

MEDISTEM LABORATORIES, INC.
Form 10QSB/A
January 19, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB/A

(Amendment No. 1)

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended: September 30, 2005

Or

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 333-100137

MEDISTEM LABORATORIES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of incorporation
or organization)

86-1047317
(I.R.S. Employer Identification No.)

2027 E. Cedar St.

Tempe, AZ
(Address of principal executive offices)

85281
(Zip Code)

(954) 727-3662
(Issuer's telephone number)

SGC Holdings, Inc.

15911 E. Sunburst Dr.

Fountain Hills, AZ 85268
(Former name, former address and former fiscal year, if changed since last report)

Edgar Filing: MEDISTEM LABORATORIES, INC. - Form 10QSB/A

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

Yes No

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 81,600,000

Transitional Small Business Disclosure Format (Check one): Yes No

<R>

Explanatory Note

We are filing this Amendment No. 1 to our Quarterly Report on Form 10-QSB for the quarterly period ended September 30, 2005 for the purpose of conforming the Form 10-QSB to the SEC's current Form, to make certain nonmaterial changes to the disclosure, to file Exhibit 10.1 and refile Exhibit 31.

</R>

MEDISTEM LABORATORIES, INC.

(Formerly SGC Holdings, Inc. and Subsidiary)

(A Development Stage Company)

Table of Contents

<u>PART I FINANCIAL INFORMATION</u>	1
<u>Unaudited Financial Statements</u>	1
<u>Item 1. Financial Statements.</u>	1
<u>Consolidated Balance Sheet</u>	2
<u>Consolidated Statements of Operations</u>	3
<u>Consolidated Statements of Cash Flows</u>	4
<u>Notes</u>	5
<u>Item 2. Management's Discussion and Analysis or Plan of Operation</u>	7
<u>Item 3. Controls and Procedures</u>	8
<u>PART II OTHER INFORMATION</u>	9
<u>Item 1. Legal Proceedings</u>	9
<u>Item 5. Other Information.</u>	9
<u>Item 6. Exhibits and Reports on Form 8-K</u>	9
<u>SIGNATURES</u>	10

PART I FINANCIAL INFORMATION

Unaudited Financial Statements

Item 1. Financial Statements.

1

Medistem Laboratories, Inc.

Formerly SGC Holdings, Inc. and Subsidiary)

(a Development Stage Company)

Consolidated Balance Sheet

(unaudited)

	September 30, 2005
<hr/>	
Assets	
Current assets:	
Cash	\$
Total current assets	\$
 Liabilities and Stockholders Equity	
Current liabilities:	\$ <hr style="display: inline-block; width: 100px; vertical-align: middle;"/>
 Stockholders' equity:	
Common stock, \$0.001 par value, 100,000,00 shares authorized, 81,600,000 shares issued and outstanding	8,160
Additional paid-in capital	30,440
(Deficit) accumulated during development stage	(38,600)
	<hr style="display: inline-block; width: 100px; vertical-align: middle;"/>
	<hr style="display: inline-block; width: 100px; vertical-align: middle;"/>
	\$

The accompanying notes are an integral part of these financial statements.

Medistem Laboratories, Inc.**(Formerly SGC Holdings, Inc. and Subsidiary)**

(a Development Stage Company)

Consolidated Statements of Operations**(unaudited)**

	Three Months Ended September 30, 2005		Nine Months Ended September 30, 2005		December 5, 2001 (Inception) to September 30, 2005
	2005	2004	2005	2004	
Revenue	\$	\$	\$3,060	\$	\$3,060
Operating expenses:					
General and administrative expenses	714	2,898	4,311	9,942	40,013
General and administrative expenses - related party					1,500
Total expenses	714	2,898	4,311	9,942	41,513
(Loss) before provision for income taxes	(714)	(2,898)	(1,251)	(9,942)	(38,453)
Provision for income taxes			(45)	(45)	(147)
Net (loss)	\$(714)	\$(2,898)	\$(1,296)	\$(9,987)	\$(38,600)
Weighted average number of common shares outstanding - basic and fully diluted	81,600,000	81,600,000	81,600,000	81,600,000	
Net (loss) per share - basic and fully diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	

The accompanying notes are an integral part of these financial statements.

Medistem Laboratories, Inc.**(Formerly SGC Holdings, Inc. and Subsidiary)**

(a Development Stage Company)

Consolidated Statements of Cash Flows**(unaudited)**

	Nine Months Ended September 30, 2005	2004	December 5, 2001 (Inception) to September 30, 2005
Cash flows from operating activities			
Net (loss)	\$ (1,296)	\$ (9,987)	\$ (38,600)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:			
Shares issued for services	-	-	1,500
Changes in operating assets and liabilities: (Decrease) increase in accounts payable	-	(36)	-
Net cash (used) by operating activities	<u>(1,296)</u>	<u>(10,023)</u>	<u>(37,100)</u>
Cash flows from financing activities			
Additional paid in capital	600	-	600
Issuances of common stock	-	-	36,500
Net cash provided by financing activities	<u>600</u>	<u>-</u>	<u>37,100</u>
Net (decrease) in cash	(696)	(10,023)	-
Cash beginning	696	12,931	-
Cash ending	<u>\$ -</u>	<u>\$ 2,908</u>	<u>\$ -</u>
Supplemental disclosures			
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 147</u>
Non cash transactions:			
Shares issued for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>
Number of shares issued for services	<u>-</u>	<u>-</u>	<u>1,500,000</u>

The accompanying notes are an integral part of these financial statements.

4

Medistem Laboratories, Inc.

(Formerly SGC Holdings, Inc. and Subsidiary)

(a Development Stage Company)

Notes

Note 1 Basis of presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission (Commission). While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto, which are included in the Company's Annual Report on Form 10-KSB previously filed with the Commission on March 10, 2005, and subsequent amendments made thereto.

The interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2004 and notes thereto included in the Company's Form 10-KSB. The Company follows the same accounting policies in the preparation of interim reports.

Results of operations for the interim periods are not indicative of annual results.

Note 2 Going concern

The accompanying financial statements have been prepared assuming the Company wi