UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2017

Commission File Number 001-33718

U.S. STEM CELL, INC.
(Exact name of registrant as specified in its charter)

Florida		**65-0945967**
(State or other jurisdiction of incorporation or organization)		(IRS Employer Identification No.)
13794 NW 4th Street, Suite 212 **Sunrise, Florida**	**33325**	**(954) 835-15000**
(Address of principal executive office)	(Zip Code)	(Registrant's telephone number, Including area code)

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

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

As of June 30, 2017, the last day of registrant's second fiscal quarter, the aggregate market value of the registrant's common stock, $0.001 par value, held by non-affiliates, computed by reference to the closing sale price of the common stock reported on the OTCQB as of June 30, 2017, was approximately $15,454,049. For purposes of the above statement only, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of the registrant's Common Stock, $0.001 par value, as of April 16, 2018 was 361,523,514.

Documents Incorporated By Reference None

EXPLANATORY NOTE

U.S. Stem Cell, Inc. (the "Company," "we," "us" or "our") is filing this Amendment No. 1 on Form 10-K/A ("Amendment No. 1") to amend its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the Securities and Exchange Commission (the "SEC") on April 16, 2018.

This Amendment No. 1 on Form 10K/A amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "Original 10-K") filed with the Securities and Exchange Commission (the "SEC") on April 16, 2018 only to correct a scrivener's error in which the signature of the auditors was not transcribed into the auditors' report and to fix the date from which the audit firm has served as the Company's auditor.

Except for the scrivener's error stated above, no other changes have been made to the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2017.

We have not updated the disclosures contained in the Form 10-K/A to reflect events that have occurred subsequent to the filing date of the Original 10-K. Accordingly, this Form 10-K/A should be read in conjunction with the Original 10-K and our subsequent filings with the SEC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

U.S. STEM CELL, INC.

By: /s/ Mike Tomas
Mike Tomas
Chief Executive Officer & President

April 26, 2018

By: /s/ Mike Tomas
Mike Tomas
Chief Financial Officer (Principal Accounting Officer)

April 26, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Each person whose signature appears below, hereby authorizes Mike Tomas, as attorney in fact to sign on his or her behalf, individually, in each capacity stated below, and to file all amendments or supplements to this annual report on Form 10-K.

SIGNATURE	TITLE	DATE
/s/ William P. Murphy, Jr., M.D. William P. Murphy, Jr., M.D.	Chairman of the Board	April 26, 2018
/s/ Mike Tomas Mike Tomas	Chief Executive Officer, Chief Financial Officer, & Director	April 26, 2018
/s/ Mark P. Borman Mark Borman	Director	April 26, 2018
/s/ Kristin Comella Kristin Comella	Director	April 26, 2018
/s/ Sheldon Anderson Sheldon Anderson	Director	April 26, 2018
/s/ Greg Knutson Greg Knutson	Director	April 26, 2018

FORM 10-K—ITEM 8
U.S. STEM CELL, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of US Stem Cell, Inc.
13794 NW 4th Street, Suite 212,
Sunrise, Florida 33325

Opinion on the Financial Statements

We have audited the accompanying balance sheets of US Stem Cell, Inc. (the "Company") as of December 31, 2017 and 2016, and the related statements of operations, stockholders' deficit, and cash flows for each of the years then ended and related notes (collectively referred to as the financial statements). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred losses from operations and has an accumulated deficit, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Fiondella, Milone & LaSaracina LLP

We have served as the Company's auditor since 2012.

Glastonbury, Connecticut

April 16, 2018

U.S. STEM CELL, INC.
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 986,799	$ 270,720
Accounts receivable, net	42,959	16,025
Inventory	70,364	42,218
Prepaid and other	3,128	-
Total current assets	1,103,250	328,963
Property and equipment, net	449,747	20,969
Other assets		
Investments	34,926	67,544
Deposits	10,160	10,160
Total assets	$ 1,598,083	$ 427,636
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable, including $201,973 and $108,504 to related parties, respectively	$ 1,378,124	$ 1,290,292
Accrued expenses	929,119	904,772
Advances, related party	104,901	104,901
Deferred revenue	211,042	126,932
Deferred gain on sale of equipment	128,845	-
Deposits	465,286	465,286
Promissory note, short term portion, net of debt discount of $0 and $71,449, respectively	-	3,551
Notes payable, related party	1,901,526	2,290,285
Notes and capital leases payable, net of debt discount of $61,729 and $103,479, respectively	1,344,594	680,336
Derivative liabilities	-	297,156
Total current liabilities	6,463,437	6,163,511
Long term debt:		
Deferred revenue	68,500	71,500
Deferred gain on sale of equipment	150,320	-
Long term deposits	100,000	-
Promissory note, long term portion, net of debt discount of $169,072 and $169,072, respectively	1,228,690	1,228,690
Notes and capital lease payable, long term portion, net of debt discount of $33,138 and $0, respectively	687,453	982,579
Total long term debt	2,234,963	2,282,769
Total liabilities	8,698,400	8,446,280
Commitments and contingencies	-	-
Stockholders' deficit:		
Preferred stock, par value $0.001; 20,000,000 shares authorized, -0- and 20,000,000 issued and outstanding as of December 31, 2017 and 2016, respectively	-	20,000
Common stock, par value $0.001; 2,000,000,000 shares authorized, 342,113,098 and 127,012,740 shares issued and outstanding as of December 31, 2017 and 2016, respectively	342,113	127,013
Additional paid in capital	120,185,821	115,981,103
Accumulated deficit	(127,628,251)	(124,146,760)
Total stockholders' deficit	(7,100,317)	(8,018,644)
Total liabilities and stockholders' deficit	$ 1,598,083	$ 427,636

See the accompanying notes to these financial statements.

U.S. STEM CELL, INC.
STATEMENTS OF OPERATIONS

	Year ended December 31, 2017	Year ended December 31, 2016
Revenue:		
Products	$ 2,126,436	$ 1,827,355
Services	3,394,101	1,255,906
Total revenue	5,520,537	3,083,261
Cost of sales	1,885,371	972,009
Gross profit	3,635,166	2,111,252
Cost and operating expenses:		
Research and development	6,644	919
Marketing, general and administrative	4,426,632	3,264,107
Depreciation and amortization	6,571	5,785
Total operating expenses	4,439,847	3,270,811
Loss from operations	(804,681)	(1,159,559)
Other income (expenses):		
(Loss) gain on settlement of debt	(126,457)	53,690
Gain on sale of equipment	107,371	500
(Loss) gain on change of fair value of derivative liability	(1,891,205)	56,244
Income from equity investments	192,383	153,405
Loss on litigation settlement	(316,800)	-
Other income	-	10,975
Interest expense	(642,102)	(1,185,641)
Total other income (expenses)	(2,676,810)	(910,827)
Net loss before income taxes	(3,481,491)	(2,070,386)
Income taxes	-	-
NET LOSS	$ (3,481,491)	$ (2,070,386)
Net loss per common share, basic and diluted	$ (0.01)	$ (0.09)
Weighted average number of common shares outstanding, basic and diluted	309,009,904	24,150,996

See the accompanying notes to these financial statements.

U.S. STEM CELL, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
TWO YEARS ENDED DECEMBER 31, 2017

	Preferred stock		Common stock		Additional Paid in	Treasury	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Stock	Deficit	Total
Balance, January 1, 2016	20,000,000	$ 20,000	1,813,689	$ 1,814	$ 114,555,110	$ (221,996)	$ (122,076,374)	$ (7,721,446)
Common stock issued in settlement of accounts payable and accrued interest	-	-	2,464,294	2,464	114,246	-	-	116,710
Common stock issued in connection with settlement of other debt	-	-	102,901,904	102,902	1,083,885	-	-	1,186,787
Common stock issued in settlement of note payable, related party	-	-	14,606	14	6,558	-	-	6,572
Proceeds from issuance of common stock	-	-	19,913,708	19,914	40,086	-	-	60,000
Purchase of 10,250 shares of Company's common stock at average cost of $0.76 per share	-	-	-	-	-	(7,817)	-	(7,817)
Treasury shares canceled and returned to authorized	-	-	(95,461)	(95)	(229,718)	229,813	-	-
Change in fair value of repriced employee stock options	-	-	-	-	934	-	-	934
Stock based compensation	-	-	-	-	410,002	-	-	410,002
Net loss	-	-	-	-	-	-	(2,070,386)	(2,070,386)
Balance, December 31, 2016	20,000,000	$ 20,000	127,012,740	$ 127,013	$ 115,981,103	$ -	$ (124,146,760)	$ (8,018,644)

U.S. STEM CELL, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
TWO YEARS ENDED DECEMBER 31, 2017

	Preferred stock		Common stock		Additional	Treasury	Accumulated	
	Shares	Amount	Shares	Amount	Paid in Capital	Stock	Deficit	Total
Balance, December 31, 2016	20,000,000	$ 20,000	127,012,740	$ 127,013	$ 115,981,103	$ -	$ (124,146,760)	$ (8,018,644)
Common stock issued in settlement of accounts payable and accrued interest	-	-	14,058,588	14,058	659,087	-	-	673,145
Common stock issued in connection with settlement of other debt	-	-	164,270,878	164,271	2,081,013	-	-	2,245,284
Common stock issued in settlement of note payable, related party	-	-	1,748,947	1,749	56,852	-	-	58,601
Common stock issued upon conversion of preferred stock	(20,000,000)	(20,000)	20,000,000	20,000	-	-	-	-
Common stock issued in settlement of litigation	-	-	11,000,000	11,000	305,800	-	-	316,800
Proceeds from issuance of common stock	-	-	4,021,945	4,022	270,978	-	-	275,000
Reclassify derivative liability to equity upon payoff of notes payable	-	-	-	-	185,505	-	-	185,505
Stock based compensation	-	-	-	-	645,483	-	-	645,483
Net loss	-	-	-	-	-	-	(3,481,491)	(3,481,491)
Balance, December 31, 2017	-	$ -	342,113,098	$ 342,113	$ 120,185,821	$ -	$ (127,628,251)	$ (7,100,317)

See the accompanying notes to these financial statements.

U.S. STEM CELL, INC.
STATEMENTS OF CASH FLOWS

	Year ended December 31, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (3,481,491)	$ (2,070,386)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	178,745	5,785
Bad debt expense	16,740	5,640
Discount on convertible debt	126,436	675,650
Change in fair value of derivative liability	1,891,205	(56,244)
Loss (gain) on settlement of debt	126,457	(53,690)
Gain on sale of equipment	(107,371)	(500)
Related party notes payable issued for services rendered	800,000	800,000
Common stock issued in settlement of litigation	316,800	-
Non cash payment of interest	-	193,946
Income on equity investments	(192,383)	(153,405)
Stock based compensation	645,483	410,002
Change in fair value of re-priced employee options	-	934
Changes in operating assets and liabilities:		
Receivables	(43,674)	13,367
Inventory	(28,146)	(24,812)
Prepaid and other current assets	(3,128)	4,832
Accounts payable	469,220	10,464
Accrued expenses	435,390	224,188
Deferred revenue	81,110	126,471
Net cash provided by operating activities	1,231,393	112,242
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (payments to) equity investments	225,000	175,000
Proceeds from sale of property and equipment	400,000	500
Proceeds from long term deposits	100,000	-
Acquisition of property and equipment	(1,162)	(12,582)
Net cash provided by investing activities	723,838	162,918
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	154,785	523,089
Proceeds from sale of common stock	275,000	60,000
Net proceeds from related party advances	-	15,000
Purchase of treasury stock	-	(7,817)
Repayments of related party notes	(1,138,759)	(266,737)
Repayments of notes payable and capital lease	(530,178)	(386,347)
Net cash used in financing activities	(1,239,152)	(62,812)
Net increase in cash and cash equivalents	716,079	212,348
Cash and cash equivalents, beginning of period	270,720	58,372
Cash and cash equivalents, end of period	$ 986,799	$ 270,720
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 255,874	$ 49,214
Income taxes paid	$ -	$ -
Non cash financing activities:		
Common stock issued in settlement of notes payable	$ 111,972	$ 497,312
Common stock issued in settlement of accounts payable	$ 673,145	$ 255,686
Common stock issued in settlement of note, related party	$ 58,601	$ 10,000
Common stock issued or issuable in settlement of litigation	$ 316,800	$ -
Sale and leaseback of equipment	$ 619,825	$ -
Reclassify derivative liability to equity	$ 185,505	$ -

See the accompanying notes to these financial statements.

U.S. STEM CELL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the presentation of the accompanying financial statements follows:

Basis and business presentation

U.S. Stem Cell, Inc. was incorporated under the laws of the State of Florida in August, 1999. The Company is in the cardiovascular sector of the cell technology industry delivering cell therapies and biologics that help address congestive heart failure, lower limb ischemia, chronic heart ischemia, acute myocardial infarctions and other issues. The business includes the development of proprietary cell therapy products as well as revenue generating physician and patient based regenerative medicine/cell therapy training services, cell collection and cell storage services, the sale of cell collection and treatment kits for humans and animals, and the operation of cell therapy clinics. To date, the Company has not generated significant sales revenues in that they remain less than their total operating expenses, has incurred expenses, and has sustained losses. Consequently, its operations are subject to all the risks inherent in the establishment of a research and development business enterprise.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management’s judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

At the time of each transaction, management assesses whether the fee associated with the transaction is fixed or determinable and whether or not collection is reasonably assured. The assessment of whether the fee is fixed or determinable is based upon the payment terms of the transaction. Collectability is assessed based on a number of factors, including past transaction history with the client and the creditworthiness of the client.

The Company’s primary sources of revenue are from the sale of test kits and equipment, training services, patient treatments, laboratory services and cell banking.

Revenues for kits and equipment sold are not recorded until kits and equipment are received by the customer. Revenues from in-person trainings are recognized when the training occurs and revenues from on demand online trainings are recognized when the customer purchases the rights to the training course. Any cash received as a deposit for trainings are recorded by the Company as a liability.

Patient treatments and laboratory services revenue are recognized when those services have been completed or satisfied.

Revenues for cell banking sales are accounted for as Multiple-Element Arrangements under ASC 605-10 which incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arrangements (“ASC 605-25”). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. Because the Company sells its services separately, on more than a limited basis and at a price within a narrow range, the Company was able to allocate revenue based on vendor-specific objective evidence of fair value (VSOE). The multiple elements include stem cell banking, dose retrieval and yearly storage fees. Revenues for stem cell banking and dose retrieval is recognized at the point of service and revenues for the yearly storage fees is recognized over the term of the banking contract, which is typically one year with annual renewals.

At December 31, 2017 and 2016, the Company had deferred revenues of $279,542 and $198,432, respectively, which includes $71,500 and $74,500 at December 31, 2017 and 2016 related to the Intellectual Property Licensing Agreement (See Note 11).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Significant estimates include the fair value of the Company’s stock, stock-based compensation, fair values relating to derivative liabilities, debt discounts and the valuation allowance related to deferred tax assets. Actual results may differ from these estimates.

U.S. STEM CELL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Cash

The Company considers cash to consist of cash on hand and temporary investments having an original maturity of 90 days or less that are readily convertible into cash.

Accounts Receivable

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

Allowance for Doubtful Accounts

Any charges to the allowance for doubtful accounts on accounts receivable are charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and the current status of accounts receivable. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired. As of December 31, 2017 and 2016, allowance for doubtful accounts was $12,298 and $12,487, respectively.

Inventories

Inventories are stated at the lower of cost or market with cost being determined on a first-in, first-out (FIFO) basis. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. During the periods presented, there were no inventory write-downs.

Investments

The Company follows Accounting Standards Codification subtopic 323-10, Investments-Equity Methods and Joint Ventures (“ASC 323-10) which requires the accounting for investments where the Company can exert significant influence, but not control of a joint venture or equity investment. The Company accounted for its 33 percent member interest ownerships of U.S. Stem Cell Clinic, LLC and Regenerative Wellness Clinic, LLC utilizing the equity method of accounting (See Note 3).

Comprehensive Income

The Company does not have any items of comprehensive income in any of the periods presented.

Long-Lived Assets

The Company follows FASB ASC 360-10-15-3, “Impairment or Disposal of Long-lived Assets.” Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. The Company determined that there was no impairment on its long-lived assets during 2017 and 2016.

Property and Equipment

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 15 years. Equipment under capital leases are recorded at the estimated present value of the minimum lease payments. Equipment under capital leases are amortized over the term of the lease, which is three years.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse and are considered immaterial.

Net Loss per Common Share, basic and diluted

The Company computes earnings (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10"). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the "treasury stock" and/or "if converted" methods as applicable.

The computation of basic and diluted income (loss) per share as of December 31, 2017 and 2016 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share are as follows:

	2017	2016
Convertible notes payable	-	238,046,980
Series A convertible preferred stock	-	20,000,000
Options to purchase common stock	71,630,763	23,555,777
Warrants to purchase common stock	133,591	139,145
Totals	71,764,354	281,741,902

Stock Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by the Company in the same expense classifications in the statements of operations, as if such amounts were paid in cash. As of December 31, 2017, there were outstanding stock options to purchase 71,630,763 shares of common stock, 20,309,378 shares of which were vested (See Note 10).

Treasury Stock

The Company uses the cost method when it purchases its own common stock as treasury shares and displays treasury stock as a reduction of shareholders' equity.

U.S. STEM CELL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Concentrations of Credit Risk

The Company's financial instruments that are exposed to a concentration of credit risk are cash and accounts receivable. Generally, the Company's cash and cash equivalents in interest-bearing accounts does not exceed FDIC insurance limits. The financial stability of these institutions is periodically reviewed by senior management.

As of December 31, 2017, three customers represented 27%, 15% and 13%, respectively, representing an aggregate of 55% of the Company's accounts receivable. As of December 31, 2016, four customers represented 45%, 13% 13% and 12% respectively, representing an aggregate of 83% of the Company's accounts receivable.

For the year ended December 31, 2017, the Company's revenues earned from sale of products and services did not include any customers representing 10% or more of the Company's total revenues. For the year ended December 31, 2016, the Company's revenues earned from the sale of products and services to one customer, a related party, were $487,710, which represented 16% of the Company's revenues.

Research and Development

The Company accounts for research and development costs in accordance with Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved as defined under the applicable agreement. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of $6,644 and $919 for the year ended December 31, 2017 and 2016, respectively.

Reliance on Key Personnel and Consultants

The Company has ten full-time employees and one part-time employee. The Company is heavily dependent on the continued active participation of its two current executive officers, one employee and key consultants. The loss of any of the senior management or key consultants could significantly and negatively impact the business until adequate replacements can be identified and put in place.

Fair Value

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and short-term borrowings, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value.

Derivative Instrument Liability

The Company accounts for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged. At December 31, 2017 and 2016, the Company did not have any derivative instruments that were designated as hedges.

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At December 31, 2016 and through March 8, 2017, the Company had outstanding convertible notes and warrants that contained embedded derivatives. These embedded derivatives include certain conversion features and reset provisions. At December 31, 2017, all notes and warrants that contained derivative instruments were either converted, settled or paid off and thus there were no outstanding convertible notes or warrants with these features (See Note 6 and Note 8).

Long Term Deposits

Long term deposits are comprised of the following:

On March 3, 2017, the Company entered into a customer purchase agreement with General American Capital Partners (GACP), whereby the Company agreed to sell, for $50,000, the first 5,000 customers of the cell banking business after the effective date of the equipment sale/leaseback agreement with rights to purchase additional customers at a price of $20 per customer. There is no reduction in the selling price should the new customers be fewer than 5,000. The effective date of the sale is upon the expiry or early termination of the related equipment lease transaction (See Notes 4 and 6).

On March 3, 2017, the Company entered into an asset purchase agreement of intellectual property with GACP whereby the Company agreed to sell all of the Company's worldwide rights, title or interest in certain intellectual and other property (as defined) associated with the cell banking business for $50,000. The effective date of the sale is upon the expiry or early termination of the related equipment lease transaction (See Notes 4, 6, and 7).

Recent Accounting Pronouncements

There are various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's financial position, results of operations or cash flows (see Note 15).

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed.

NOTE 2 – GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements during year ended December 31, 2017, the Company incurred net losses of $3,481,491 and as of December 31, 2017 has a working capital deficit (current assets less current liabilities) of $5,360,187. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's primary source of operating funds in 2017 and 2016 has been from revenue generated from sales with additional cash proceeds from the sale of common stock and the issuance of convertible and other debt. The Company has experienced net losses from operations since inception, but expects these conditions to improve in 2018 and beyond as it develops its business model. The Company has stockholders' deficiencies at December 31, 2017 and requires additional financing to fund future operations.

The Company's existence is dependent upon management's ability to develop profitable operations and to obtain additional funding sources. There can be no assurance that the Company's financing efforts will result in profitable operations or the resolution of the Company's liquidity problems. The accompanying statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

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NOTE 3 — INVESTMENTS

U.S. Stem Cell Clinic, LLC

The investment in U.S. Stem Cell Clinic, LLC is comprised of a 33% member interest ownership and is accounted for using the equity method of accounting. The Company's 33% income earned by U.S. Stem Cell Clinic, LLC member interests was $192,383 and $153,405 for the years ended December 31, 2017 and 2016, respectively, (inception to date income of $375,212) which was recorded as other income/expense in the Company's Statement of Operations in the appropriate periods. In addition, during the year ended December 31, 2017 and 2016, the Company received distributions totaling $225,000 and $175,000 from U.S. Stem Cell Clinic, LLC, respectively (inception to date of $400,000). The carrying value of the investment at December 31, 2017 and 2016 is $34,926 and $67,544, respectively.

At December 31, 2017 and 2016, accounts receivable for sales of test kits to U.S. Stem Cell Clinic, LLC was $8,449 and $12,713 respectively; revenues recorded from sales to U.S. Stem Clinic, LLC for the year ended December 31, 2017 and 2016 were $540,023 and $487,710, respectively.

A parent of one of the Company's officers is a minority investor in the U.S. Stem Cell Clinic, LLC.

Regenerative Wellness Clinic, LLC

The investment in Regenerative Wellness Clinic, LLC is comprised of a 33% member interest ownership and is accounted for using the equity method of accounting. The Company has provided technical expertise, but no cash investment with Regenerative Wellness Clinic, LLC's startup in 2017. The Company's 33% loss incurred by Regenerative Wellness Clinic, LLC member interests was $(12,765) for year ended December 31, 2017. However the recorded other income/expense in the Company's Statement of Operations was limited to $0. The carrying value was $0 at December 31, 2017.

At December 31, 2017, accounts receivable for sales of test kits to Regenerative Wellness Clinic, LLC was $15,115; revenues earned from sales to Regenerative Wellness Clinic, LLC for the year ended December 31, 2017 was $22,771.

A parent of one of the Company's officers is a minority investor in the Regenerative Wellness Clinic, LLC.

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment are recorded on the basis of cost. For financial statement purposes, property, plant and equipment are depreciated using the straight-line method over their estimated useful lives.

Expenditures for repair and maintenance which do not materially extend the useful lives of property and equipment are charged to operations. When property or equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts with the resulting gain or loss reflected in operations. Management periodically reviews the carrying value of its property and equipment for impairment in accordance with the guidance for impairment of long lived assets.

Property and equipment as of December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Laboratory and medical equipment	$ 5,590	$ 342,218
Furniture, fixtures and equipment	125,633	125,633
Computer equipment	49,951	48,788
Equipment under capital lease	624,602	4,777
Leasehold improvements	362,046	362,046
	1,167,822	883,462
Less accumulated depreciation and amortization	(718,075)	(862,493)
	$ 449,747	$ 20,969

On March 3, 2017, the Company entered into an asset sale and lease agreement (sale/leaseback transaction, the "Asset Sale and Lease Agreement") with GACP, whereby the Company sold certain lab, medical and other equipment relating to the cell banking business for $400,000 and leased back the sold equipment over a three year term (See "*Lab and Medical Equipment Capitalized Lease*" below).

The Company determined that the transaction was a capitalized lease and accordingly recorded the leased assets and liability based on the estimated present value of the minimum lease payments.

Included in net property are assets under capital leases of $624,602, less accumulated depreciation of $174,120 as of December 31, 2017 and $4,777, less accumulated depreciation of $991 at December 31, 2016, respectively.

In connection with the sale of the lab, medical and other equipment, the Company realized a gain on sale of equipment of $386,535. The gain is recognized ratably over the term of the lease to operations. During the year ended December 31, 2017, the Company recognized $107,371 on the gain on sale of equipment. As of December 31, 2017, deferred gain on sale of equipment was $279,165.

Property and equipment are recorded on the basis of cost. For financial statement purposes, property, plant and equipment are depreciated using the straight-line method over their estimated useful lives.

Depreciation expense was $178,745 and $5,785 of which $172,174 and $0 were included in cost of sales for the year ended December 31, 2017 and 2016, respectively.

NOTE 5 — ACCRUED EXPENSES

Accrued expenses consisted of the following as of December 31, 2017 and 2016:

	2017	2016
Interest and fees payable to the Guarantors of the Company's loan agreement with Seaside Bank	$ 248,746	$ 154,296
Interest payable on notes payable-related party (See Note 7)	381,667	599,510
Vendor accruals and other	146,421	146,429
Marketing obligation	141,560	-
Employee commissions, compensation, etc.	10,725	4,537
	$ 929,119	$ 904,772

During the year ended December 31, 2017, the Company issued an aggregate of 14,058,588 shares of its common stock in settlement of outstanding accounts payable and accrued expenses. In connection with the issuance, the Company incurred a $359,326 net loss in settlement of debt. Additionally the Company wrote off certain old payables and recorded a gain of settlement of accounts payable in the amount of $37,674.

During the year ended December 31, 2016, the Company issued an aggregate of 2,464,294 shares of its common stock in settlement of outstanding accounts payable and accrued expenses. In connection with the issuance, the Company incurred $138,976 net gain in settlement of debt.

NOTE 6 — NOTES AND CAPITAL LEASE PAYABLE

Notes and capital lease payable were comprised of the following as of December 31, 2017 and 2016:

	2017	2016
Seaside Bank note payable.	$ 980,000	$ 980,000
Hunton & Williams note(s) payable	584,000	384,972
Daniel James Management notes payable	-	7,940
Fourth Man, LLC notes payable	-	100,000
Magna Group notes payable	-	130,455
Power Up Lending Group notes payable	94,448	159,300
Lab and medical equipment capitalized leases	468,465	3,727
Total notes payable	2,126,913	1,766,394
Less unamortized debt discount	(94,866)	(103,479)
Total notes payable net of unamortized debt discount	2,032,047	1,662,915
Less current portion	(1,344,594)	(680,336)
Long term portion	$ 687,453	$ 982,579

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Seaside Bank

On October 25, 2010, the Company entered into a Loan Agreement with Seaside National Bank and Trust for a $980,000 loan at 4.25% per annum interest that was used to refinance the Company's loan with Bank of America. The obligation is guaranteed by certain shareholders of the Company. The Company renewed the loan with Seaside National Bank and Trust during the first quarter of 2018 to extend the maturity date to April 11, 2018 (see Note 15).

Hunton & Williams Notes

At December 31, 2016, the Company has two outstanding notes payable with interest at 8% per annum due at maturity. The two notes, $61,150 and $323,822, are payable in one balloon payment upon the date the Noteholder provides written demand, however the Company is not obligated to make payments until the Northstar (or successor) Loan is paid off.

On August 31, 2017, the Company and the note holder entered into a Note Forbearance, Modification and Repayment Agreement ("Agreement"). The two notes, $61,150 and $323,822, were payable in one balloon payment upon the date of a written demand and upon certain triggering events occurring. The total of unpaid principal and accumulated interest for both notes as of August 31, 2017 was $747,680 and an accounts payable of $40,596, for an aggregate total of $788,276.

The note holder agreed to accept full payment of their obligation of over a four (4) year period in 48 monthly installments on an adjusted debt obligation in aggregate of $624,000 (reducing the outstanding balance), with such payments staggered in amounts such that the Company will pay $10,000 monthly the first year, $12,000 monthly the second year, $14,000 monthly the third year, and $16,000 monthly the final year. In addition, the note holder agreed to suspend accrual interest on the notes commencing September 1, 2017.

The Agreement remains in full force and effect provided the Company continues to make the monthly payments, there is no event of default as defined in the notes and an agreement to a subordination agreement by Northstar Biotech Group, LLC, which has been provided.

The Company imputed an interest rate of 5% and discounted the note accordingly. The imputed debt discount of $69,700 is amortized to interest expense using the effective interest method. For year ended December 31, 2017, the Company amortized $10,176 of debt discounts to current period operations as interest expense. The unamortized debt discount at December 31, 2017 is $59,524.

In connection with the Agreement, the Company recognized a $233,977 gain on settlement of debt during the year ended December 31, 2017.

Daniel James Management

During the year ended December 31, 2016, the Company entered into Securities Purchase Agreements with Daniel James Management ("Daniel") for the sale of 9.5% convertible promissory note in aggregate principal amount of $75,000 (the "Daniel Notes").

The Daniel Notes bear interest at the rate of 9.5% per annum. As of the year ended December 31, 2016, all interest and principal must be repaid one year from the issuance date, with the last note being due March 9, 2017. The Daniel Notes are convertible into common stock, at holder's option, at a 47% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion. The Company has identified the embedded derivatives related to the Daniel Notes. These embedded derivatives included certain conversion features and reset provision. (See Note 8)

The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivative liability as of the inception date of Daniel Notes and to fair value as of each subsequent reporting date which at December 31, 2016 was $9,436. At the inception of the Daniel Notes, the Company determined the aggregate fair value of $139,691 of the embedded derivatives.

During the year ended December 31, 2016, $75,000 of promissory notes plus accrued interest that were outstanding at December 31, 2015 and $67,060 of promissory notes plus interest issued in the current year were converted into shares of the Company's common stock, respectively (See Note 9).

The remaining aggregate principle balance of the promissory notes to Daniel as of December 31, 2016 was $7,940, net of the remaining unamortized debt discount of $1,483.

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During the year ended December 31, 2017, the Company issued 9,671,991 shares of its common stock in payment of the outstanding principle balance of $7,940 and accrued interest of $1,820. As of December 31, 2017, there are no outstanding Daniel Notes.

Fourth Man, LLC

During the year ended December 31, 2016, the Company entered into Securities Purchase Agreements with Fourth Man, LLC ("Fourth Man") for the sale of 9.5% convertible promissory note in aggregate principal amount of $100,000 (the "Fourth Man Notes").

The Fourth Man Notes bear interest at the rate of 9.5% per annum. As of the year ended December 31, 2016, all interest and principal must be repaid one year from the issuance date, with the last note being due September 19, 2017. The Fourth Man Notes are convertible into common stock, at holder's option, at a 49% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion. The Company has identified the embedded derivative liability related to the Fourth Man Notes. These embedded derivative liabilities included certain conversion features and reset provision (See Note 8).

The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivative liability as of the inception date of Fourth Man Notes and to fair value as of each subsequent reporting date which at December 31, 2016 was $151,236. At the inception of the Fourth Man Notes, the Company determined the aggregate fair value of $216,050 of the embedded derivative liability.

During the year ended December 31, 2016, $77,450 of promissory notes plus accrued interest that were outstanding at December 31, 2015 was converted into shares of the Company's common stock (see Note 9).

The remaining aggregate promissory notes to Fourth Man unconverted principle balance as of December 31, 2016 were $100,000. The remaining unamortized debt discount at December 31, 2016 is $53,503.

During the year ended December 31, 2017, the Company issued an aggregate of 61,113,791 shares of its common stock and $25,000 cash in payment of the outstanding principle balance of $100,000 and accrued interest of $4,688. As of December 31, 2017, there are no outstanding Fourth Man Notes.

Magna Group

On December 3, 2015, the Company entered into a Securities Purchase Agreement with Magna Equities II, LLC ("Magna") for the sale of a 12% convertible promissory note in the principal amount of $262,500 (the "Note"). The Note was subsequently funded in February 2016 upon effectiveness of the Company's registration statement (see below). Proceeds from the Note were $250,000 (less an original issue discount of 5% or $12,500).

The Note bears interest at the rate of 12% per annum. All interest and principal was to be repaid on December 3, 2016. The Note was convertible into common stock, at Magna's option, at the lower of I) 40% discount to the lowest sales price of the common stock during the 5 trading day period prior to conversion or ii) $0.70. In the event the Company prepays the Note in full, the Company is required to pay off all principal at 140%, interest and any other amounts.

On December 12, 2015, the Company filed a Registration Statement on Form S-1 to register 341,718 shares of common issuable upon the conversion of Magna Equity II, LLC convertible notes dated December 3, 2015 (as restated) for $110,000 and December 3, 2015 for $262,500. The latter note was funded in February 2016. The Registration Statement on Form S-1 was declared effective on February 12, 2016.

The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivative liability as of the inception date of Notes to Magna and to fair value as of each subsequent reporting date which at December 31, 2016 was $136,460. At the inception of the Notes, the Company determined the aggregate fair value of $263,204 of the embedded derivative liability.

During the year ended December 31, 2016, $257,045 of the promissory notes were converted into shares of the Company's common stock (See Note 9).

The remaining aggregate Magna Group promissory notes unconverted principle balance as of December 31, 2016 was $130,455.

During the year ended December 31, 2017, the Company issued an aggregate of 93,485,096 shares of its common stock in payment of the outstanding principle balance of $130,455 and accrued interest of $22,525. As of December 31, 2017, there are no outstanding Magna Group Notes.

PowerUp Lending Group, Ltd

On March 23, 2016, the Company entered into a revenue based factoring agreement and received an aggregate of $200,000 (less origination fees of $1,650) in exchange for $276,000 of future receipts relating to monies collected from customers or other third party payors. Under the terms of the agreement, the Company is required to make daily payments equal to $1,314 for 210 business days. The Company received net proceeds of $82,896 along with cancellation of the previous revenue based factoring agreement issued in 2015. In connection with the cancellation of the December 2015 revenue based factoring agreement, the Company incurred a loss in settlement of debt of $39,449.

On August 16, 2016, the Company entered into a revenue based factoring agreement and received an aggregate of $210,000 (less origination fees of $2,000) in exchange for $283,500 of future receipts relating to monies collected from customers or other third party payors. Under the terms of the agreement, the Company is required to make daily payments equal to $1,350 for 210 business days. The Company received net proceeds of $65,193 along with cancellation of the previous revenue based factoring agreement issued on March 23, 2016. In connection with the cancellation of the March 2016 revenue based factoring agreement, the Company incurred a loss in settlement of debt of $49,264.

The remaining principle balance of the PowerUp Lending Group promissory note payable at December 31, 2016 is $159,300.

At December 31, 2016, the Company has recorded interest expense in the amount of $27,007 under the terms of the agreement. The remaining unamortized debt discount at December 31, 2016 is $48,493.

On February 22, 2017, the Company entered into a revenue based factoring agreement and received an aggregate of $165,000 (less origination fees of $3,300) in exchange for $221,100 of future receipts relating to monies collected from customers or other third party payors. Under the terms of the factoring agreement, the Company is required to make daily payments equal to $1,316 for 168 business days. The Company received net proceeds of $51,700 along with cancellation of the previous revenue based factoring agreement issued in 2016. In connection with the cancellation of the August 2016 revenue based factoring agreement, the Company incurred a loss in settlement of debt of $41,516.

On September 12, 2017, the Company entered into a revenue based factoring agreement and received an aggregate of $137,200 (less origination fees of $2,800) in exchange for $187,600 of future receipts relating to monies collected from customers or other third party payors. Under the terms of the factoring agreement, the Company is required to make daily payments equal to $1,276 for 147 business days. The Company received net proceeds of $103,085 along with cancellation of the previous revenue based factoring agreement issued in February 2017. In connection with the cancellation of the February 2017 revenue based factoring agreement, the Company incurred a gain in settlement of debt of $2,734.

The remaining principle balance of the PowerUp Lending Group promissory note payable at December 31, 2017 is $94,447, net of unamortized discount of $35,342.

Lab and Medical Equipment Capitalized Lease

On March 3, 2017, the Company entered into an asset sale and lease agreement (sale/leaseback transaction; “Asset Sale and Lease Agreement”) with GACP, whereby the Company sold certain lab, medical and other equipment relating to the cell banking business for $400,000 and leased back the sold equipment over a three year term. The Company recognized the arrangement as a capital lease. The Company initially recorded the equipment and the capitalized lease liability at the estimated present value of the minimum lease payments of $619,825.

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The lease includes a base monthly rental payment of $20,000, due the first day of each calendar month plus contingent rent equal to 2.3%, 22.5%, and 31.6% of revenues collected on deposits arising from cell banking business for years 1, 2 and 3, respectively. The contingent rent is recognized as a period expense and as interest expense at the time of collection. At the expiration of the lease, the Company is required to return all leased equipment and along with any maintenance records, logs, etc. in the Company's possession to the lessor with no right of repurchase.

The Company determined that the present value of the minimum lease payments exceeded 90% of the estimated fair value of the equipment and therefore classified the equipment sale/lease as a capitalized lease. The effective interest rate of the capitalized lease is estimated at 10.00% based on the Company estimated incremental borrowing rate.

During the first nine months of the year, the Company included the contingent rentals as part of the minimum least payments in the calculation of the amortization of the capital lease obligation; this was the result of management considering the achievement of the aforementioned sales and resultant contingent rent as probable. Management reassessed this position at yearend and determined that as a result of its limited operating history in this revenue producing activity, the contingent rent should be treated as a period expense as revenue is collected. This resulted in a reversal of expense recognized as interest of $279,986. Total contingent rent (in excess of minimum lease payments) was $63,961 for the year ended December 31, 2017 and is included in interest expense.

The following summarizes the assets under capital leases:

	2017	2016
Classes of property		
Lab, medical and other equipment	$ 619,825	$ -
Office equipment	4,777	4,777
Less: accumulated depreciation	(174,120)	(991)
	$ 450,482	$ 3,786

The following summarizes the current and long-term portion of capital leases:

	2017	2016
Current leases payable	$ 203,875	$ 1,148
Long-term leases payable	264,590	2,579
Office equipment	$ 468,465	$ 3,727

The following summarizes total future minimum lease payments at December 31, 2017:

Period ending December 31,	
2018	$ 241,396
2019	241,396
2020	60,000
Total minimum lease payments	542,792
Amount representing interest	74,327
Present value of minimum lease payments	468,465
Current portion of capital lease obligations	203,875
Capital lease obligation, less current portion	$ 264,590

Promissory note

On June 1, 2015, the Company issued an amended and restated promissory note of $1,697,762 in settlement of the $1,500,000 outstanding subordinated debt, related accrued interest of $373,469 and accumulated and unpaid guarantor fees of $624,737.

The note is unsecured and non-interest bearing with four semi-annual payments of $75,000 beginning on December 31, 2015 with the remaining unpaid balance due June 1, 2020.

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The Company imputed an interest rate of 5% and discounted the promissory note accordingly. The imputed debt discount of $368,615 is amortized to interest expense using the effective interest method. For the year ended December 31, 2017 and 2016, the Company amortized $71,450 and $78,864 of debt discounts to current period operations as interest expense, respectively. The unamortized debt discount at December 31, 2017 is $169,072.

During 2017 and 2016, the Company made principle payments of $75,000 and $150,000 on the promissory note, respectively.

As of December 31, 2017, the remaining principle due was $1,397,762.

NOTE 7 — RELATED PARTY TRANSACTIONS

Advances

As of December 31, 2017 and 2016, the Company's officers and directors have provided advances in the aggregate of $104,901 for working capital purposes. The advances are unsecured, due on demand, and non-interest bearing.

On February 12, 2016, the Company issued 14,606 shares of its common stock in settlement of $10,000 of the outstanding advances due. In connection with the settlement, the Company realized a net gain on settlement of debt of $3,427.

Notes payable-related party

Northstar Biotechnology Group, LLC

On February 29, 2012, a promissory note issued to BlueCrest Master Fund Limited was assigned to Northstar Biotechnology Group, LLC ("Northstar"), owned partly by certain directors and existing shareholders of the Company at the time, including Dr. William P. Murphy Jr., Dr. Samuel Ahn and Charles Hart. At the date of the assignment, the principal amount of the BlueCrest note was $544,267 the ("Note").

On March 30, 2012, the Company and Northstar agreed to extend until May 1, 2012 the initial payment date for any and all required monthly under the Note, such that the first of the four monthly payments required under the Note will be due and payable on May, 2012 and all subsequent payments will be due on a monthly basis thereafter commencing on June 1, 2012, and to waive any and all defaults and/or events of default under the Note with respect to such payments. The Company did not make the required payment, and as a result, was in default of the revised agreement The Company renegotiated the terms of the Note and Northstar agreed to suspend the requirement of principal payments by the Company and allow payment of interest-only in common stock.

On September 21, 2012, the Company issued 5,000 common stock purchase warrants to Northstar that was treated as additional interest expense upon issuance.

On October 1, 2012, the Company and Northstar entered into a limited waiver and forbearance agreement providing a recapitalized new note balance comprised of all sums due Northstar with a maturity date extended perpetually. The Company agreed to issue 5,000,000 shares of Series A Convertible Preferred Stock and 10,000 shares of common stock in exchange for $210,000 as payment towards outstanding debt, default interest, penalties, professional fees outstanding and due Northstar. In addition, the Company executed a security agreement granting Northstar a lien on all patents, patent applications, trademarks, service marks, copyrights and intellectual property rights of any nature, as well as the results of all clinical trials, know-how for preparing Myoblasts, old and new clinical data, existing approved trials, all right and title to Myoblasts, clinical trial protocols and other property rights.

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In addition, the Company granted Northstar a perpetual license on products as described for resale, relicensing, and commercialization outside the United States. In connection with the granted license, Northstar shall pay the Company a royalty of up to 8% on revenues generated.

Effective October 1, 2012, the effective interest rate was 12.85% per annum. The parties agreed, as of February 28, 2013, to reduce the interest rate to 7% per annum.

In connection with the consideration paid, Northstar waived, from the effective date through the earlier of termination or expiration of the agreement, satisfaction of the obligations as described in the forbearance agreement.

In 2012, 5,000,000 shares of Series A Convertible Preferred Stock were approved to be issued, which was subsequently increased to 20,000,000 shares of preferred stock as Series A Convertible Preferred Stock. In addition, the Company was obligated to issue additional preferred stock equal in lieu of payment of cash of accrued and unpaid interest on each six month anniversary of the effective date (October 1, 2012). In lieu of the initial two payments in preferred stock, the parties agreed to modify the voting rights of the subsequently cancelled Series A Convertible Preferred Stock from 20 votes per share on matters to be voted on by the common stock holders to 25 votes per share on matters to be voted on by the common stock holders and all prior and subsequent payments of interest will be in common stock. The Company is required to issue additional shares of its common stock (as amended), in lieu of cash, each six month anniversary of the effective date for any accrued and unpaid interest.

On March 1, 2017, Northstar and the Company entered into a settlement agreement ("Settlement Agreement ") related to pending litigation (See Note 11). Pursuant to the terms and conditions of the Settlement Agreement, Northstar converted its outstanding Series A Convertible preferred stock, into twenty million (20,000,000) shares of common stock according to the original conversion terms. In addition, and separate and apart from the conversion, Northstar received Eleven Million (11,000,000) shares of the Company's common stock. Northstar will receive ten percent (10%) of all Company international sales (based on a gross sales basis). There was no effect of 10% as there were no international sales in 2017. Furthermore, a Northstar designee, Greg Knutson, was appointed to the Board of Directors of the Company and two Company directors, Michael Tomas and Kristin Comella, will each exercise their prior Northstar options to each receive a Five percent (5%) Member Interest in Northstar. The parties agreed to a mutual release and Northstar agreed to terminate any UCC lien on the Company assets previously filed for the benefit of Northstar. On March 9, 2017 and April 1, 2017, the Company issued 30,000,000 and 1,000,000 shares of its common stock, respectively, as described above. In connection with the settlement, the Company recorded a loss on litigation settlement of $316,800.

On September 30, 2013, the Company issued 8,772 shares of its common stock as payment of $100,000 towards cash advances.

On December 24, 2013, the Company issued 3,916 shares of its common stock as payment of accrued interest through June 30, 2013 of $85,447.

On April 2, 2014, the Company issued 275 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,635 due April 1, 2014 per the forbearance agreement.

On September 17, 2014, the limited waiver and forbearance agreement entered into on October 1, 2012 to provide that the perpetual license on products as described for resale, relicensing and commercialization outside the United States was amended as such on the condition that NorthStarNorthstar provide certain financing, which financing the Company, in its sole discretion, could decline and retain the license.

On October 3, 2014, the Company issued 515 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2014 per the forbearance agreement.

On April 3, 2015, the Company issued 1,363 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,635 due April 1, 2015 per the forbearance agreement.

On October 2, 2015, the Company issued 4,156 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2015 per the forbearance agreement.

On October 7, 2015, the Company issued 34,522 shares of its common stock in settlement of $100,000 principal payment towards the outstanding debt.

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On April 7, 2016, the Company issued 57,778 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due April 1, 2016 per the forbearance agreement.

On October 6, 2016, the Company issued 848,490 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2016 per the forbearance agreement.

On April 1, 2017, the Company issued 286,315 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,703 due October 1, 2016 per the forbearance agreement.

On October 2, 2017, the Company issued 559,187 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2016 per the forbearance agreement.

As of December 31, 2017 and 2016, the principal of this note was $262,000.

U.S. Stem Cell Clinic

On November 6, 2015, the Company issued a 4% promissory note to U.S. Stem Cell Clinic for $30,000 due November 3, 2017. During 2016, the Company paid off the amount in full.

Officer and Director Notes

	2017	2016
Note payable, Beverly Murphy	$ -	$ 50,000
Note payable, Mr. Tomas	-	81,420
Note payable, Mr. Tomas	-	375,000
Note payable, Mr. Tomas	101,729	500,000
Note payable, Mr. Tomas	500,000	500,000
Note payable, Mr. Tomas	500,000	-
Note payable, Ms. Comella	-	221,865
Note payable, Ms. Comella	237,797	300,000
Note payable, Ms. Comella	300,000	-
Total	$ 1,639,526	$ 2,028,285

Note payable, Ms. Murphy

At December 31, 2016, the Company has outstanding promissory note payable of $50,000 due to Beverly Murphy with interest at 7% per annum due at maturity at October 15, 2015.

On March 29, 2017, the Company issued 1,748,947 shares of common stock in settlement of $50,000 of outstanding notes payable and $8,601 of accrued interest to Ms. Murphy.

Notes payable, Mr. Tomas

In 2013, the Company issued a promissory note payable for previous advances and compensation earned. The promissory note bears interest of 5% per annum and due on demand. During the year ended December 31, 2017 and 2016, the Company paid $81,420 and $170,830 towards the note balance. As of December 31, 2017, the outstanding balance was $-0-.

On August 1, 2013, the Company issued a $375,000 promissory note due on demand in settlement of compensation earned. The promissory note bears interest of 5% per annum and is due on demand. During the year ended December 31, 2017, the Company paid off the outstanding balance of the promissory note.

On July 1, 2014, the Company issued a $500,000 promissory note in settlement of compensation earned. The promissory note bears interest of 5% per annum and was due on January 1, 2015. During the year ended December 31, 2017, the Company paid off $398,271 of the outstanding promissory note. The principal outstanding balance of this note as of December 31, 2017 is $101,729.

On September 6, 2016, the Company issued a $500,000 promissory note in exchange for compensation earned. The promissory note bears interest of 5% per annum and is due upon demand. The principal outstanding balance of this note as of December 31, 2017 and 2016 is $500,000.

On August 7, 2017, the Company issued a $500,000 promissory note in exchange for compensation earned. The promissory note bears interest of 5% per annum and is due one year from date of issuance. The principal outstanding balance of this note as of December 31, 2017 is $500,000.

At December 31, 2017 and 2016, the Company has recorded accrued interest on the outstanding notes to Mr. Tomas in the amount of $282,701 and $221,204, respectively, which is included in the accrued expenses on the balance sheet.

Notes payable, Ms. Comella

On July 1, 2014, the Company issued a $300,000 promissory note in settlement of accrued compensation earned. The promissory note bears interest of 5% per annum and was due on January 1, 2015. During the years ended December 31, 2017 and 2016, the Company paid $221,865 and $65,907 towards the note balance. As of December 31, 2017, the outstanding balance was $-0-.

On September 6, 2016, the Company issued a $300,000 promissory note in exchange for compensation earned. The promissory note bears interest of 5% per annum and was due upon demand. During the year ended December 31, 2017, the Company paid off $62,203 of the outstanding promissory note. The principal outstanding balance of this note as of December 31, 2017 is $237,797.

On August 7, 2017, the Company issued a $300,000 promissory note in exchange for compensation earned. The promissory note bears interest of 5% per annum and is due one year from date of issuance. The principal outstanding balance of this note as of December 31, 2017 is $300,000.

At December 31, 2017 and 2016, the Company has recorded accrued interest on the outstanding notes to Ms. Comella in the amount of $67,884 and $46,344, respectively, which is included in the accrued expenses on the balance sheet.

Transactions with Pavillion

On May 1, 2016, the Company entered into a consulting agreement with Pavillion, Inc, whose owner is related to an officer of the Company. The agreement is for 12 months and renewable for 6 month periods. Compensation is at $250 per hour or, at the Company's discretion, in shares of the Company's common stock. For the years ended December 31, 2017 and 2016, the Company has incurred $120,000 and $80,000 of expense under the agreement, respectively. As of December 31, 2017 and 2016, the Company had $187,409 and $106,455, respectively, in accounts payable owed to Pavillion.

Transactions with GACP

On March 3, 2017, the Company entered into an asset sale and lease agreement (sale/leaseback transaction, the "Asset Sale and Lease Agreement") with GACP, whereby the Company sold certain lab, medical and other equipment relating to the cell banking business for $400,000 and leased back the sold equipment over a three year term (See "*Lab and Medical Equipment Capitalized Lease*" below). The Company determined that the transaction was a capitalized lease and accordingly recorded the leased assets and liability based on the estimated present value of the minimum lease payments (see Notes 4 and 6).

In connection with the asset sale and lease agreement, the Company is obligated to accrue 10% of banking revenue as for marketing, offset by any incurred costs of the Company. At December 31, 2017, the outstanding accrued marketing obligation is $141,560 (see Note 5).

On March 3, 2017, the Company also entered into a customer purchase agreement with GACP, whereby the Company agreed to sell, for $50,000, the first 5,000 customers of the cell banking business after the effective date of the equipment sale/leaseback agreement with rights to purchase additional customers at a price of $20 per customer. There is no reduction in the selling price should the new customers be fewer than 5,000. The effective date of the sale is upon the expiry or early termination of the related equipment lease transaction.

On March 3, 2017, the Company also entered into an asset purchase agreement of intellectual property with GACP whereby the Company agreed to sell all of the Company's worldwide rights, title or interest in certain intellectual and other property (as defined) associated with the cell banking business for $50,000. The effective date of the sale is upon the expiry or early termination of the related equipment lease transaction.

In connection with the March 3, 2017 asset purchase agreement, the CEO and CSO of US Stem Cell, Inc. were also retained as CEO and CSO of American Stem Cell Centers of Excellence, which is owned by General American Capital Partners (GACP), to help with scientific and successful operational deployment of clinics.

On April 3, 2017, U.S. Stem Cell received a commitment to invest up to $5,000,000 from GACP with the intent for GACP to receive up to 63,873,275 shares of common stock. To date, GACP has invested, pursuant to this commitment, $250,000 in return to 858,281 shares. Subsequent to this investment, GACP has informed the Company that they will make no further investments pursuant to this agreement and has entered into a new agreement to invest $3,000,000 to open their own clinics (branded American Stem Cell) using the US Stem Cell Inc protocols, procedures, products and technologies.. As of December 31, 2017, GACP owns 4,021,945 shares of the Company's common stock.

NOTE 8 — DERIVATIVE LIABILITIES

Reset warrants

On October 1, 2012, in connection with the forbearance agreement with Northstar as discussed in Note 7, the Company issued an aggregate of 15,000 common stock purchase warrants to purchase the Company's common stock with an exercise price of $14.00 per share for ten years with anti-dilutive (reset) provisions.

The Company has identified embedded derivatives related to the issued warrants. These embedded derivatives included certain and anti-dilutive (reset) provisions. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivatives as of the inception date and to fair value as of each subsequent reporting date.

At December 31, 2016, the fair value of the reset provision related to the embedded derivative liability of $24 was determined using the Binomial Option Pricing model with the following assumptions: dividend yield: 0%; volatility: 232.12%; risk free rate: 1.93%; and expected life: 5.75 years. During the year ended December 31, 2017, the fair value of the reset provision was reduced to $-0-.

The Company recorded a gain on change in derivative liabilities of $24 and $12,185 during the years ended December 31, 2017 and 2016, respectively.

Convertible notes

In fiscal 2016 and prior, the Company issued convertible promissory notes.

These promissory notes were convertible into common stock, at holders' option, at a discount to the market price of the Company's common stock. The Company has identified the embedded derivatives related to these promissory notes relating to certain anti-dilutive (reset) provisions. These embedded derivatives included certain conversion features. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivatives as of the inception date of these notes and to fair value as of each subsequent reporting date.

During the year ended December 31, 2017, the remaining promissory notes were converted or paid off in full settlement.

The fair value of the embedded derivatives at December 31, 2016, in the amount of $297,132, was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 232.12%, (3) weighted average risk-free interest rate of 0.51% to 0.62%, (4) expected lives of 0.19 to 0.72 years, and (5) estimated fair value of the Company's common stock of $0.0019 per share. The Company recorded a gain on change in derivative liabilities of $44,059 during the year ended December 31, 2016.

The fair value of the embedded derivative at note payoff, in the amount of $185,505, was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 247.25%, (3) weighted average risk-free interest rate of 0.87%, (4) expected live of 0.54 years, and (5) estimated fair value of the Company's common stock of $0.0271 per share. The Company reclassified the determined fair value from liability to equity at the time of the payoff.

The Company recorded a loss on change in derivative liabilities of $1,891,229 during the year ended December 31, 2017. The remaining outstanding derivative liability at December 31, 2017 is $-0-

Based upon ASC 840-15-25 (EITF Issue 00-19, paragraph 11) the Company had adopted a sequencing approach regarding the application of ASC 815-40 to its outstanding convertible promissory notes. Pursuant to the sequencing approach, the Company evaluates its contracts based upon earliest issuance date.

NOTE 9 — STOCKHOLDERS' EQUITY

Preferred stock

On August 17, 2012, the Board of Directors designated 5,000,000 shares of preferred stock as Series A Convertible Preferred Stock which was increased to 20,000,000 shares of preferred stock as Series A Convertible Preferred Stock (currently held by Northstar Biotechnology Group, LLC). Each share of preferred stock is convertible into equal number of common shares at the option of the holder; entitled to 20 votes on all matters presented to be voted by the holders of common stock; upon event of liquidation, entitled to amount equal to stated value plus any accrued and unpaid dividends or other fees before distribution to junior securities. In lieu of the initial two payments due to Northstar on April 1, 2013 and October 1, 2013, the parties have determined to modify the voting rights of the Series A Convertible Preferred Stock from 20 votes per share on matters to be voted on by the common stock holders to 25 votes per share on matters to be voted on by the common stock holders (see Note 7).

During the year ended December 31, 2013, the Company issued an aggregate of 20,000,000 shares of Series A Convertible Preferred Stock for principle payment and settlement of forbearance (See Note 7).

On March 6, 2017, the Company issued 20,000,000 shares of its common stock upon conversion of the outstanding 20,000,000 shares of Series A Convertible Preferred stock (see Note 7).

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Common stock

During the year ended December 31, 2017, the Company issued an aggregate of 164,270,878 shares of its common stock for the conversion of $242,427 of promissory notes payable and related accrued interest. Upon conversion of the promissory notes, the Company recorded an adjustment to the derivative liability in the amount of $2,002,857 (see Note 6).

On April 7, 2017, the Company entered into an investment agreement whereby the Company agreed to sell an aggregate of 63,873,275 shares of its common stock for a net purchase price of $5,000,000 ($0.07828 per share). At the execution of the agreement, the Company sold 3,193,664 shares for a purchase price of $250,000 with the remaining sale to be completed within 30 days. The investor has the right to terminate the agreement upon written notice and not complete the purchase. Upon completion of the investment, the investor, or his designee, shall fill one vacancy on the Company's Board of Directors. On May 18, 2017 the Company received notice from the investor terminating the agreement and, as such, no other shares were sold.

On March 1, 2017, the Company issued 11,000,000 shares of common stock in settlement of pending litigation (see note 7).

On March 29, 2017, the Company issued 1,748,947 of common stock in settlement of $50,000 outstanding notes payable and $8,601 of accrued interest.

On April 1, 2017, the Company issued 286,315 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,703 due October 1, 2015 per the forbearance agreement on Northstar note (See Note 7).

On October 2, 2017, the Company issued 559,187 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2015 per the forbearance agreement on Northstar note (See Note 7).

On November 11, 2017, the Company issued 828,281 shares of common stock in exchange for $25,000.

During the year ended December 31, 2017, the Company issued an aggregate of 14,058,588 shares of its common stock in settlement of outstanding accounts payable and accrued expenses. In connection with the issuance, the Company incurred $359,326 net loss in settlement of debt.

During the year ended December 31 2016, the Company issued an aggregate of 102,901,904 shares of its common stock for the conversion of $497,312 of promissory notes payable and related accrued interest. Upon conversion of the notes, the Company recorded an adjustment to the derivative liability in the amount of $689,473 (See Note 14).

During the year ended December 31, 2016, the Company purchased 10,250 shares of the Company's common stock in the open market at an average cost of $0.76 per share.

During the year ended December 31, 2016, the Company returned and canceled 95,461 shares of the Company's common stock previously purchased (treasury shares) at an average cost of $2.41 per share.

On February 12, 2016, the Company issued 14,606 shares of its common stock in settlement of $10,000 of the outstanding advances due. In connection with the settlement, the Company realized a net gain on settlement of debt of $3,427 (See Note 7).

On April 7, 2016, the Company issued 57,778 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2015 per the forbearance agreement on Northstar note (See Note 7).

On October 6, 2016, the Company issued 848,490 shares of its common stock in lieu of payment in cash of accrued and unpaid interest of $12,705 due October 1, 2015 per the forbearance agreement on Northstar note (See Note 7).

During the year ended December 31, 2016, the Company issued an aggregate of 1,558,026 shares of its common stock in settlement of outstanding accounts payable and accrued expenses. In connection with the issuance, the Company incurred $138,976 net gain in settlement of debt.

During the year ended December 31, 2016, the Company issued 19,913,708 shares of common stock for $60,000.

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NOTE 10 — STOCK OPTIONS AND WARRANTS

Stock Options

In December 1999, the Board of Directors and shareholders adopted the 1999 Officers and Employees Stock Option Plan, or the Employee Plan, and the 1999 Directors and Consultants Stock Option Plan, or the Director Plan. The Employee Plan and the Director Plan are collectively referred to herein as the "Plans" The Plans are administered by the Board of Directors and the Compensation Committee. The objectives of the Plans include attracting and retaining key personnel by encouraging stock ownership in the Company by such persons. In February 2010, the Directors & Consultants Plan was amended to extend the termination date of the Plan to December 1, 2011.

On April 1, 2013, the Board of Directors approved, subject to subsequently received shareholder approval, the establishment of the Bioheart 2013 Omnibus Equity Compensation Plan, or the "2013 Omnibus Plan". The 2013 Omnibus Plan initially reserved up to fifty thousand (50,000) shares of common stock for issuance. On August 4, 2014, the Board of Directors approved to set the reserve to one hundred thousand (100,000) shares of common stock for issuance and to close the 1999 Officers and Employees Stock Option Plan. On February 2, 2015, at the annual meeting of shareholders, the majority of shareholders approved the 2013 Omnibus Equity Compensation Plan. On November 2, 2015, the Board of Directors approved the increase of the reserve under the 2013 Omnibus Plan to five hundred million (500,000,000) shares of common stock for issuance, effective September 16, 2016, approved an addition of twenty five million (25,000,000) shares of common stock to the reserve, effective April 21, 2017, approved an addition of twenty five million (25,000,000) shares of common stock to the reserve and effective August 7, 2017, approved an addition of thirty million (30,000,000) shares of common stock to the reserve.

A summary of options at December 31, 2017 and activity during the two years then ended is presented below:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)
Options outstanding at January 1, 2016	555,820	$ 6.43	9.6
Granted	23,000,000	$ 0.02	10.0
Exercised	—		
Forfeited/Expired	(43)	$ 1,960.39	
Options outstanding at December 31, 2016	23,555,777	$ 0.03	9.7
Granted	48,075,000	$ 0.025	10.0
Exercised	—		
Forfeited/Expired	(14)	$ 0.15	
Options outstanding at December 31, 2017	71,630,763	$ 0.028	9.2
Options exercisable at December 31, 2017	20,309,378	$ 0.041	9.0
Available for grant at December 31, 2017	16,408,070		

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The following information applies to options outstanding and exercisable at December 31, 2017:

Exercise Price	Number Outstanding	Option Outstanding Options Average Remaining Contractual Life (years)	Weighted Average Exercise price	Number Exercisable	Options Exercisable Weighted Average Exercise price
$ 0.0043	16,200,000	9.11	$ 0.0043	-	$ -
0.0196	22,850,000	8.72	0.0196	11,600,000	0.0196
0.03626	31,865,000	9.61	0.03626	8,125,000	0.03626
0.03680	10,000	9.61	0.03680	-	0.03680
0.15402	705,398	7.74	0.15402	584,050	0.15402
19.32	150	6.85	19.32	113	19.32
70.00	100	3.66	70.00	100	70.00
210.00	40	3.62	210.00	40	210.00
680.00	40	2.11	680.00	40	680.00
5,250.00	35	0.30	5,250.00	35	5,250.00
Total	71,630,763	9.19	$ 0.03	20,309,378	$ 0.04

The aggregate intrinsic value of the issued and exercisable options of $314,930 and $109,040, respectively, represents the total pretax intrinsic value, based on options with an exercise price less than the Company's stock price of $0.029 as of December 31, 2017, which would have been received by the option holders had those option holders exercised their options as of that date.

On February 6, 2017, the Company granted an aggregate 16,200,000 options to purchase the Company's common stock at $0.0043 per share to key employees, vesting over 4 years, at grant date anniversary and exercisable over 10 years. The aggregate fair value of $53,271, determined using the Black Scholes option pricing model with the following assumptions: Dividend yield: 0%; Volatility: 235.22% and Risk free rate: 1.86%.

On August 7, 2017, the Company granted an aggregate 23,750,000 options to purchase the Company's common stock from $0.03626 to $0.0368 per share to key employees, vesting over 4 years, at grant date anniversary and exercisable over 10 years. The aggregate fair value of $860,211, determined using the Black Scholes option pricing model with the following assumptions: Dividend yield: 0%; Volatility: 259.16% and Risk free rate: 1.81%.

On August 7, 2017, the Company granted an aggregate 8,125,000 options to purchase the Company's common stock at $0.03626 per share to members of the Board of Directors, vesting immediately and exercisable over 10 years. The aggregate fair value of $293,545, determined using the Black Scholes option pricing model with the following assumptions: Dividend yield: 0%; Volatility: 259.16% and Risk free rate: 1.81%.

On April 18, 2016, the Company granted an aggregate 150,000 options to purchase the Company's common stock at $0.15402 per share to key employees, vesting over 4 years, at grant date anniversary and exercisable over 10 years. The aggregate fair value of $10,928, determined using the Black Scholes option pricing model with the following assumptions: Dividend yield: 0%; Volatility: 184.48% and Risk free rate: 1.54%.

On April 18, 2016, the Company re-priced an aggregate of 555,433 previously issued options with exercise prices from $1.71 to $7,688.83 per share to $0.15402 per share. All other terms and conditions were unchanged. The aggregate change in fair value of $934, determined using the Black Scholes option pricing model with the following assumptions: Dividend yield: 0%; Volatility: 184.48% and Risk free rate: 0.22% to 1.78%, was charged to current period operations.

On September 19, 2016, the Company granted an aggregate 22,850,000 options to purchase the Company's common stock at $0.0196 per share to officers, directors and key employees with 15,000,000 vesting over 4 years, at grant date anniversary and 7,850,000 vesting immediately; for a term of 10 years. The aggregate fair value of $347,706, determined using the Black Scholes option pricing model with the following assumptions: Dividend yield: 0%; Volatility: 213.30% and Risk free rate: 1.22%.

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The fair value of all options vesting during the year ended December 31, 2017 and 2016 of $645,483 and $410,385, respectively, was charged to current period operations.

As of December 31, 2017, the Company had approximately $1,000,017 of total unrecognized compensation cost related to non-vested awards granted under the 2013 Omnibus Plan, which the Company expects to recognize over a weighted average period of 1.81 years.

Warrants

A summary of common stock purchase warrants at December 31, 2017 and activity during the two years ended December 31, 2017 is presented below:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)
Outstanding at January 1, 2016	139,367	$ 182.26	6.3
Issued	-		
Exercised	-		
Expired	(222)	$ 5,966.40	
Outstanding at December 31, 2016	139,145	$ 173.03	5.5
Issued	-		
Exercised	-		
Expired	(5,554)	$ 1,297.98	
Outstanding at December 31, 2017	133,591	$ 126.26	4.7
Exercisable at December 31, 2017	132,046	$ 37.76	4.6

The following information applies to common stock purchase warrants outstanding and exercisable at December 31, 2017:

	Warrants Outstanding			Warrants Exercisable	
	Shares	Weighted-Average Remaining Contractual Term	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
$ 0.01 – $20.00	94,108	5.0	$ 15.54	94,108	$ 15.54
$ 20.01 – $30.00	27,543	4.4	$ 24.08	28,743	$ 24.08
$ 40.01 - $50.00	6,253	1.9	$ 48.36	6,253	$ 48.36
$ 50.01 – $60.00	543	3.6	$ 60.00	543	$ 60.00
$ > $60.00	5,144	3.8	$ 2,800.69	3,599	$ 701.78
	133,591	4.7	$ 126.26	132,046	$ 37.76

The aggregate intrinsic value of the issued and exercisable warrants of $-0- represents the total pretax intrinsic value, based on warrants with an exercise price less than the Company's stock price of $0.029 as of December 31, 2017, which would have been received by the warrant holders had those warrants holders exercised their warrants as of that date.

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NOTE 11 — COMMITMENTS AND CONTINGENCIES

Operating Leases

On February 4, 2016, the Company amended its facility lease to extend the term of the lease until August 31, 2019. Approximate annual future minimum lease obligations under non-cancelable operating lease agreements as of December 31, 2017 are as follows:

Period ending December 31,		
2018		87,674
2019		58,448
Total	$	146,122

Employment agreements

On August 7, 2017, the Company's Board of Directors approved the 2017/2018 salary for Mike Tomas, Chief Executive Officer, from $500,000 to $625,000 per year, beginning July 1, 2017 with an incentive bonus ranging from $150,000 to $500,000. In addition, the Board of Directors approved a bonus of $500,000 and options to acquire 15,000,000 shares of the Company's common stock for ten years with four year vesting and a cashless exercise provision at an exercise price equal to the five day average closing price of the Company's common stock as of August 7, 2017. The cash bonus may be paid in the form a six month promissory note bearing interest at 5% per annum. On September 6, 2016, the Company's Board of Directors approved a cash bonus of $500,000 that will accrue interest at 5% per annum until paid. In addition, the Company granted Mr. Tomas 10,000,000 options to acquire the Company's stock with an exercise price of $0.0196, vesting over four years on the anniversary and expiring ten years from the date of issuance.

On August 7, 2017, the Company's Board of Directors approved the 2017/2018 salary for Kristin Comella, Chief Scientific Officer, from $250,000 to $325,000 per year, beginning July 1, 2017 with an incentive bonus ranging from $100,000 to $300,000. In addition, the Board of Directors approved a bonus of $300,000 and options to acquire 7,500,000 shares of the Company's common stock for ten years with four year vesting and a cashless exercise provision at an exercise price equal to the five day average closing price of the Company's common stock as of August 7, 2017. The cash bonus may be paid in the form a six month promissory note. On September 6, 2016, the Company's Board of Directors approved a cash bonus of $300,000 that will accrue interest at 5% per annum until paid. In addition, the Company granted Ms. Comella 5,000,000 options to acquire the Company's stock with an exercise price of $0.0196, vesting over four years on the anniversary and expiring ten years from the date of issuance.

Royalty Agreement / Middle East

On November 9, 2016, the Company entered into an Intellectual Property License Agreement whereby the Company granted High Rise Group Company the exclusive right to the Company's intellectual property (as defined) for the licensed use and development in Kuwait and other GCC/Middle East countries for 25 years in exchange for a payment of $75,000 and a 5% royalty generated under the agreement. The licensing agreement is recorded as deferred revenue and amortized over the term of the agreement. The carrying balance as of December 31, 2017 and 2016 was $71,500 and $74,500, respectively.

The intent is for U.S. Stem Cell Middle East to offer regenerative treatment options to patients, based on U.S. Stem Cell, Inc. products and technologies like MyoCell. To date, the first clinic in Kuwait City has been completed but has not begun operations as High Rising Group has not yet been able to secure regulatory approvals to operate.

Litigation

On August 30, 2016, Northstar Biotech Group, LLC filed suit against the Company seeking a declaratory judgment as to whether its 20,000,000 Series A Preferred Shares were the subject of the Company's reverse stock split effective November 4, 2015. On March 1, 2017, Northstar and the Company entered into a settlement agreement related to this dispute (the "Settlement Agreement"). Pursuant to the terms and conditions of the Settlement Agreement, Northstar, previously a holder of Company preferred stock, has converted such preferred stock to twenty million (20,000,000) shares of common stock. In addition, and separate and apart from the conversion, Northstar received Eleven Million (11,000,000) shares of common stock. Northstar will receive ten percent (10%) of all Company international sales (based on a gross sales basis). Furthermore, a Northstar designee, Greg Knutson, was appointed to the Board of Directors of the Company and two Company directors, Michael Tomas and Kristin Comella, will each exercise their prior Northstar options to each receive a Five percent (5%) Member Interest in Northstar. The parties agreed to a mutual release and Northstar agreed to terminate any UCC lien on the Company assets previously filed for the benefit of Northstar.

On December 12, 2017, a product liability lawsuit was filed in Broward County, specifically Jeannine Mallard v. U.S. Stem Cell, Inc., US Stem Cell Clinics LLC., Regenestem, LLC., Regenestem Network, LLC., and Kristin C. Comella. The Company believes the lawsuit is without merit and will defend it vigorously.

On September 17, 2015, a product liability lawsuit was filed in Broward County, specifically Patsy Bade v. Bioheart, Inc. US Stem Cell Clinics LLC, Aleiandro Perez, ARNP, and Shareen Greenbaum, M.D., and on November 30, 2015, a product liability lawsuit was filed in Broward County, specifically Elizabeth Noble v. Bioheart, Inc. US Stem Cell Clinics LLC, Aleiandro Perez, ARNP, and Shareen Greenbaum, M.D. During the year ended December 31, 2016, both matters settled by the Company's insurance policy with no additional cost to the Company, excluding the Company payment of the $100,000 insurance company deductible of which $11,000 was paid in fiscal 2017. As a result of the final settlement and determination of insurance coverage, the Company recognized $100,000 of expense due to litigation for the year ended December 31, 2017, of which $89,000 is included in accrued expenses at December 31, 2017.

The Company is subject at times to other legal proceedings and claims, which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its financial position, results of operations or liquidity. There was no outstanding litigation as of December 31, 2017 other then described above.

SEC Inquiry

On or about March 1, 2018, the U.S. Securities and Exchange Commission ("Commission"), Miami Regional Office ("Commission Staff"), served a subpoena upon U.S. Stem Cell, Inc., which seeks production of certain documents and communications. This investigation is neither an allegation of wrongdoing nor a finding that any violation of law has occurred. The Company is cooperating with the Commission Staff and has provided, and will continue to provide, information and documents to the Commission Staff.

At this juncture, the Company is not able to predict the duration, scope, results, or consequences of the Commission Staff's investigation. There can be no assurance that this inquiry will be resolved in a manner that is not adverse to the Company.

NOTE 12 — FAIR VALUE MEASUREMENT

The Company adopted the provisions of Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") on January 1, 2008. ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

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

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

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

All items required to be recorded or measured on a recurring basis are based upon level 3 inputs.

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

Upon adoption of ASC 825-10, there was no cumulative effect adjustment to beginning retained earnings and no impact on the financial statements.

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The carrying value of the Company’s cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings (including convertible notes payable), and other current assets and liabilities approximate fair value because of their short-term maturity.

As of December 31, 2017 and 2016, the Company did not have any items that would be classified as level 1 or 2 disclosures.

The Company recognizes its derivative liabilities as level 3 and values its derivatives using the methods discussed in note 8. While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The primary assumptions that would significantly affect the fair values using the methods discussed in Notes 6 and 8 are that of volatility and market price of the underlying common stock of the Company.

As of December 31, 2017 and 2016, the Company did not have any derivative instruments that were designated as hedges.

The following table provides a summary of changes in fair value of the Company’s Level 3 financial liabilities as of December 31, 2017:

	Warrant Liability	Debt Derivative
Balance, January 1, 2016	$ 12,209	$ 411,718
Total (gains) losses		
Initial fair value of debt derivative at note issuance	—	618,946
Mark-to-market at December 31, 2016:	(12,185)	(44,059)
Transfers out of Level 3 upon conversion and settlement of notes	—	(689,473)
Balance, December 31, 2016	24	297,132
Total (gains) losses		
Transfers out of Level 3 upon conversion or payoff of notes payable	—	(2,188,361)
Mark-to-market at December 31, 2017:	(24)	1,891,229
Balance, December 31, 2017	$ -	$ -
Net gain (loss) for the period included in earnings relating to the liabilities held at December 31, 2017	$ 24	$ (1,891,229)

Fluctuations in the Company’s stock price are a primary driver for the changes in the derivative valuations during each reporting period. The Company’s stock increased approximately 942% from December 31, 2016 to March 8, 2017 (final conversion of convertible notes). As the stock price increases for each of the related derivative instruments, the value to the holder of the instrument generally increases. Stock price is one of the significant unobservable inputs used in the fair value measurement of each of the Company’s derivative instruments.

The estimated fair value of these liabilities is sensitive to changes in the Company’s expected volatility. Increases in expected volatility would generally result in a higher fair value measurement.

NOTE 13 — INCOME TAXES

The Company follows Accounting Standards Codification subtopic 740, Income Taxes (“ASC 740”) which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under such method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse.

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The difference between income tax expense computed by applying the federal statutory corporate tax rate and actual income tax expense is as follows:

	2017	2016
Income taxes using U.S. federal statutory rate	$ (1,183,707)	$ (703,931)
State income taxes, net of federal benefit	(748,740)	(76,227)
Return to Provision adjustments	-	4,499
Nontaxable Gain/Loss on Derivative Instrument	643,010	(19,123)
Change in Valuation Allowance	(13,387,737)	790,174)
Other	2,185	4,608
Federal rate change – Tax Cuts and Jobs Act	14,674,989	-
	$ -	$ -

At December 31, 2017, the significant components of the deferred tax assets (liabilities) are summarized below:

	2017	2016
Deferred tax assets:		
Stock Based Compensation	$ 3,701,469	$ 5,253,166
Deferred Compensation	415,469	-
Net Operating Losses	24,502,969	36,939,801
Other	229,730	44,407
Total deferred tax assets	28,849,637	42,237,374
Deferred tax liabilities:		
Total deferred tax liabilities	-	-
Valuation allowance	28,849,637	42,237,374
Net deferred tax assets	$ -	$ –

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the “Act”). The Act, which is also commonly referred to as “U.S. tax reform”, significantly changes U.S. corporate income tax laws by, among other provisions, reducing the maximum U.S. corporate income tax rate from 35% to 21% starting in 2018. During the year ending December 31, 2017, the Company reduced deferred tax assets by $14.7 million, offset by a corresponding reduction to its valuation allowance, as a result of the re-measurement of deferred tax assets and liabilities from its 34% effective rate under existing law to the new lower statutory rate of 21%.

On December, 22, 2017, SAB 118 was issued due to the complexities involved in accounting for the recently enacted Tax Act. SAB 118 requires the company to include in its financial statements a reasonable estimate of the impact of the Tax Act on earnings to the extent such estimate has been determined. Accordingly, the U.S. provision for income tax for 2017 is based on the reasonable estimate guidance provided by SAB 118. The company is continuing to assess the impact from the Tax Act and will record adjustments in 2018 if necessary.

As of December 31, 2017 and December 31, 2016, the Company had U.S. federal net operating loss carryforwards of approximately $96.7 million and $98.2 million, respectively, which expire at various dates from 2019 through 2037. These net operating loss carryforwards may be used to offset future taxable income and thereby reduce the Company’s U.S. federal income taxes. Section 382 of the Internal Revenue Code of 1986 (the “Code”) imposes an annual limit on the ability of a corporation that undergoes a greater than 50% ownership change to use its net operating loss carry forwards to reduce its tax liability. If in the future the Company issues common stock or additional equity instruments convertible in common shares which result in an ownership change exceeding the 50% limitation threshold imposed by section 382 of the Code, the Company’s net operating loss carryforwards may be significantly limited as to the amount of use in a particular years. In addition, all or a portion of the Company’s net operating loss carryforwards may expire unutilized. As of December 31, 2017 and December 31, 2016, the Company had net operating loss carryforwards for state income tax purposes of approximately $96.7 million and $98.2 million, respectively, which expire at various dates from 2019 through 2037.

The Company has provided a full valuation allowance against its net deferred tax assets, since in the opinion of management based upon the earnings history of the Company; it is more likely than not that the benefits of these assets will not be realized.

The Company complies with the provisions of FASB ASC 740-10 in accounting for its uncertain tax positions. ASC 740-10 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740-10, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely that not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management has determined that the Company has no significant uncertain tax positions requiring recognition under ASC 740-10.

The Company is subject to income tax in the U.S., and certain state jurisdictions. The Company has not been audited by the U.S. Internal Revenue Service, or any states in connection with income taxes. The Company's tax years generally remain open to examination for all federal and state tax matters until its net operating loss carryforwards are utilized and the applicable statutes of limitation have expired. The federal and state tax authorities can generally reduce a net operating loss (but not create taxable income) for a period outside the statute of limitations in order to determine the correct amount of net operating loss which may be allowed as a deduction against income for a period within the statute of limitations.

The Company recognizes interest and penalties related to unrecognized tax benefits, if incurred, as a component of income tax expense.

NOTE 14 — SUBSEQUENT EVENTS

Adoption of Accounting Standards

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09 "Revenue from Contracts with Customers" to supersede previous revenue recognition guidance under current U.S. GAAP. The guidance presents a single five-step model for comprehensive revenue recognition that requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Two options are available for implementation of the standard which is either the retrospective approach or cumulative effect adjustment approach. The guidance becomes effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, with early adoption permitted.

The Company has determined that the adoption of ASU-2014-09 will not have a material impact on its financial statements.

Common stock issuances

In January 2018, the Company issued an aggregate of 7,077,783 shares of common stock for services rendered. In addition, from January through March 1, 2018, the Company sold an aggregate of 9,395,067 shares of its common stock for net proceeds of $253,000.

Clinics

On January 30, 2018, Greg Knutson, a director of the Company ("Knutson") and the Company agreed to open and operate a regenerative medicine/cell therapy clinic providing cellular treatments for patients afflicted with neurological, autoimmune, orthopedic and degenerative diseases in Florida. To that end, U.S. Stem Cell Clinic of The Villages LLC (the "LLC") was formed January 30, 2018. Knutson provided the Company with the sum of Three Hundred Thousand Dollars ($300,000) (the "Investment") to be utilized for the formation and initial operation of the LLC. Currently, Knutson holds a 51% Member Interest in the LLC and the Company holds a 49% Member Interest. The Company will provide operating assistance as well as management services, the latter to be compensated at fee of five percent (5%) of the net revenues.

Financing

On January 2, 2018, the Company entered into a revenue based factoring agreement and received an aggregate of $140,000 (less origination fees of $2,800) in exchange for $187,600 of future receipts relating to monies collected from customers or other third party payors. Under the terms of the factoring agreement, the Company is required to make daily payments equal to $1,276 for 147 business days. The Company received net proceeds of $47,907 along with cancellation of the previous revenue based factoring agreement issued in September 12 2017.

Exhibit 31.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mike Tomas, certify that:

1. I have reviewed this Annual Report on Form 10-K/A for the year ended December 31, 2017, of U.S. Stem Cell, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mike Tomas

Mike Tomas
Chief Executive Officer and President and Principal Financial and Accounting Officer

Date: April 26, 2018

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of U.S. Stem Cell, Inc. (the "Company") on Form 10-K/A for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mike Tomas, Chief Executive Officer and President And Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

/s/ Mike Tomas
Mike Tomas
Chief Executive Officer and President
And Principal Financial and Accounting Officer
April 26, 2018