

INDEX - PART I - - FINANCIAL INFORMATION

Item 1. Financial Statements	Page
Condensed Consolidated Balance Sheet as of March 31, 2009 (unaudited) and December 31, 2008 (Derived from audited financial statements)	4
Condensed Consolidated Statements of Operations for the three months ended March 31, 2009 (unaudited) and March 31, 2008 (unaudited)	5
Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2009 (unaudited) and March 31, 2008 (unaudited)	6
Notes to Condensed Consolidated Financial Statements (unaudited)	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	
Overview	13
Results of Operations	15
Liquidity and Capital Resources	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk	17
Item 4. Controls & Procedures	18

PART II - OTHER INFORMATION

Item 1. Legal Proceedings	19
Item 1A Risk Factors	19
Item 2. Unregistered Sale of Equity Securities and Use of Proceeds	19
Item 3. Defaults Upon Senior Securities	22
Item 4. Submission of Matters to a Vote of Security Holders	22
Item 5. Other Information	22
Item 6. Exhibits	22

PART 1. FINANCIAL INFORMATION**ITEM 1.****FINANCIAL STATEMENTS**

The consolidated financial statements included herein have been prepared by BioMedical Technology Solutions Holdings, Inc., a Colorado corporation (the Company), pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such SEC rules and regulations. In the opinion of management of the Company the accompanying statements contain all adjustments necessary to present fairly the financial position of the Company as of March 31, 2009 and December 31, 2008, and its results of operations for the three month periods ended March 31, 2009 and 2008. The results for these interim periods are not necessarily indicative of the results for the entire year.

BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC.

Consolidated Balance Sheets

March 31, 2009 and December 31, 2008

Assets	<u>3/31/2009</u> (unaudited)	<u>12/31/2008</u> (derived from audited financial statements)
Current assets:		
Cash	\$ 7,451	\$ 29,287
Accounts receivable, net of allowance for doubtful accounts	404,496	259,265
Inventory	417,222	410,516
Prepaid expenses	<u>59,210</u>	<u>90,656</u>
Total current assets	888,379	789,724
Property and equipment, net of accumulated depreciation	69,295	62,508
Intangible assets, net of accumulated amortization	338,442	340,495
Land held for development or sale	615,000	615,000
Note receivable	0	146,000
Deposits	<u>5,000</u>	<u>5,000</u>
	<u>\$ 1,916,116</u>	<u>\$ 1,958,727</u>
Liabilities and shareholders' equity		
Current liabilities:		
Notes payable	\$ 278,485	\$ 217,972
Accounts payable	391,211	335,777
Accrued payroll and other liabilities	141,300	67,208
Deferred income	<u>36,750</u>	<u>35,116</u>
Total current liabilities	<u>847,746</u>	<u>656,073</u>
Long- term debt	471,495	471,495
Shareholders' equity:		
Preferred Stock, \$.001 par value, 10,000,000 shares authorized Series A Convertible Preferred Stock, \$.001 par value 10,000,000 shares authorized, 80,000 shares issued and outstanding at March 31, 2009, net of expenses	71,168	-
Common stock, \$.001 par value 100,000,000 shares authorized, 27,702,181 shares issued and outstanding at March 31, 2009 and December 31, 2008.	27,702	27,702
Additional paid in capital	4,833,074	4,810,660
Accumulated deficit	<u>(4,335,069)</u>	<u>(4,007,203)</u>
	596,875	831,159
	<u>\$ 1,916,116</u>	<u>\$ 1,958,727</u>

See accompanying notes to consolidated financial statements.

BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC.

Consolidated Statements of Operations
 Quarter ended March 31, 2009 and 2008

	March 31	
	<u>2009</u>	<u>2008</u>
	(unaudited)	(unaudited)
Net sales	\$ 359,305	\$ 139,654
Cost of sales	<u>142,375</u>	<u>52,256</u>
Gross profit	216,930	87,398
Other costs and expenses:		
Selling, general and administrative	470,706	399,457
Research and development expenses	<u>70,565</u>	<u>17,102</u>
Total operating expenses	<u>541,271</u>	<u>416,559</u>
Loss before non- operating income and expense and income taxes	(324,341)	(329,161)
Other income and (expense):		
Non- operating income	-	-
Other Income	6,376	177
Interest expense	<u>(9,901)</u>	<u>(4,979)</u>
	<u>(3,525)</u>	<u>(4,802)</u>
Net loss before income taxes	(327,866)	(333,963)
Income tax provision	<u>-</u>	<u>-</u>
Net loss	<u>\$ (327,866)</u>	<u>\$ (333,963)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding	<u>27,702,181</u>	<u>25,935,552</u>

See accompanying notes to consolidated financial statements.

BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC.

Consolidated Statements of Cash Flows

Quarter ended March 31, 2009 and 2008

	March 31	
	<u>2009</u>	<u>2008</u>
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Net cash (used in)		
operating activities	\$(124,663)	(232,910)
Cash flows from investing activities:		
Increase in intangible assets	(12,580)	(7,230)
Acquisition of property and equipment	<u>(16,274)</u>	<u>(11,835)</u>
Net cash (used in)		
investing activities	<u>(28,854)</u>	<u>(19,065)</u>
Cash flows from financing activities:		
Proceeds from sale of Series A Convertible Preferred Stock, net	71,168	-
Proceeds from sale of Common Stock		100,000
Proceeds from notes payable	75,000	130,000
Repayment of notes payable	<u>(14,487)</u>	<u>-</u>
Net cash provided by		
financing activities	<u>131,681</u>	<u>230,000</u>
Increase (decrease) in cash	(21,836)	(21,975)
Cash and cash equivalents,		
beginning of period	<u>29,287</u>	<u>52,831</u>
Cash and cash equivalents,		
end of period	<u>\$ 7,451</u>	<u>\$ 30,856</u>

See accompanying notes to consolidated financial statements.

**BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC., AND SUBSIDIARIES NOTES TO
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

Note 1- Basis of Presentation of Interim Period

On August 21, 2008, CET Services, Inc. (CET) completed a reverse merger with Biomedical Technology Solutions, Inc. (BMTS) whereby CET issued 8.72 new shares of common stock for each surrendered share of BMTS common stock. Commensurate with the merger, CET was reincorporated as Biomedical Technology Solutions Holdings, Inc. (Holdings). Holdings declared a one share for three share reverse stock split effective as of the merger date. Since the shareholder interests of BMTS received approximately 94% of the voting interest in Holdings, BMTS is deemed to be the acquirer for accounting purposes. Accordingly, the financial statements presented herewith are those of BMTS on an historical basis and include the accounts and operations of CET from the merger date. All share and per share information included herein gives effect to the merger and reverse stock split.

Unless the context requires otherwise, "we," "us" or "our" refers to Biomedical Technology Solutions Holdings, Inc. and its subsidiaries on a consolidated basis. The Company's subsidiaries include BioMedical Technology Solutions, Inc ("BMTS"), BMTS Properties, Inc., Healthcare Sales Professionals, Inc. ("HCSP") and BMTS Leasing, LLC. The effects of all inter- company transactions and account balances have been eliminated in the consolidation of the companies included in these financial statements. All share and per share information included herein have been restated to reflect the effects of the merger transaction and the reverse stock split.

The accompanying financial statements of the Company at March 31, 2009 (unaudited) and December 31, 2008 (audited) have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial statements, instructions to Form 10- Q, and Regulation S- X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These condensed financial statements should be read in conjunction with the financial statements and notes thereto included in a Current Report on Form 8- K/A and 10- K previously filed with the US Securities and Exchange Commission. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation to make the Company's financial statements not misleading have been included. The results of operations presented for the period ended March 31, 2009 are not necessarily indicative of the results to be expected for the full year. The December 31, 2008 balance sheet has been derived from the Company's audited financial statements included in the aforementioned Form 10- K.

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC., AND SUBSIDIARIES NOTES TO
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Fair Value of Financial Instruments:

We value our financial instruments as required by Statement of Financial Accounting Standard (SFAS) No. 107, "*Disclosures about Fair Value of Financial Instruments*". The estimated fair value amounts have been determined by the Company, using available market information and appropriate valuation methodologies. The estimates presented herein are not necessarily indicative of amounts that the Company could realize in a current market exchange.

Our financial instruments primarily consist of cash and cash equivalents, accounts receivable, prepayments and deposits, short- term note payable, other payables and accrued liabilities.

As of the balance sheet date, the estimated fair values of the financial instruments were not materially different from their carrying values as presented due to the short term maturities of these instruments and that the interest rates on the borrowings approximate those that would have been available for loans of similar remaining maturity and risk profile at respective period ends.

Recent Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("SFAS No. 141R"). SFAS No. 141R will change the accounting for business combinations. Under SFAS No. 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition- date fair value with limited exceptions. SFAS No. 141R will change the accounting treatment and disclosure for certain specific items in a business combination. SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Accordingly, any business combinations the Company engages in will be recorded and disclosed following existing GAAP until January 1, 2009. The Company expects SFAS No. 141R will have an impact on accounting for business combinations once adopted but the effect is dependent upon acquisitions at that time. The Company has not determined the impact on its financial statements of this accounting standard.

Also in June 2008, the FASB ratified EITF No. 07- 5, "Determining Whether an Instrument (or an Embedded Feature) is Indexed to an Entity's Own Stock" ("EITF 07- 5"). EITF 07- 5 provides that an entity should use a two- step approach to evaluate whether an equity- linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. EITF 07- 5 is effective for financial statements issued for fiscal years beginning after December 15, 2008. Early application is not permitted. The Company has not determined the impact on its financial statements of this accounting standard.

In December, 2008, the FASB issued Staff Position ("FSP") No. 140- 4 and FIN 46(R) - 8, "*Disclosures by Public Entities about Transfers of Financial Assets and Interests in Variable Interest Entities*". The purpose of this FSP is to promptly increase disclosures by public entities and enterprises until the pending amendments to SFAS No. 140, "*Accounting for Transfers and Servicing of Financial Assets and*

**BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC., AND SUBSIDIARIES NOTES TO
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Extinguishments of Liabilities", ("SFAS No. 140") and FASB Interpretation No. 46 (revised December 2003), "*Consolidation of Variable Interest Entities*", ("FIN 46(R)") are finalized and approved by the FASB. The FSP is effective for reporting periods (interim and annual) ending after December 15, 2008. This adoption did not have any impact on the consolidated financial statements.

On January 12, 2009, the FASB issued FSP EITF 99- 20- 01, "*Amendment to the Impairment Guidance of EITF Issue No. 99- 20*". This FSP amends the impairment guidance in EITF Issue No. 99- 20, "*Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to be Held by a Transferor in Securitized Financial Assets*," to achieve more consistent determination of whether an other- than- temporary impairment has occurred. The FSP also retains and emphasizes the objective of an other- than- temporary impairment assessment and the related disclosure requirements in SFAS No. 115, "*Accounting for Certain Investments in Debt and Equity Securities*", and other related guidance. The FSP is shall be effective for interim and annual reporting periods ending after December 15, 2008, and shall be applied prospectively. Retrospective application to a prior interim or annual reporting period is not permitted. The Company does not believe this pronouncement will impact its financial statements.

Note 2- Income Taxes

The Company accounts for income taxes in interim periods as required by Accounting Principles Board Opinion No. 28, "Interim Financial Reporting" and as interpreted by FASB Interpretation No. 18, "Accounting for Income Taxes in Interim Periods." The Company has determined an estimated annual effective tax rate. The rate will be revised, if necessary, as of the end of each successive interim period during the Company's fiscal year to the Company's best current estimate.

Note 3- Notes Payable

At March 31, 2009 we were obligated under the terms of promissory notes, primarily issued for working capital, in the amount of \$260,000, including a \$75,000 promissory note that was issued in February 2009. The promissory notes are unsecured and carry an interest rate of 12 percent. The notes mature on or before December 31, 2009.

Interest expense on short- term borrowings was \$7,576 and \$4,979 for the three months ended March 31, 2009 and 2008, respectively.

Additionally, at March 31, 2009, the Company was obligated under short term insurance premium financing agreements having an aggregate initial principal of \$51,844, which are being repaid in installments of \$5,017 per month including interest at 8% per annum. At March 31, 2009, the balance outstanding was \$18,485.

**BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC., AND SUBSIDIARIES NOTES TO
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

Note 4- Shareholders' Equity

Private Common Stock Offering

During 2008, the Company sold an aggregate of 690,549 shares of common stock for gross proceeds of \$475,000 of which the Company received \$100,000 and issued 145,378 shares of common stock in the first quarter of 2008.

Private Preferred Stock Offering

We are authorized to issue 10,000,000 shares of \$.001 par value preferred stock. The Company's Articles of Incorporation authorize the Company's Board of Directors to establish the number of preferred shares to be included in each series and to fix the designation and relative powers, including voting powers, preferences, relative participating, optional and other rights, qualifications, limitations and restrictions of each series. Effective February 15, 2009, the Board of Directors authorized 1,500,000 shares of Series A Convertible Preferred Stock. As of March 31, 2009, the Company sold an aggregate of 80,000 shares of Series A Convertible Preferred Stock for gross proceeds of \$80,000. See Item 5 Other Information for a description of the Offering.

Stock Based Compensation Expense

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123R, Share- Based Payment ("SFAS No. 123R"). SFAS No. 123R is a revision of SFAS No. 123, Accounting for Stock- Based Compensation ("SFAS No. 123"), and supersedes Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ("APB No. 25"), and its related implementation guidance.

On January 1, 2006, we adopted the provisions of SFAS No. 123R which requires the measurement and recognition of compensation expense for all stock- based payment awards made to our employees and directors. Under the fair value recognition provisions of SFAS No. 123R, stock- based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period.

Determining the fair value of stock- based awards at the grant date requires considerable judgment, including estimating the expected future volatility of our stock price, estimating the expected length of term of granted options and selecting the appropriate risk- free rate. Our expected volatility is based upon the historical experience of a selected peer group, as there is no established trading market for our stock. The expected term of the stock options is based upon its legal life. The risk- free interest rate assumption is based upon the average of the U.S. Treasury three and five- year yield rates. If factors change and we employ different assumptions, stock- based compensation expense may differ significantly from what we have recorded in the past.

**BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC., AND SUBSIDIARIES NOTES TO
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Share based compensation expense included in general and administrative expenses in the Company's consolidated statements of income for the three months ended March 31, 2009 and 2008 was \$22,414 and \$6,619, respectively. As of March 31, 2009, there was \$109,435 of total unrecognized compensation expense, related to non-vested option awards, which is expected to be recognized over a period of approximately two years.

Common Stock Redemptions and Cancellation

Pursuant to an agreement dated September 13, 2006, the Company has the right (but not the obligation) to re-purchase up to 1,453,787 of the shares of common stock then held by a principal shareholder, at \$.34 per share through December 31, 2008 and 872,272 shares of common stock at \$.69 per through December 31, 2009. Through December 31, 2008, the Company has repurchased 1,126,685 shares of its common stock from the principal shareholder for \$387,500.

In addition, the principal shareholder voluntarily returned 109,034 shares of the Company's common stock to the Company in 2007. All returned shares have been cancelled and returned to unissued status. There were no treasury shares outstanding as of March 31, 2009.

Note 6- Business Acquisition

On August 21, 2008, the Company completed a business combination with CET that has been accounted for as a reverse merger. The 1,875,663 outstanding shares held by CET's shareholders prior to the merger are considered to be issued by the Company at the merger date in exchange for the net assets of CET, \$1,164,504 at that date.

The net assets of CET consisted of the following at the merger date:

Cash	\$ 875,000
Note receivable	146,000
Land held for development	<u>615,000</u>
	1,636,000
Land note payable	<u>(471,496)</u>
Net assets	\$ 1,164,504

As a result of the Merger, BMTS shareholders continue to exercise control over the Company, the transaction is deemed to be a capital transaction whereby the CET is treated as a non-business entity. The Company has no plans to continue the prior business of CET. Therefore, the accounting for the business combination is identical to that resulting from a reverse merger, except no goodwill or other intangible assets were recorded as a result of the Merger. Accordingly, the Company did not recognize goodwill or any other intangible assets in connection with the transaction. Land held for development by CET is carried at an amount considered to be its fair value based upon a current

**BIOMEDICAL TECHNOLOGY SOLUTIONS HOLDINGS, INC., AND SUBSIDIARIES NOTES TO
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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independent appraisal of its liquidating value. The note payable is collateralized by the land parcel and is due upon the sale or transfer of the land. Interest is payable monthly at the rate of 2% per annum. The note receivable of \$146,000 was due from an entity formerly related to CET and was due in full on December 31, 2008 including interest calculated at 4% per annum. The note was paid in full in January 2009.

BMTS is treated as the acquirer for accounting purposes. Therefore, the historic financial statements prior to the Merger are those of BMTS and post merger, the financial statements represent the consolidated financial position and operating results of Company and its wholly- owned subsidiaries. All retained earnings of CET were recapitalized to additional paid in capital as of the merger date.

In connection with the merger, a shareholder of BMTS attempted to exercise his statutory dissenters' rights whereby the shareholder seeks to compel the Company to repurchase his 290,757 shares of common stock at "fair value". The Company is in negotiation with the shareholder for an amicable settlement and maintains that it is not obligated to purchase the shares owned by the shareholder because the shareholder's notification of dissent was not timely tendered. As yet, the Company has not made a determination of the fair value of the stock.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Unless the context requires otherwise, "we," "us" or "our" refers to Biomedical Technology Solutions Holdings, Inc. and its subsidiaries on a consolidated basis. The Company's subsidiaries include Biomedical Technology Solutions, Inc (BMTS), BMTS Properties, Inc., Healthcare Sales Professionals, Inc. ("HCSP") and BMTS Leasing, LLC.

This discussion contains forward- looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), and information relating to the Company that is based on beliefs of management of the Company, as well as assumptions made by and information currently available to management of the Company. When used in this Proxy Statement, the words "estimate," "project," "believe," "could," "anticipate," "intend," "expect," and similar expressions are intended to identify forward- looking statements. Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward- looking statements. Readers are cautioned not to place undue reliance on these forward- looking statements, which speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward- looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

General

We were incorporated in 2005 to acquire the intellectual property and existing customer base for the original and patented alternative infectious waste treatment system known as the Demolizer®. Since then, we have re- engineered the product which we now market as the Demolizer® II System. The Demolizer® II System is a tabletop device that converts infectious biomedical waste into non- biohazardous material. The Demolizer® II System also includes components that have been upgraded to incorporate enhanced process controls, safety features, and integrated quality systems. We earn revenue by selling or leasing our products to our customers through a national and regional group of established medical device distributors. We target medical clinics, nursing homes, dentists, veterinarians, professional sports teams, colleges, and defense industries, which make up the estimated 1,000,000 low- medium volume infectious waste generators in the U.S. Additionally, we are in development of a portable product suitable for use by in home care providers and individuals who require safe and convenient disposal of their personal biomedical waste.

The Company's ability to continue as a going concern is dependent upon the continued success of its plans to sell its products through its distribution networks and its new entity HealthCare Sales Professionals, Inc. ("HCSP").

Additionally, the Company issued a Private Placement Memorandum for its Series A Convertible Preferred Stock and Warrant offering totaling up to \$1,000,000 in February 2009. To date, the Company has raised and or has commitments totaling \$250,000 for this offering. The Company also plans to establish a line of credit for working capital purposes and is

pursing the sale of its land as noted on its balance sheet. These plans mitigate the conditions noted above. However, there can be no assurances that the Company will continue to be successful in borrowing money or raising capital.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern.

Critical Accounting Policies & Estimates

The Consolidated Financial Statements and Notes to the Consolidated Financial Statements contain information that is pertinent to management's discussion and analysis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. The Company believes the following critical accounting policies involve additional management judgment due to the sensitivity of the methods, assumptions, and estimates necessary in determining the related asset and liability amounts.

In the preparation of financial statements, the Company makes judgments regarding the future outcome of contingent events and records loss contingency amounts that are probable and reasonably estimated based on available information. The amounts recorded may differ from the actual amounts that occur when the uncertainty is resolved. The estimates that the Company makes in accounting for contingencies and the gains and losses that are recorded upon the ultimate resolution of these uncertainties may have a significant effect on the liabilities and expenses in the financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Biomedical Technology Solutions Holdings, Inc. and its wholly owned subsidiaries, BMTS, BMTS Properties, Inc., HCSP and BMTS Leasing LLC. All significant inter-company accounts and transactions have been eliminated.

Revenue Recognition

Revenues from product sales are recognized at the time the goods are shipped to the ordering customer.

Revenues from leasing products are recognized under the Operating Method. Under this method, we record each rental receipt as rental revenue. We depreciate the leased product in the normal manner with depreciation expense of the period matched against the rental revenue. The amount of revenue recognized in each accounting period is a level amount (straight-line basis) representing the time period in which our customer derives benefits from our product. Revenues from leasing products were immaterial in 2009 and 2008. In addition to the depreciation charge, we expense maintenance costs and the costs of any other services rendered under the lease as incurred.

Cash Equivalents and Short- Term Investments

We consider all highly liquid investments with a maturity of less than three months when purchased to be cash equivalents. Short- term investments consist of certificates of deposit, which mature in less than one year.

Accounts Receivable

Accounts receivable consist primarily of amounts due to us from our normal business activities. Accounts receivable balances are determined to be past due when the amount is overdue based on the contractual terms with the customer. We maintain an allowance for doubtful accounts to reflect the expected uncollectibility of accounts receivable based on past collection history and specific risks identified among uncollected accounts. Accounts receivable are written off against the allowance for doubtful accounts when we have determined that the receivable will not be collected and/or when the account has been referred to a third party collection agency. There was no bad debt expense for the years ended December 31, 2008. Past due accounts (more than 90 days) totaled \$91,280 at March 31, 2009.

Intangibles

Indefinite lived intangibles are not amortized but are subject to an annual impairment test. According to Statement of Financial Accounting Standards ("SFAS") No. 142, other intangible assets will continue to be amortized over their useful lives. We have determined that our customer relationships have a useful life of four years based upon the type of customer. We have patent intangibles with a useful life of five years. We have determined that our permits, trademark and licenses have indefinite lives and accordingly, are not amortized.

Inventory Valuation

Inventories are valued at cost, which is not in excess of current market prices and are maintained on the first- in- first- out method.

Results of Operations

Three months ended March 31, 2009 compared to 2008:

Revenue

Revenues were \$359,305 in 2009, up from \$139,654 in 2008. The increase (157%) reflects increased telesales and marketing efforts in 2008 and into 2009, including a shift from direct sales to the use of established medical products distributors. Our distributors began stocking our product during May 2008.

Cost of Revenue

Cost of revenue for 2009 was \$142,375, up from \$52,256 in the prior year. The increase (172%) is attributed to increased revenue. Our cost of sales as a percentage of revenue increased from 37% of revenue for the three months ended March 31, 2008 to 40% for the comparable period of 2009 due to product revenue mix. We expect that this percentage will decrease in the near future due to the Company transferring manufacturing in- house along with decreases related to volume purchases of the materials that comprise our product.

Operating Expenses

Selling General and Administrative costs were \$470,706 for the first quarter ended March 31, 2009, as compared to \$399,457 in 2008. The following table is a summary of certain of these expenses:

	Three Months Ended March 31	
	<u>2009</u>	<u>2008</u>
Selling expense	\$ 172,558	\$ 74,506
General office expense	222,168	261,069
Depreciation and amortization	24,120	17,734
Travel expense	29,446	28,086
Stock based compensation	22,414	6,619
Other	<u>-</u>	<u>11,443</u>
	\$ <u>470,706</u>	\$ <u>399,457</u>

Selling and travel expenses increased due to higher levels of marketing activity that began in 2008 and continued into 2009. The decrease in 2009 in general office expenses was due primarily to decreased levels of professional fees for legal and accounting services in connection with the merger with CET.

Research and Development

Research and development costs are charged to earnings as incurred and were \$70,565 and \$17,102 respectively for the quarter ended March 31, 2009 and 2008. The Company anticipates to increase its development costs in future quarters in order to expand our product lines.

Net Loss

For the three months ended March 31, 2009, we incurred a net loss of \$327,866, compared to a net loss of \$333,963 for the three months ended March 31, 2008, a decrease in net loss of \$6,097, or 2%. The decrease in net loss was primarily attributable to the increase in revenues and corresponding increase in operating expenses as a percentage of revenues.

Liquidity and Capital Resources

The Company's sources of liquidity and capital resources historically have been proceeds from offerings of equity securities. In the past, this source has been sufficient to meet its needs and finance the Company's business. The Company can give no assurance that the historical sources of liquidity and capital resources will be available for future development and acquisitions, and it may be required to seek alternative financing sources not necessarily favorable to the Company.

At March 31, 2009, we had working capital of \$40,633 as compared to working capital of \$133,651 at December 31, 2008. The decrease in working capital is primarily due to expenses associated with additional personnel costs for sales and development. Net cash used in operating activities for the first quarter ended March 31, 2009 was \$124,663 compared to \$232,910 for the same period in 2008.

In the quarter ended March 31, 2008, the Company sold an aggregate of 145,378 shares of common stock for gross proceeds of \$100,000. Additionally, for the same period in 2008, the Company secured a note for \$100,000 compared to \$75,000 in 2009.

In February, 2009, the Company began a private offering of unregistered securities consisting of Units, each Unit consisting of two shares of Series A Convertible Preferred Stock and one Warrant at a private offering price of \$2.00 per Unit. Proceeds from the offering will be used to expand our sales and marketing efforts, research and development and for general working capital purposes. As of March 31, 2009, we have sold an aggregate of \$80,000 of such Units.

Additionally in 2009, the Company plans to establish a working line of credit with a financial institution.

Capital Commitments

The Company headquarters and administrative facilities are located at 9800 Mt. Pyramid Ct., Suite 250, Englewood, Colorado, in approximately 15,700 square feet of leased office space at a monthly rental of approximately \$10,000. The lease expires September 30, 2009. The Company's corporate and administrative functions are conducted from these facilities.

Off- Balance Sheet Transactions

The Company has no off- balance sheet transactions.

Common Stock Dividend Policy

Since the capitalization of the Company in 2005, the Company has not paid, and does not currently intend to pay in the foreseeable future, cash dividends on its Common Stock. Future earnings, if any, are expected to be retained for the development of the business of the Company.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

ITEM 4.

CONTROLS AND PROCEDURES

- a) The Company's Principal Executive Officer and Principal Financial Officer, have established and are currently maintaining disclosure controls and procedures for the Company. The disclosure controls and procedures have been designed to provide reasonable assurance that the information required to be disclosed by the Company in reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and to ensure that information required to be disclosed by the Company is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

The Principal Executive Officer and Principal Financial Officer conducted a review and evaluation of the effectiveness of the Company's disclosure controls and procedures and have concluded, based on their evaluation as of the end of the period covered by this Report, that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and to ensure that the information required to be disclosed by the Company is accumulated and communicated to management, including our principal executive officer and our principal financial officer, to allow timely decisions regarding required disclosure.

- b) There has been no change in our internal control over financial reporting during the quarter ended March 31, 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.
- c) Our Principal Executive and Principal Financial Officer do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive and financial officer have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

PART II.**OTHER INFORMATION****ITEM 1.****LEGAL PROCEEDINGS**

None, except as previously disclosed.

ITEM 1A.**RISK FACTORS**

None, except as previously disclosed.

ITEM 2.**UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

The following sets forth the information required by Item 701 of Regulation S- B with respect to the unregistered sales of equity securities by BioMedical Technology Solutions Holdings, a Colorado corporation (the "Company"), completed during the three month period ended March 31, 2009:

a.

Beginning in February 2009, the Company sold an aggregate of 40,000 Units, each Unit consisting of two (2) shares of Series A Convertible Preferred Stock and one (1) Warrant to purchase shares of common stock, \$.001 par value (the "Common Stock" or "Shares") in consideration of \$80,000.

b.

The Units were issued to four persons, two of whom qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933 as amended (the "Securities Act"). The shares issued were "restricted securities" under the Securities Act.

c.

The Company paid no fees or commissions in connection with the issuance of the Shares.

d.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder and Regulation D, rule 506 thereunder. The investors either qualified as an "accredited investor" within the meaning of Rule 501(a) or otherwise met the investor suitability requirements of Rule 506 of Regulation D. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided the investors with disclosure of all aspects of our business, including providing the investors with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the investors obtained all information regarding the Company that they requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

e.

Not applicable.

f.
The proceeds received were used for general working capital.

TERMS OF THE OFFERING

The Company is privately offering to select accredited investors up to \$1,000,000 in Securities on the following terms and conditions:

Type of Securities: Units, each Unit consisting of two (2) shares of Series A Convertible Preferred Stock and one (1) Warrant.

Total Offering: Maximum Offering: 500,000 Units - \$1,000,000; which may be increased up to 250,000 Units pursuant to an Over- Subscription Option.

Offering Price: \$2.00 per Unit.

Description of Series A Preferred Stock:

Stated Value: \$1.00 per share

Voting Rights: Each share of preferred stock shall grant to the holder the right to a number of votes equal to the number of shares of Common Stock then issuable upon conversion of such share of preferred stock, voting together, as a class, with all shares of Common Stock eligible to vote on any matter presented to the shareholders of the Company for ratification or approval.

Dividend: Holders of the preferred stock shall be entitled to receive a dividend equal to 10% per annum of the Stated Value of the shares, payable quarterly in arrears. The dividend shall be payable, at the option of the Company, in shares of the Company's common stock valued at the 30 day VWAP, or in cash.

Redemption Right: The Company shall have the right to call for redemption the preferred stock upon 30 days' notice for a redemption price equal to the sum of (i) the Stated Value of the shares, plus (ii) the accrued and unpaid dividends outstanding and payable on the shares. The holder of any shares of Series A Preferred shall have until the date immediately preceding the redemption date to convert such shares into shares of Common Stock.

Conversion: Each share of preferred stock is convertible into shares of Common Stock, at any time, at the option of the holder, at the Conversion Price, subject to adjustment under certain circumstances. In addition, the shares of preferred stock will automatically convert into shares of Common Stock at the Conversion Price in the event (i) the closing price of the Company's Common Stock on its Principal Market has equaled or exceeded at least \$2.00 per share for 10 consecutive trading days, and (ii) the resale of the Conversion Shares under the Securities Act of 1933, as amended (the "Securities Act") can be undertaken pursuant to Rule 144 under the Securities Act.

Conversion Price: The Series A Preferred is convertible into a number of shares of Common Stock (the "Conversion Shares") determined by dividing (i) the Stated Value of such share or shares of Preferred Stock plus all accrued and unpaid dividends thereon, by (ii) the average closing bid prices for the Common Stock, as reported by Bloomberg L.P., on the principal market for the Company's Common Stock (the "Principal Market") during the period of five (5) Trading Days ending with the last Trading Day prior to the date of conversion (the "Conversion Date") (the "Market Price"), after (ii) discounting the Market Price by 25% to determine the conversion price (the "Conversion Price"). However, in no event shall the Conversion Price be greater than \$1.50 per share or less than \$.75 per share, adjusted for any subsequent stock splits, stock dividends or reverse stock splits (the "Maximum Conversion Price" and "Minimum Conversion Price," respectively).

Liquidation Preference: \$1.00 per share of Preferred Stock, senior to the rights of holders of Common Stock, subject to subordination of their interests if required by any new financing obtained by Company and approved by the board of directors.

Description of Warrants Each Warrant grants to the holder the right to purchase for a period of 18 months one additional share of Common Stock at an exercise price of \$1.50 per share. (the "Exercise Price").

Redemption of Warrants:

The Company will have the right to redeem any and all outstanding and unexercised Warrants at a redemption price of \$.01 per Warrant upon 30 days' written notice in the event (i) a registration statement has been filed and is in effect covering the issuance of the shares of Common Stock underlying the Warrants and such shares are not subject to a lock-up, (ii) there exists a public trading market on a national securities exchange, the Nasdaq SmallCap Market or Nasdaq National Market, AMEX or the OTC Electronic Bulletin Board for the Company's Common Stock, and (iii) the closing bid or sales price of the Company's Common Stock has equaled or exceeded 200% of the then Exercise Price of the Warrant for ten or more consecutive trading days.

ITEM 3.

DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None, except as previously disclosed.

ITEM 5.

OTHER INFORMATION

None.

ITEM 6.

EXHIBITS

Certification
Certification pursuant to 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BIOMEDICAL TECHNOLOGY
SOLUTIONS HOLDINGS, INC.**

Date: May 15, 2009

By: /s/ Donald G.
Cox

Donald G. Cox
President and Chief Executive
Officer

**BIOMEDICAL TECHNOLOGY
SOLUTIONS HOLDINGS, INC.**

Date: May 15, 2009

By: /s/ David A. Kempf

David A. Kempf
Chief Financial Officer

CERTIFICATION

I, Donald G. Cox, Chief Executive Officer and President, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BioMedical Technology Solutions Holdings, 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. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15(e) and 15d- 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15(f) and 15d- 15(f)) 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; and
-

5. The registrant's other certifying officer(s) and 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.

Date: May 15, 2009

/s/ Donald G. Cox

Donald G. Cox
Chief Executive Officer & President

CERTIFICATION

I, David A. Kempf, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10- Q of BioMedical Technology Solutions Holdings, 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. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15(e) and 15d- 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15(f) and 15d- 15(f)) 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; and

5. The registrant's other certifying officer(s) and 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.

Date: May 15, 2009

/s/ David A. Kempf
David A. Kempf
Chief Financial Officer

**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 Quarterly Report of BioMedical Technology Solutions Holdings, Inc. (the "Company") on Form 10- Q for the period ended March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Donald G. Cox, Chief Executive Officer/President and David A. Kempf, Chief Financial 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 result of operations of the Company.

/s/ Donald G. Cox

Donald G. Cox
Chief Executive Officer/President
May 15, 2009

/s/ David A. Kempf

David A. Kempf
Chief Financial Officer
May 15, 2009