seeks damages of at least $50,000 and relates to his employment agreement with the Company and his resignation which was effective in January 2013. The Company intends to vigorously defend against these claims.

Item 1A. Risk Factors

No disclosure required.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On January 18, 2013 we reacquired, pursuant to the MDRA and the Escrow Agreement, 223,991,933 shares of our common stock from James P. Boyd. The MDRA did not require to pay a separate consideration in respect of these reacquired shares.

On March 8, 2013, we issued 2,000,000 shares of its common stock to two consultants as compensation for services to be rendered in assisting us with our business plan

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT NUMBER	DESCRIPTION
3.1	Articles of Incorporation
3.1.1	Certificate of Merger, filed on February 22, 2011
3.1.2	Certificate of Amendment to Articles of Incorporation filed on October 15, 2012 (incorporated herein by reference to Form 8-K, filed on October 17, 2012)
3.2	Bylaws (incorporated herein by reference to Form SB-2, filed on November 21, 2007)
3.2.1	Bylaws amendments adopted August 22, 2012, August 24, 2012 and September 26, 2012
31.1	Rule 13a-14(a)/Section 302 Certification of Principal Executive Officer
31.2	Rule 13a-14(a)/Section 302 Certification of Principal Financial Officer
32.1	Certification pursuant to 18 U.S.C. Section 1350/Rule 13a-14(b)

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.

THERAPEUTIC SOLUTIONS INTERNATIONAL, INC.

Date: May 14, 2013 By: /s/ *Timothy G. Dixon*
Timothy G. Dixon
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2013 By: /s/ *Gerry B. Berg*
Gerry B. Berg
Chief Financial Officer
(Principal Financial Officer)

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