

BOND LABORATORIES, INC.
Form 10-Q
November 10, 2011

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

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT

For the transition period from N/A to N/A

Commission File No. 333-137170

BOND LABORATORIES, INC.
(Name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

20-3464383
(IRS Employer
Identification No.)

11011 Q Street Building A Suite 106 Omaha, NE 68137
(Address of principal executive offices)

(402) 884-1894
(Issuer's telephone number)

Indicate by check mark whether the Registrant (1) has filed all reports required 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

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| | | | |
|-------------------------|--------------------------|-------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-Accelerated filer | <input type="checkbox"/> | Small reporting company | <input checked="" type="checkbox"/> |

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding at November 4, 2011 |
|--------------------------------|---------------------------------|
| Common stock, \$0.01 par value | 74,171,996 |

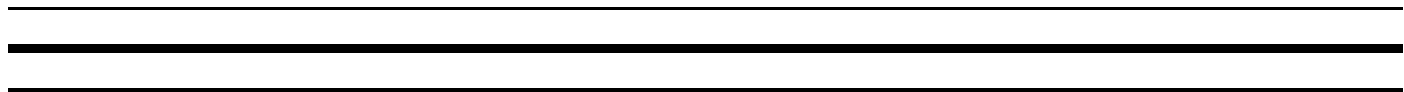


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FOR THE QUARTER ENDED SEPTEMBER 30, 2011

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CERTIFICATIONS

- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
- 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
- 32.2

Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying reviewed interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the nine months ended September 30, 2011 are not necessarily indicative of the results that can be expected for the year ending December 31, 2011.

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BOND LABORATORIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

| | (Unaudited) September 30, 2011 | December 31, 2010 |
|---|--------------------------------------|----------------------|
| ASSETS: | | |
| CURRENT ASSETS | | |
| Cash | \$299,163 | \$445,662 |
| Accounts receivables - net | 1,152,238 | 574,616 |
| Inventory | 1,954,286 | 1,473,605 |
| Prepaid expenses and other current assets | 25,944 | 54,045 |
| Total current assets | 3,431,631 | 2,547,928 |
| PROPERTY AND EQUIPMENT, net | 48,240 | 87,208 |
| Intangibles assets, net | 1,531,552 | 1,696,363 |
| Deposits | 3,783 | 3,783 |
| TOTAL ASSETS | \$5,015,206 | \$4,335,282 |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$750,802 | \$508,146 |
| Disputed accounts payables | - | 113,299 |
| Accrued expenses and other liabilities | 120,040 | 101,467 |
| Note payable | 48,565 | 194,718 |
| Line of Credit | 437,089 | 437,089 |
| Total current liabilities | 1,356,496 | 1,354,719 |
| TOTAL LIABILITIES | 1,356,496 | 1,354,719 |
| CONTINGENCIES AND COMMITMENTS | - | - |
| STOCKHOLDERS' EQUITY: | | |
| Series B Preferred Stock, \$.01 par value, 1,000 shares authorized; 103.3 and 103.3 issued and outstanding with a stated value of \$10,000 per share with a cumulative dividend of \$549,155 and \$436,188 as of September 30, 2011 and December 31, 2010, respectively | 549,156 | 436,189 |
| Series C Preferred Stock, \$.01 par value, 500 shares authorized; 125 and 125 issued and outstanding as of September 30, 2011 and December 31, 2010, respectively | 1 | 1 |
| Common Stock, \$.01 par value, 150,000,000 shares authorized; 74,171,996 and 72,198,246 issued and outstanding as of September 30, 2011 and December 31, 2010, respectively | 741,720 | 721,982 |
| Additional paid-in capital | 27,054,447 | 27,404,593 |

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| | | |
|---|--------------------|--------------------|
| Accumulated deficit | (24,686,614) | (25,582,201) |
| Total stockholders' equity | \$3,658,711 | \$2,980,564 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$5,015,206 | \$4,335,282 |

The accompanying notes are an integral part of these condensed consolidated financial statements

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BOND LABORATORIES, INC.
 CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

| | (Unaudited) Three Months Ended September 30 | | (Unaudited) Nine Months Ended September 30 | |
|---------------------------------------|---|--------------|--|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenue | \$3,219,792 | \$2,041,831 | \$9,378,573 | \$6,442,419 |
| Total | 3,219,792 | 2,041,831 | 9,378,573 | 6,442,419 |
| Cost of Goods Sold | 2,021,204 | 1,492,457 | 5,987,768 | 4,584,518 |
| Gross Profit | 1,198,588 | 549,374 | 3,390,805 | 1,857,901 |
| OPERATING EXPENSES: | | | | |
| General and administrative | 332,932 | 570,154 | 1,146,550 | 1,797,222 |
| Selling and marketing | 501,316 | 454,903 | 1,234,408 | 1,375,314 |
| Depreciation and amortization | 66,561 | 69,451 | 200,704 | 205,589 |
| Total operating expenses | 900,809 | 1,094,508 | 2,581,662 | 3,378,125 |
| OPERATING INCOME / (LOSS) | 297,779 | (545,134) | 809,143 | (1,520,224) |
| OTHER (INCOME) AND EXPENSES | | | | |
| Interest expense | 7,208 | 14,680 | 24,980 | 90,012 |
| Other income | - | - | - | (30,262) |
| Loss on the sale of assets | - | - | 1,875 | 682 |
| Total other (income) expense | 7,208 | 14,680 | 26,855 | 60,432 |
| NET INCOME / (LOSS) | \$290,571 | \$(559,814) | \$782,288 | \$(1,580,656) |
| NET INCOME / (LOSS) PER SHARE: | | | | |
| Basic | \$0.00 | \$(0.01) | \$0.01 | \$(0.02) |
| Diluted | \$0.00 | \$(0.01) | \$0.01 | \$(0.02) |
| Basic | 73,346,579 | 63,269,263 | 72,576,477 | 63,269,263 |
| Diluted | 94,443,009 | 63,269,263 | 93,969,427 | 63,269,263 |

The accompanying notes are an integral part of these condensed consolidated financial statements

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BOND LABORATORIES, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

| | (Unaudited) | |
|---|-------------------|-------------------|
| | 2011 | 2010 |
| Net Income / (Loss) | \$782,288 | \$(1,580,656) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 200,704 | 205,589 |
| Common stock issued / (cancelled) for services | 81,101 | 66,297 |
| Common stock issued in connection with bridge loan | - | 34,086 |
| Common stock and warrants issued / (cancelled) for services | (298,540) | (195,500) |
| Loss on sale of assets | 1,875 | 682 |
| Changes in operating assets and liabilities: | | |
| Accounts receivables | (577,622) | (54,330) |
| Inventory | (480,682) | 605,049 |
| Prepaid expenses | 28,101 | (63,866) |
| Deposits | - | 4,180 |
| Accounts payable | 242,656 | (110,908) |
| Accrued liabilities | 18,573 | (650) |
| Notes receivable affiliate | - | 10,000 |
| Net cash provided by / (used in) operating activities | (1,546) | (1,080,027) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of assets | 1,200 | 16,224 |
| Net cash provided by / (used in) investing activities | 1,200 | 16,224 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Issuances of notes payable | - | 424,000 |
| Repayments of note payable | (146,153) | (182,763) |
| Net cash provided by / (used in) financing activities | (146,153) | 241,237 |
| INCREASE (DECREASE) IN CASH | (146,499) | (822,566) |
| CASH, BEGINNING OF PERIOD | 445,662 | 1,036,213 |
| CASH, END OF PERIOD | \$299,163 | \$213,647 |
| Supplemental disclosure operating activities | | |
| Cash paid for interest | \$24,980 | \$90,012 |

The accompanying notes are an integral part of these condensed consolidated financial statements

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BOND LABORATORIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 1 - DESCRIPTION OF BUSINESS

Bond Laboratories, Inc. (the "Company") is a national provider of innovative and proprietary nutritional supplements for health conscious consumers. The Company produces and markets its products primarily through NDS Nutrition Products, Inc., a Florida corporation ("NDS"). NDS manufactures and distributes a full line of nutritional supplements to support healthy living predominantly through franchisees of General Nutrition Centers, Inc. ("GNC") located throughout the United States.

The Company was incorporated in the State of Nevada on July 26, 2005. In October 2008, the Company acquired the assets of NDS Nutritional Products, Inc., a Nebraska corporation, and moved those assets into its wholly owned subsidiary, NDS. Management recently determined, based on historical and projected operating results in each of its divisions, to focus its efforts and working capital on the NDS product line, and continues to evaluate plans to maximize the value of Fusion Premium Beverages, Inc. ("Fusion Premium Beverages"), a Florida corporation and wholly owned operating division of the Company. While no assurances can be given, such plans may include the sale, spin-off, liquidation, or other disposition of the Fusion Premium Beverage division.

Bond Laboratories is headquartered in Omaha, Nebraska. For more information on the Company, please go to <http://www.bond-labs.com>. The Company's Common Stock currently trades under the symbol BNLB on the OTCQB market.

NOTE 2 - BASIS OF PRESENTATION

Interim Financial Statements

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. While management of the Company believes that the disclosures presented herein are adequate and not misleading, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the footnotes thereto for the fiscal year ended December 31, 2010 as filed with the Securities and Exchange Commission as an exhibit to our Annual Report on Form 10-K.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Principle of Consolidation

The consolidated financial statements include the accounts of Bond Laboratories, Inc., Fusion Premium Beverages, Inc., NDS Nutrition Products, Inc. and Vista Bottlers, Inc. Intercompany accounts and transactions have been eliminated in the consolidated financial statements.

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Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Revenue Recognition

Revenue is derived from product sales. The Company recognizes revenue from product sales in accordance with Topic 605 “Revenue Recognition in Financial Statements” which is at the time customers are invoiced at shipping point, provided title and risk of loss has passed to the customer, evidence of an arrangement exists, fees are contractually fixed or determinable, collection is reasonably assured through historical collection results and regular credit evaluations, and there are no uncertainties regarding customer acceptance.

Accounts Receivable

All of the Company’s accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments for products. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped in categories by the amount of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. The Company wrote off \$4,039 related to bad debt and doubtful accounts during the quarter ended September 30, 2011.

Allowance for Doubtful Accounts

The determination of collectability of the Company’s accounts receivable requires management to make frequent judgments and estimates in order to determine the appropriate amount of allowance needed for doubtful accounts. The Company’s allowance for doubtful accounts is estimated to cover the risk of loss related to accounts receivable. This allowance is maintained at a level we consider appropriate based on historical and other factors that affect collectability. These factors include historical trends of write-offs, recoveries and credit losses, the careful monitoring of customer credit quality, and projected economic and market conditions. Different assumptions or changes in economic circumstances could result in changes to the allowance.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At September 30, 2011, cash and cash equivalents include cash on hand and cash in the bank.

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Inventory

The Company's inventory is carried at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method. The Company evaluates the need to record adjustments for inventory on a regular basis. Company policy is to evaluate all inventories including raw material and finished goods for all of its product offerings across all of the Company's operating subsidiaries. At September 30, 2011, and December 31, 2010, the value of the Company's inventory was \$1,954,287 and \$1,473,605, respectively.

Property and Equipment

Property and equipment is recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line method. When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value and proceeds realized. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized.

The range of estimated useful lives used to calculate depreciation for principal items of property and equipment are as follows:

| Asset Category | Depreciation/ Amortization Period |
|------------------------|--------------------------------------|
| Furniture and Fixture | 3 Years |
| Office equipment | 3 Years |
| Leasehold improvements | 5 Years |

Goodwill and Other Intangible Assets

The Company adopted Statement of Financial Accounting Standard ("FASB") Accounting Standards Codification ("ASC") Topic 350 Goodwill and Other Intangible Assets, effective July 1, 2002. In accordance with ("ASC Topic 350") "Goodwill and Other Intangible Assets," goodwill, which represents the excess of the purchase price and related costs over the value assigned to net tangible and identifiable intangible assets of businesses acquired and accounted for under the purchase method, acquired in business combinations is assigned to reporting units that are expected to benefit from the synergies of the combination as of the acquisition date. Under this standard, goodwill and intangibles with indefinite useful lives are no longer amortized. The Company assesses goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred in accordance with ASC Topic 350. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference. ASC Topic 350 also requires that the fair value of indefinite-lived purchased intangible assets be estimated and compared to the carrying value. The Company recognizes an impairment loss when the estimated fair value of the indefinite-lived purchased intangible assets is less than the carrying value.

Impairment of Long-Lived Assets

In accordance with ASC Topic 3605, "Long-Lived Assets," such as property, plant, and equipment, and purchased intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and other intangible assets are tested for impairment. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no events or changes in circumstances that

necessitated an impairment of long lived assets.

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Income Taxes

Deferred income taxes are provided based on the provisions of ASC Topic 740, "Accounting for Income Taxes," to reflect the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48; "Accounting For Uncertainty In Income Taxes" - An Interpretation of ASC Topic 740 ("FIN 48"). FIN 48 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At September 30, 2011, the Company did not record any liabilities for uncertain tax positions.

Concentration of Credit Risk

The Company maintains its operating cash balances in a bank located in Nebraska. The Federal Depository Insurance Corporation (FDIC) insures accounts up to \$250,000.

Earnings Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company. In the event of a loss, diluted loss per share is the same as basic loss per share, because of the effect of the additional securities, a result of the net loss would be anti-dilutive.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

The carrying amounts of the Company's financial instruments, including cash, accounts payable and accrued liabilities, income tax payable and related party payable, if any, approximate fair value.

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Recent Accounting Pronouncements

Recent accounting pronouncements that the Company has adopted or that will be required to adopt in the future are summarized below.

In January 2010, the Financial Accounting Standards Board (“FASB”) issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance became effective for us with the reporting period beginning January 1, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective for us with the reporting period beginning July 1, 2011. Other than requiring additional disclosures, adoption of this new guidance did not have a material impact on our financial statements.

NOTE 4 – INVENTORIES

The Company’s inventories as of September 30, 2011 and December 31, 2010 are as follows:

| | September 30, 2011 | December 31, 2010 |
|----------------|-----------------------|----------------------|
| Finished goods | \$ 1,695,295 | \$ 1,201,300 |
| Components | 258,992 | 272,305 |
| Total | \$ 1,954,287 | \$ 1,473,605 |

NOTE 5 - PROPERTY AND EQUIPMENT

The Company’s fixed assets as of September 30, 2011 and December 31, 2010 are as follows:

| | September 30, 2011 | December 31, 2010 |
|--------------------------|-----------------------|----------------------|
| Equipment | \$283,692 | \$288,192 |
| Accumulated depreciation | (235,452) | (200,984) |
| Total | \$48,240 | \$87,208 |

Depreciation and amortization expense for the nine months ended September 30, 2011 was \$200,704 compared to \$205,589 for September 30, 2010, while depreciation expense for the nine months ended September 30, 2011 was \$35,983 compared to \$40,777 for September 30, 2010.

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NOTE 6 – NOTE PAYABLES

Notes payable consist of the following as of September 30, 2011 and December 31, 2010:

| | September 30, 2011 | December 31, 2010 |
|--|-----------------------|----------------------|
| Amended and Restated Secured Promissory Note, dated December 1, 2010, maturing December 1, 2011 and payable at an interest rate of 10% per annum. This Note replaces the Secured Promissory Note dated September 30, 2009, which replaced the Fixed Asset Note, Component Inventory Note, Installment Note and Earn Out provision. The Company is required to make monthly payments of \$17,350 each throughout 2011 in full satisfaction of the Note. | 48,565 | 194,718 |
| Revolving Line of Credit of \$1,000,000 from US Bank, dated April 9, 2009, as amended July 15, 2010 and further amended May 25, 2011, at an interest rate of 3.5% plus the one-month LIBOR quoted by US Bank from Reuters Screen LIBOR. The Line of Credit matures May 15, 2012 and is secured by all of the receivables and inventory of NDS Nutrition Products, Inc. The Company pays interest only on this Line of Credit | 437,089 | 437,089 |
| Total of notes payable and advances | 485,654 | 631,807 |
| Less current portion | (485,654) | (631,807) |
| Long-term portion | \$ - | \$ - |

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Company has entered into various consulting agreements with outside consultants. However, certain of these agreements included additional compensation on the basis of performance. The Company does not have a commitment and contingency liability associated with these agreements.

In connection with the pending litigation with Eric Schick, our former President, alleging that we had committed certain unlawful employment practices, including retaliatory termination of his employment for “whistle blowing,” in connection with his separation from the Company in October 2008, the U.S. Department of Labor, Occupational Safety and Health Administration (“OSHA”), on September 14, 2011, notified the Company regarding its findings (the “OSHA Order”). In the OSHA Order, the Secretary of Labor, acting through OSHA, found that there was reasonable cause to conclude that the Company, and its former Chief Executive Officer, Scott Landow, violated the employee protection provisions of Section 806 of the Corporate and Criminal Fraud Accountability Act of 2002 (the “OSHA Matter”).

In its findings, OSHA ordered that the Company, among other things, pay Mr. Schick certain compensatory and other damages, and reinstate Mr. Schick as the Company's President. The Company has filed an objection to the OSHA Order and has requested a formal hearing before an Administrative Law Judge (“ALJ”) for the DOL, as the Company believes, among other errors in the OSHA Order, that the OSHA Order misstates certain material facts in connection with OSHA's findings that, if presented in accordance with the administrative procedures that govern formal proceedings before the DOL, may result in different findings. While the Company intends to vigorously defend against the OSHA Matter, the ultimate outcome cannot be determined at this time, nor can the costs and expenses that are anticipated to be incurred. The Company nevertheless currently anticipates that the costs and expenses associated with defending the OSHA Matter will be material, and will be expensed in the period incurred. In the event of an

ultimate finding in favor of Mr. Schick on his allegations, or a settlement of the OSHA Matter, our financial condition will be adversely affected.

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NOTE 8 - RELATED PARTY TRANSACTIONS

The Company currently has a note payable for the asset purchase of NDS Nutritional Products, Inc. for \$48,565 as of September 30, 2011. The note payable was recorded as note payable-affiliate in the Company's financial statements for the year ended December 31, 2010, but was subsequently reclassified since the holder of such note ceased being an affiliate in 2009.

The Company paid Burnham Hill Advisors LLC ("BHA") \$45,000 during the quarter ended September 30, 2011 for advisory and consulting fees pursuant to the terms of a Consulting Agreement for Services ("Agreement") by and between the Company and BHA, dated August 25, 2011. Mr. Michael Abrams, the Company's Interim Chief Financial Officer, is an employee of BHA. The fees paid BHA include the services provided by Mr. Abrams to the Company in his capacity of Interim CFO.

NOTE 9 - NET INCOME / (LOSS) PER SHARE

Basic net income per share is calculated by dividing the net income attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share also includes the weighted average number of outstanding warrants and options in the denominator, as well as the weighted average number of shares of Series C Convertible Preferred Stock on a converted basis. In the event of a loss, the diluted loss per share is the same as basic loss per share. The weighted average number of diluted shares of common stock outstanding for the three months ended September 30, 2011 included 73,346,579 shares of common stock, 5,000,000 shares of common stock issuable upon the conversion of the Series C Convertible Preferred Stock at \$0.25 per share, 15,596,429 shares of common stock issuable upon the exercise of outstanding common stock purchase warrants (all of which are presently out of the money), and 500,000 shares of common stock issuable upon the exercise of outstanding options to purchase common stock. The following table represents the computation of basic and diluted income and (losses) per share for the three months ended September 30, 2011 and 2010.

| | September 30, 2011 | September 30, 2010 |
|---|--------------------------|--------------------------|
| Income / (Losses) available for common shareholders | 290,571 | (559,814) |
| Basic weighted average common shares outstanding | 73,346,579 | 62,206,606 |
| Basic income / (loss) per share | 0.00 | (0.01) |
| Diluted weighted average common shares outstanding | 94,443,009 | 62,206,606 |
| Diluted income / (loss) per share | 0.00 | (0.01) |

Net income / (loss) per share is based upon the weighted average shares of common stock outstanding.

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NOTE 10 - EQUITY

Common and Preferred Stock

The Company is authorized to issue 150,000,000 shares of common stock, \$0.01 par value, of which 74,171,996 common shares were issued and outstanding as of September 30, 2011. The Company is authorized to issue 10,000,000 shares of Series A Convertible Preferred Stock, \$0.001 par value, of which 0 shares were issued and outstanding as of September 30, 2011. The Company is authorized to issue 1,000 shares of its 10% Cumulative Perpetual Series B Preferred Stock, \$0.01 par value, of which 103.3 were issued and outstanding as of September 30, 2011. The Company recorded an accumulated dividend of \$549,155 as of September 30, 2011, which was recorded against the par value of the 10% Cumulative Perpetual Series B Preferred Stock and Additional Paid in Capital. The outstanding 10% Cumulative Perpetual Series B Preferred Stock has a liquidation preference of \$10,000 per share. The Company is authorized to issue 500 shares of its Series C Convertible Preferred Stock, par value \$0.01, of which 125 shares were issued and outstanding as of September 30, 2011. The Series C Convertible Preferred Stock is convertible at \$0.25 per share and has a liquidation preference of \$10,000 per share.

Options

As of September 30, 2011, 500,000 options to purchase common stock of the Company were issued and outstanding, all of which had an exercise price equal to \$0.10 per share.

Warrants

The Company values all warrants using the Black-Scholes option-pricing model. Critical assumptions for the Black-Scholes option-pricing model include the market value of the stock price at the time of issuance, the risk-free interest rate corresponding to the term of the warrant, the volatility of the Company's stock price, dividend yield on the common stock, as well as the exercise price and term of the warrant. The Black Scholes option-pricing model was the best determinable value of the warrants that the Company "knew up front" when issuing the warrants in accordance with Topic 505. Other than as expressly noted below, the warrants are not subject to any form of vesting schedule and, therefore, are exercisable by the holders anytime at their discretion during the life of the warrant. No discounts were applied to the valuation determined by the Black-Scholes option-pricing model; provided, however, that in determining volatility the Company utilized the lesser of the 90-day volatility as reported by Bloomberg or other such nationally recognized provider of financial markets data and 40.0%.

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As of September 30, 2011, 15,018,582 warrants to purchase common stock of the Company were issued and outstanding, additional information about which is included in the following table:

| Issued | Exercise Price | Issuance Date | Expiration Date | Vesting |
|---|----------------|---------------|-----------------|---------|
| 2,520,000 | \$ 1.500 | 01/31/08 | 01/31/13 | No |
| 175,864 | \$ 0.770 | 12/31/09 | 12/31/14 | No |
| 3,511,540 | \$ 0.750 | 09/30/09 | 10/01/12 | No |
| 100,000 | \$ 0.700 | 12/31/09 | 12/31/14 | No |
| 375,000 | \$ 0.500 | 08/20/09 | 08/20/14 | No |
| 50,000 | \$ 0.500 | 11/01/09 | 11/01/12 | No |
| 65,000 | \$ 0.500 | 12/21/09 | 12/21/12 | No |
| 350,000 | \$ 0.375 | 01/31/08 | 01/31/13 | No |
| 500,000 | \$ 0.375 | 12/31/08 | 12/31/13 | No |
| 200,000 | \$ 0.375 | 10/09/09 | 10/09/12 | No |
| 142,593 | \$ 0.360 | 05/14/10 | 05/14/15 | Yes |
| 60,000 | \$ 0.350 | 07/01/09 | 07/01/12 | No |
| 175,000 | \$ 0.350 | 08/20/09 | 08/20/14 | No |
| 2,218,125 | \$ 0.350 | 09/01/09 | 09/01/12 | No |
| 50,000 | \$ 0.350 | 11/01/09 | 11/01/12 | No |
| 100,000 | \$ 0.350 | 12/31/09 | 12/31/14 | No |
| 2,500,000 | \$ 0.300 | 11/15/10 | 11/15/15 | No |
| 20,833 | \$ 0.300 | 04/01/09 | 04/01/14 | Yes |
| 206,400 | \$ 0.200 | 06/29/10 | 06/29/15 | No |
| 212,400 | \$ 0.200 | 07/21/10 | 07/21/15 | No |
| 90,000 | \$ 0.200 | 09/03/10 | 09/03/15 | No |
| 1,395,827 | \$ 0.150 | 12/31/08 | 12/31/13 | Yes |
| 15,018,582 | | | | |
| Expected Dividend Yield | | | | 0.0% |
| Volatility | | | | 40.0% |
| Weighted average risk free interest rate | | | | 0.2% |
| Weighted average expected life (in years) | | | | 1.9 |

Private Placements, Other Issuances and Cancellations

The Company periodically issues shares of its common stock, as well as options and warrants to purchase shares of common stock to investors in connection with private placement transactions, and to advisors, consultants and employees for the fair value of services rendered. Absent an arm's length transaction with an independent third-party, the value of any such issued shares is based on the trading value of the stock at the date on which such transactions or agreements are consummated. The Company expenses the fair value of all such issuances in the period incurred. During the quarter ended September 30, 2011 the Company (i) issued 985,000 shares of common stock for services and recorded an expense of \$108,350 for the fair value of services rendered; (ii) cancelled 981,250 warrants issued in prior period(s) and reversed \$181,609, which equaled the fair value of such instruments as of their original issuance date (as amended); (iii) cancelled 87,500 shares issued in error to a single shareholder in connection with a previous private placement from 2009; and (iv) issued 450,000 shares to a single investor which should have been issued in connection with previous private placements from 2005 and 2009.

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NOTE 11 - INCOME TAXES

The Company restored a portion of its valuation allowance for deferred tax assets of \$308,000 for the quarter ended September 30, 2011, based on the Company's expected utilization of federal and state net operating loss carryforwards NOLs. The NOLs are subject to limitations under IRC Section 382 of the Internal Revenue Code ("Section 382"). The Company has maintained a valuation 100% allowance for the remaining deferred tax asset related to these NOL's until it has completed its study of the effect of Section 382 on the utilization of these NOLs, although the Company expects utilization of at least a portion of these NOLs.

Management is required to evaluate whether a valuation allowance should be established against its deferred tax assets based on the consideration of all available evidence using a "more likely than not" standard. Realization of deferred tax assets is dependent upon taxable income in prior carryback years, estimates of future taxable income, tax planning strategies, and reversals of existing taxable temporary differences. Management maintains a full valuation allowance as of September 30, 2011 based on both positive and negative evidence. The weight of negative factors and level of economic uncertainty in our current business continued to support the conclusion that the realization of its deferred tax assets does not meet the more likely than not standard. As a result of this evaluation, a full valuation allowance remained against the net deferred tax assets as of September 30, 2011. Management will continue to periodically reevaluate the valuation allowance and, to the extent that conditions change, some or all of such valuation allowance could be reversed in future periods.

The Company has no significant unrecognized tax benefits.

NOTE 12 – SUBSEQUENT EVENTS

In accordance with the Subsequent Events Topic of the FASB ASC 855, we have evaluated subsequent events, and have determined that the no subsequent events are reasonably likely to impact the financial statements.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Management's Discussion and Analysis contains various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-Q, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "believes", "plans", "expects", "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business, including but not limited to, reliance on key customers and competition in its markets, market demand, product performance, technological developments, maintenance of relationships with key suppliers, difficulties of hiring or retaining key personnel and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company adopted at management's discretion, the most conservative recognition of revenue based on the most astringent guidelines of the SEC. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein.

Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include those identified in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.

In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements.

Overview

Bond Laboratories, Inc. (the "Company") is a national provider of innovative and proprietary nutritional supplements for health conscious consumers. The Company produces and markets its products primarily through NDS Nutrition Products, Inc., a Florida corporation ("NDS"). NDS manufactures and distributes a full line of nutritional supplements to support healthy living predominantly through franchisees of General Nutrition Centers, Inc. ("GNC") located throughout the United States.

The Company was incorporated in the State of Nevada on July 26, 2005. In October 2008, the Company acquired the assets of NDS Nutritional Products, Inc., a Nebraska corporation, and moved those assets into its wholly owned subsidiary NDS. Management recently determined, based on historical and projected operating results in each of its divisions, to focus its efforts and working capital on the NDS product line, and continues to evaluate plans to maximize the value of Fusion Premium Beverages, Inc. ("Fusion Premium Beverages"), a Florida corporation and wholly owned operating division of the Company. While no assurances can be given, such plans may include the sale, spin-off, liquidation, or other disposition of the Fusion Premium Beverage division.

Bond Laboratories is headquartered in Omaha, Nebraska. For more information on the Company, please go to <http://www.bond-labs.com>. The Company's Common Stock currently trades under the symbol BNLB on the OTCQB

market.

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Results of Operations

Net Sales. Revenues for the three months ended September 30, 2011 increased to \$3,219,792 as compared to \$2,041,831 for the three months ended September 30, 2010. Revenues for the nine months ended September 30, 2011 increased to \$9,378,573 as compared to \$6,442,419 for the nine months ended September 30, 2010. This increase was attributable to sales growth in our existing product lines at NDS, driven primarily by an expansion in the number of GNC franchise locations carrying our products, the number of products approved for sale in such locations by GNC, and the successful launch of several new products during the three and nine month period. We currently market more than 50 products to over 800 GNC franchise locations nationwide, compared to approximately 50 products to 600 GNC franchise locations nationwide during the comparable period last year. The Company continually seeks to increase both the number of stores and number of approved products that comprise its distribution footprint and, while no assurances can be given, anticipates that such efforts will continue to drive future revenue growth.

Cost of Goods Sold. Cost of goods sold for the three months ended September 30, 2011 increased to \$2,021,204 as compared to \$1,492,457 for the three months ended September 30, 2010. Cost of goods sold for the nine months ended September 30, 2011 increased to \$5,987,768 as compared to \$4,584,518 for the nine months ended September 30, 2010. The increase was primarily attributable to higher revenue experienced during the reporting periods; however, total gross margin increased to 37.2% and 36.2% for the three and nine months ended September 30, 2011 from 26.9% and 28.8% for the three and nine months ended September 30, 2010, driven primarily by the strategic decision to focus on higher margin NDS products, and related cost savings achieved by discontinuing sales of products at the Fusion Premium Beverages division.

General and Administrative Expense. General and administrative expense for the three months ended September 30, 2011 decreased to \$332,932 as compared to \$570,154 for the three months ended September 30, 2010. General and administrative expense for the nine months ended September 30, 2011 decreased to \$1,146,550 as compared to \$1,797,222 for the nine months ended September 30, 2010. The decrease in general and administrative expense is primarily attributable to our decision to focus operations on the NDS product line, which resulted in substantially lower legal, personnel and other related costs of the Fusion Premium Beverages division during the three and nine months ended September 30, 2011 compared to the same periods last year. In addition, the Company continued to benefit during the most recently completed quarter from ongoing cost management and efficiency maximization initiatives.

Selling and Marketing Expense. Selling and marketing expense for the three months ended September 30, 2011 increased to \$501,316 as compared to \$454,903 for the three months ended September 30, 2010. Selling and marketing expense for the nine months ended September 30, 2011 decreased to \$1,234,408 as compared to \$1,375,314 for the nine months ended September 30, 2010.

Depreciation and Amortization. Depreciation and amortization for the three months ended September 30, 2011 decreased to \$66,561 as compared to \$69,451 for the three months ended September 30, 2010. Depreciation and amortization for the nine months ended September 30, 2011 decreased to \$200,704 as compared to \$205,589 for the nine months ended September 30, 2010.

Net Income / (Loss). We generated a profit of \$290,571 for the three months ended September 30, 2011 as compared to a loss of \$(559,814) for the three months ended September 30, 2010. We generated a profit of \$782,288 for the nine months ended September 30, 2011 as compared to a loss of \$(1,580,656) for the nine months ended September 30, 2010. The increase and crossover to profitability was driven by substantially increased sales at our NDS division and reduced operating expenses throughout the Company, resulting principally from the decision to discontinue sales of products at the Fusion Premium Beverages division.

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Liquidity and Capital Resources

The Company has historically financed its operations primarily through equity and debt financings. The Company has also provided for its cash needs by issuing common stock, options and warrants for certain operating costs, including consulting and professional fees. The Company did not engage in any financing activities during the nine month period ended September 30, 2011. Together with anticipated cash derived from operations, our existing cash resources are expected to provide for the Company's liquidity through at least December 31, 2011. Although no assurances can be given, management currently believes the Company will generate sufficient cash from operations to provide for its working capital needs beyond December 31, 2011; however, cash required to finance the Company's litigation in connection with, and ultimately resolve, the Schick matter, as discussed in Note 7 below, will negatively impact our cash flow from operations in subsequent quarters. In the event the Company fails to generate positive cash flow from its operations, it may be required to seek additional financing.

Cash Provided by / (Used in) Operations. Our cash used in operating activities for the nine months ended September 30, 2011 was \$(1,546) as compared to cash used in operating activities of \$(1,080,027) for the nine months ended September 30, 2010. The improvement is mainly attributable to our cross over to profitability.

Cash Provided by / (Used in) Investing Activities. Cash provided by investing activities for the nine months ended September 30, 2011 was \$1,200 as compared to \$16,224 for the nine months ended September 30, 2010.

Cash Provided by / (Used in) Financing Activities. Our cash used in financing activities for the nine months ended September 30, 2011 was \$146,153 as compared to cash provided by financing activities of \$241,237 for the nine months ended September 30, 2010. The difference is mainly attributable to the fact that we did not raise capital during the nine month period ended September 30, 2011.

WHERE YOU CAN FIND MORE INFORMATION

You are advised to read this Quarterly Report on Form 10-Q in conjunction with other reports and documents that we file from time to time with the SEC. In particular, please read our Quarterly Reports on Form 10-Q, Annual Report on Form 10-K, and Current Reports on Form 8-K that we file from time to time. You may obtain copies of these reports directly from us or from the SEC at the SEC's Public Reference Room at 100 F. Street, N.E. Washington, D.C. 20549, and you may obtain information about obtaining access to the Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains information for electronic filers at its website <http://www.sec.gov>.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business is currently conducted principally in the United States. As a result, our financial results are not affected by factors such as changes in foreign currency exchange rates or economic conditions in foreign markets. We do not engage in hedging transactions to reduce our exposure to changes in currency exchange rates, although if the geographical scope of our business broadens, we may do so in the future.

Our exposure to risk for changes in interest rates relates primarily to our investments in short-term financial instruments. Investments in both fixed rate and floating rate interest earning instruments carry some interest rate risk. The fair value of fixed rate securities may fall due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Partly as a result of this, our future interest income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that have fallen in estimated fair value due to changes in interest rates. However, as substantially all of our cash equivalents consist of bank deposits and short-term money market instruments, we do not expect any material change with respect to our net income as a result of an interest rate change.

We do not hold any derivative instruments and do not engage in any hedging activities.

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ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures were designed to provide reasonable assurance that the controls and procedures would meet their objectives. As required by SEC Rule 13a-15(b), our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed 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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has used the framework set forth in the report entitled Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, our Chief Executive Officer and Chief Financial Officer have concluded that our internal control over financial reporting was effective as of September 30, 2011. This Quarterly Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our internal control over financial reporting was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Quarterly Report. There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

(b) Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal controls over financial reporting or in other factors that could materially affect, or are reasonably likely to affect, our internal controls over financial reporting during the quarter ended September 30, 2011. There have not been any significant changes in the Company's critical accounting policies identified since the Company filed its Annual Report on Form 10-K as of December 31, 2010.

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PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

OSHA Matter

On February 19, 2009, we received a letter from the U.S. Department of Labor, Occupational Safe and Health Administration ("OSHA"), notifying us that a complaint had been filed by Eric Schick, our former President, alleging that we had committed certain unlawful employment practices, including retaliatory termination of his employment for "whistle blowing," in connection with his separation from the Company in October 2008. On March 30, 2009, we sent a response to OSHA setting forth our position that Mr. Schick had voluntarily resigned and denying the allegations set forth in the February 19, 2009 letter. On January 19, 2011, OSHA delivered its preliminary report determining that there was reasonable cause to believe that the Company and our former Chief Executive Officer violated Section 806 of the Corporate and Criminal Fraud Accountability Act of 2002, Title VIII of the Sarbanes-Oxley Act, and that the reinstatement of our former President was warranted. The determination was not a final determination by OSHA of a violation. OSHA has made a preliminary assessment of damages, which it estimates at approximately \$440,000.

The Company submitted a formal response to the DOL on February 22, 2011, as did our former Chief Executive Officer, refuting in their entirety the conclusions drawn in the preliminary finding of the DOL. On September 14, 2011, the Company received a formal letter from OSHA notifying the Company regarding its findings (the "OSHA Order"). In the OSHA Order, the Secretary of Labor, acting through OSHA, found that there was reasonable cause to conclude that the Company, and its former Chief Executive Officer, Scott Landow, violated the employee protection provisions of Section 806 of the Corporate and Criminal Fraud Accountability Act of 2002.

In its findings, OSHA ordered that the Company, among other things, pay Mr. Schick certain compensatory and other damages, and reinstate Mr. Schick to the position of President. The Company has filed an objection to the OSHA Order and has requested a formal hearing before an Administrative Law Judge ("ALJ") for the DOL, as the Company believes, among other errors in the OSHA Order, that the OSHA Order misstates certain material facts in connection with OSHA's findings that, if presented in accordance with the administrative procedures that govern formal proceedings before the DOL, may result in different findings. The Company has also appealed the OSHA Order reinstating Mr. Schick to the position of President. In the event of an ultimate finding in favor of Mr. Schick on his allegations, we may be required to pay Mr. Schick substantial amounts and incur other potential penalties. Any such payments could materially and adversely affect our financial condition, business and prospects, and could prevent us from executing our business plan as currently contemplated.

CycloBolan Matter

On October 7, 2010, we received notification of an action filed against Infinite Labs LLC (Infinite Labs was a product line previously marketed by NDS, which was sold and/or otherwise discontinued by the Company in September 2009) alleging numerous physical and psychological injuries by an individual in connection with his ingestion of CycloBolan, a supplement manufactured by NDS. The parties are currently engaged in written discovery and no depositions have been taken to date. Because there has been no discovery done with respect to causation, it is impossible to currently evaluate the likelihood of any outcome or potential loss, if any. The plaintiff sought initial damages of \$500,000. The lawsuit was tendered to the Company's insurance carrier, which has assumed the defense of the case at no cost to the Company. Management currently believes the overall risk to the Company in connection with this matter is minimal.

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We are currently not involved in any litigation except noted above that we believe could have a material adverse effect on our financial condition or results of operations. Other than described above, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of our subsidiaries, threatened against or affecting the Company, our common stock, any of our subsidiaries or of the Company's or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM 1A. RISK FACTORS

There were no material changes from the risk factors previously disclosed in Part II, Item 6, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There were no defaults upon senior securities during the period ended September 30, 2011.

ITEM 5. OTHER INFORMATION

There is no information with respect to which information is not otherwise called for by this form.

ITEM 6. EXHIBITS

- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
- 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
- 32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.
- 32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.
- 101.INS* XBRL Instance Document
- 101.SCH* XBRL Taxonomy Extension Schema
- 101.CAL* XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF* XBRL Taxonomy Extension Definition Linkbase
- 101.LAB* XBRL Taxonomy Extension Label Linkbase
- 101.PRE* XBRL Taxonomy Extension Presentation Linkbase

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

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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.

| | |
|-------------------------|--|
| Registrant | Bond Laboratories, Inc. |
| Date: November 10, 2011 | By: /s/ John Wilson John Wilson Chief Executive Officer (Principal Executive Officer) |

| | |
|-------------------------|--|
| Registrant | Bond Laboratories, Inc. |
| Date: November 10, 2011 | By: /s/ Michael Abrams Michael Abrams Chief Financial Officer (Principal Financial Officer) |