BOND LABORATORIES, INC.
Form 10-K
April 13, 2012

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

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2011

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

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

Commission File Number: 0-25474

Bond Laboratories, Inc.
(Name of small business issuer as specified in its charter)

Nevada	20-3464383
State of Incorporation	IRS Employer Identification No.

4509 S 143rd Street, Suite 1, Omaha, Nebraska 68137
(Address of principal executive offices)

(402) 333-5260
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act:
None

Securities registered under Section 12(g) of the Exchange Act:
Common Stock, $0.01 par value per share

(Title of Class)
Common Stock, $.01 Par Value

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

o Yes x No

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

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 a shorter period that the registrant was required to submit and post such files).
x Yes o No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act. o

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $4,737,045.

State the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of April 10, 2012, there were 74,299,003 shares of common stock, $0.01 par value per share, issued and outstanding.

Documents Incorporated By Reference - None

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Forward Looking Statements — Cautionary Language

Certain statements made in these documents and in other written or oral statements made by Bond Laboratories, Inc. or on Bond Laboratories, Inc.’s behalf are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like: "believe", "anticipate", "expect", "estimate", "project", "will", "shall" and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in our businesses, prospective products, future performance or financial results. Bond Laboratories, Inc. claims the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements. Risks and uncertainties that may cause actual results to vary materially, some of which are described in this filing. The risks included herein are not exhaustive. This annual report on Form 10-K, as amended quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC include additional factors which could impact Bond Laboratories, Inc.'s business and financial performance. Moreover, Bond Laboratories, Inc. operates in a rapidly changing and competitive environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors. Further, it is not possible to assess the impact of all risk factors on Bond Laboratories, Inc.'s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, Bond Laboratories, Inc. disclaims any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of the report.

PART I

ITEM 1. BUSINESS

Except for historical information contained herein, the following discussion contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements include, but are not limited to, statements regarding future events and the Company’s plans and expectations. Actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed elsewhere in this Form 10-K or incorporated herein by reference, including those set forth in Management’s Discussion and Analysis or Plan of Operation.

As used in this annual report, “we”, “us”, “our”, “Bond”, “Bond Laboratories” “Company” or “our company” refers to Laboratories, Inc. and all of its subsidiaries.

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.

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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Industry Overview

We compete principally in the nutrition industry. The Nutrition Business Journal categorizes the industry in the following segments:

Dietary Supplements (vitamins, minerals, herbs & botanicals, sports nutrition, meal replacements, specialty supplements);

Natural & Organic Foods (products such as cereals, milk, non-dairy beverages and frozen meals);

Functional Foods (products with added ingredients or fortification specifically for health or performance purposes); and

Natural & Organic Personal Care and Household Products.

Management believes that the following factors drive growth in the nutrition industry:

The general public's awareness and understanding of the connection between diet and health;

The aging population in the Company's markets who tend to use more nutritional supplements as they age;

Increasing healthcare costs and the consequential trend toward preventative medicine and non-traditional medicines; and

Product introductions in response to new scientific studies.

Our Products

The Company currently focuses its sales and marketing efforts on its full line of sports performance, weight loss and general nutrition products that are currently marketed and sold nationally through NDS, the Company's wholly-owned subsidiary. NDS currently markets approximately 50 different products to over 800 GNC franchise locations across the United States, which are distributed through either the Company's direct distribution system or GNC's distribution system. A complete product list is available on our website at www.ndsnutrition.com. Key brands include:

Professional Muscular Development, a comprehensive line of sports nutrition products, examples include Pump Fuel, ACG3 and Core Fuel;

A complete suite of products that support weight loss and increased metabolism: examples include Embrace Extreme, Lipo Rush, and Cardio Cuts; and

Doctor Health, a diverse line of products that promote general health and well-being, examples include Dr. Detox, Dr. Cholesterol and Dr. Joints.

The Company also sells innovative diet, health and sports nutrition supplements and related products through its Core Active Nutrition product line ("Core Active Nutrition Products"). Core Active Nutrition Products are principally marketed and sold directly to athletic facilities, gyms, and independent retailers nationwide.

Manufacturing, Sources and Availability of Raw Materials

The Company utilizes several contract manufactures to produce its various products and product forms including capsules, tablets, and powders. All of our manufacturers abide by current Good Manufacturing Practices ("cGMPs") to ensure quality and consistency, and nearly all are certified through a governing body such as the NPA ("Natural Products Association") or NSF International. Raw materials are sourced and supplied by the respective contract manufacturer, and tested for accuracy and purity. The materials are blended according to specific and proprietary formula specifications and subjected to comprehensive testing prior to store placement. We own the formulas for each of our products and we believe that our purchasing requirements can be readily met from alternative sources, if necessary.

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New Product Identification

From time to time we expand our product line through the development of new products. New product ideas are derived from a number of sources, including trade publications, scientific and health journals, consultants, distributors, and other third parties. Prior to introducing new products, we investigate product formulations as they relate to regulatory compliance and other issues. We introduced a total of 12 new products during the year ended December 31, 2011. Management continually assesses and analyzes developing market trends to detect and proactively address what they believe are areas of unmet or growing demand that represent an opportunity for the Company and, where deemed appropriate, attempts to introduce new products and/or packaging solutions in direct response to meet that demand.

Sales, Marketing and Distribution

The Company principally distributes its sports performance, weight loss and general nutrition products through over 800 GNC franchise locations located throughout the United States through both an independent warehouse as well as GNC's centralized warehouse system for franchisees. Each GNC franchisee represents a discrete customer for the Company. As of December 31, 2011, the Company distributed products to more than 350 franchisee customers, operating between one and 17 independently owned franchise locations each. While, for the year ended December 31, 2011, sales to GNC franchises represented approximately 95.9% of the total sales of the Company, no single customer represented more than 7% of such amount. The remaining 4.1% of sales were attributable to other distribution channels including online sales through the Company-owned website located at www.ndsnutrition.com, sales from our discontinued Fusion Premium Beverages division, and sales of its Core Active Nutrition Products.

We are currently focusing our sales and marketing efforts to expand sales to additional GNC franchise locations both domestically and internationally, as well as developing a broader retail presence for our Core Active Nutrition Products. Management believes that substantial growth opportunities exist to increase revenue with GNC, since the Company is currently only selling to approximately 800 franchise locations out of more than 2,600 total franchise locations, of which approximately 900 are domestic. In addition to the above, GNC operates approximately another 5,000 corporate-owned stores domestically.

Product Returns

We currently have a 30 day product return policy, which allows for a 100% sales price refund, less a 20% restocking fee, for the return of unopened and undamaged products purchased from us online at www.ndsnutrition.com. Product sold to GNC may be returned only in the event product is damaged, or the product shelf life has expired. Historically, product returns have been immaterial.

Competition

The Company competes with many companies engaged in selling nutritional supplements. The Company also competes with companies who sell products similar to the Company's products online. Many of the Company's competitors have significantly greater financial and human resources than the Company does. The Company seeks to differentiate its products and marketing from its competitors based on its product quality and benefits, and functional ingredients. Patent and trademark applications that cover new formulas and embody new technology will be pursued whenever possible. While we cannot assure that such measures will block competitive products, we believe our continued emphasis on innovation and new product development targeted at the needs of the consumer will enable the Company to effectively compete in the marketplace.

Regulatory Matters

Our operations are affected by extensive laws, governmental regulations, administrative determinations, court decisions and enforcement policies. These requirements exist at the federal, state and local levels in the United States, including laws and regulations pertaining to:

- the formulation, manufacturing, packaging, labeling, holding, storage, distribution, advertising, and sale of our products;
- product claims and advertising, including direct claims and advertising by us, as well as claims and advertising by independent distributors, for which we may be held responsible;
- our direct selling program; and
- taxation of independent distributors (which in some instances could impose an obligation on us to collect the taxes and maintain appropriate records).

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The formulation, manufacturing, packaging, labeling, holding, storage, distribution, advertising, and sale of our products are subject to regulation by one or more federal agencies, including the FDA, the FTC, the Consumer Product Safety Commission ("CPSC"), the Occupational Safety and Health Administration ("OSHA"), the Department of Agriculture ("USDA") and the Environmental Protection Agency ("EPA"). These activities are also regulated by various agencies of the states and localities in which our products are sold. Pursuant to the Federal Food, Drug, and Cosmetic Act ("FDCA"), the FDA regulates the processing, formulation, safety, manufacture, packaging, labeling, holding, sale, and distribution of foods and nutritional supplements (including vitamins, minerals, amino acids, herbs, and botanicals). The FTC has jurisdiction to regulate the advertising of these products. The CPSC is charged with protecting the public from risks of serious injury or death associated with the use of consumer products. Nutritional supplements are among the over 15,000 types of consumer products under CPSC's jurisdiction. When consumers complain to the CPSC about alleged harm stemming from ingestion of a nutritional supplement, CPSC may contact the entity concerned, inform it of the nature of the complaint, and invite a response. CPSC has conducted several recalls of iron-containing dietary supplements that do not comply with the child-resistant packaging requirement. The OSHA is charged with protecting workplace safety. Nutritional supplement companies must maintain a safe workplace and may from time to time be subject to queries from OSHA if manufacturing methods or procedures raise a question of worker safety. The USDA has jurisdiction over animal food and animal feed, including regulatory control over the harvesting of animal-based source materials, including animal-derived proteins, and animal-derived gelatin capsules, used in the making of dietary supplements. The EPA regulates dietary supplement compliance with standards established under the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, and the Pollution Prevention Act as they affect the use, maintenance, and disposal of substances used in and facilities used for the manufacture of nutritional supplements.

The FDCA has been amended several times with respect to nutritional supplements, in particular by the Dietary Supplement Health and Education Act of 1994 ("DSHEA"), which established a new framework governing the composition, safety, labeling and marketing of nutritional supplements. Nutritional supplements are defined as vitamins, minerals, herbs, other botanicals, amino acids and other dietary substances for human use to supplement the diet, as well as concentrates, metabolites, constituents, extracts or combinations of such dietary ingredients. Generally, under DSHEA, dietary ingredients that were on the market prior to October 15, 1994, may be used in nutritional supplements without notifying the FDA. New dietary ingredients, consisting of dietary ingredients that were not marketed in the United States before October 15, 1994, are subject to a FDA pre-market new dietary ingredient notification requirement unless the ingredient has been present in the food supply as an article used for food without being chemically altered. A new dietary ingredient notification must provide the FDA with evidence of a history of use or other evidence of safety establishing that use of the dietary ingredient will reasonably be expected to be safe. A new dietary ingredient notification must be submitted to the FDA at least 75 days before the initial marketing of the new dietary ingredient. There is no certainty that the FDA will accept any particular evidence of safety for any new dietary ingredient. The FDA's refusal to accept such evidence could prevent the marketing of such dietary ingredients.

The FDA issued a consumer warning in 1996, followed by proposed regulations in 1997, covering nutritional supplements that contain ephedra or its active substance, ephedrine alkaloids. We ceased producing and selling any and all products containing ephedra in compliance with all government mandates. In February 2004, the FDA issued a final regulation declaring nutritional supplements containing ephedra under the FDCA because they present an unreasonable risk of illness or injury under the conditions of use recommended or suggested in labeling, or if no conditions of use are suggested or recommended in labeling, under ordinary conditions of use. The rule took effect on April 12, 2004, and bans the sale of nutritional supplement products containing ephedra. Similarly, the FDA issued a consumer advisory in 2002 with respect to nutritional supplements that contain the ingredient Kava, and the FDA is currently investigating adverse effects associated with ingestion of this ingredient. To our knowledge, the Company has never produced or sold any products containing Kava.

Several of the Company's products contain methylhexanamine ("DMAA"), which has been extensively marketed as a pre-workout sports supplement. It has been reported that DMAA has potential side effects, including headache, nausea, and stroke. At least one distributor of DMAA has been named in a class action lawsuit over DMAA's safety. While the Company believes that DMAA is safe in the quantities included in its products, until further studies are conducted, no assurances can be given.

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DSHEA permits statements of nutritional support to be included in labeling for nutritional supplements without FDA premarket approval. These statements must be submitted to the FDA within 30 days of marketing and must bear a label disclosure that "This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease." These statements may describe a benefit related to a nutrient deficiency disease, the role of a nutrient or nutritional ingredient intended to affect the structure or function in humans, the documented mechanism by which a nutrient or dietary ingredient acts to maintain such structure or function, the general well-being from consumption of a nutrient or dietary ingredient, but may not expressly or implicitly represent that a nutritional supplement will diagnose, cure, mitigate, treat or prevent a disease. An entity that uses a statement of nutritional support in labeling must possess scientific evidence substantiating that the statement is truthful and not misleading. If the FDA determines that a particular statement of nutritional support is an unacceptable drug claim or an unauthorized version of a disease claim for a food product, or if the FDA determines that a particular claim is not adequately supported by existing scientific data or is false or misleading, we would be prevented from using the claim.

In addition, DSHEA provides that so-called "third-party literature," e.g., a reprint of a peer-reviewed scientific publication linking a particular nutritional ingredient with health benefits, may be used in connection with the sale of a nutritional supplement to consumers without the literature being subject to regulation as labeling. Such literature must not be false or misleading; the literature may not promote a particular manufacturer or brand of nutritional supplement; the literature must present a balanced view of the available scientific information on the nutritional supplement; if displayed in an establishment, the literature must be physically separate from the nutritional supplement; and the literature may not have appended to it any information by sticker or any other method. If the literature fails to satisfy each of these requirements, we may be prevented from disseminating it with our products, and any dissemination could subject our products to regulatory action as an illegal drug. Moreover, any written or verbal representation by us that would associate a nutrient in a product that we sell with an effect on a disease will be deemed evidence of intent to sell the product as an unapproved new drug, a violation of the FDCA.

On August 25, 2007 the FDA adopted the final regulations for large manufactures of a standard originally proposed in March 2003 of the current Good Manufacturing Practices guidelines ("cGMPs") for the manufacturing, packing, holding and distributing dietary ingredients and nutritional supplements. The new regulations will require nutritional supplements to be prepared, packaged, and held in compliance with strict rules, and will require quality control provisions that may mandate redundant testing of product ingredients at each separate stage of manufacture and are intended to ensure that products are accurately labeled and don't contain adulterants and contaminants. While the rule allowed for medium and small manufacturers to have until 2010 and 2011, respectively, to comply with the cGMPs, most of our contract manufacturers did not qualify as small or medium. As a result, many of our contract manufacturers began following the proposed cGMPs or even pharmaceutical cGMPs well before the final rule was published. We expect to see an increase in our manufacturing costs as a result of the necessary increase in testing of raw ingredients and finished products and compliance with higher quality standards, although we are not certain of the amount of these costs.

The FDA has broad authority to enforce the provisions of the FDCA applicable to nutritional supplements, including powers to issue a public warning letter to an entity, to publicize information about illegal products, to request a recall of illegal products from the market, and to request the Department of Justice to initiate a seizure action, an injunction action, or a criminal prosecution in the United States courts. The regulation of nutritional supplements may increase or become more restrictive in the future.

In 2004, legislation was introduced in both houses of Congress that imposed substantial new regulatory requirements for dietary supplements. These bills did not pass and are no longer pending, but we believe the 2004 proposed legislation evidences a continuing effort to further regulate dietary supplements.

On April 12, 2004, the FDA adopted a new test for determining when a nutritional supplement is adulterated. Under this test, the FDA may declare a nutritional supplement adulterated (i.e., to present an unreasonable risk of illness or injury) if it finds any benefit provided by the supplement outweighed by a risk of illness of injury. The new risk/benefit test is ill-defined and can be interpreted to permit FDA to hold a wide range of nutritional supplements adulterated. It is possible that FDA might hold more nutritional supplements adulterated in the future, reducing the nutritional ingredients available for use in our products.

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The FTC exercises jurisdiction over the advertising of nutritional supplements. In recent years, the FTC has instituted numerous enforcement actions against nutritional supplement companies for deceptive advertising based on those companies' alleged failure to possess competent and reliable scientific evidence in support of claims made in advertising.

The FTC may monitor our advertising and could request all evidence in support of our advertising claims, which evidence is required to be kept by us in advance of advertising. Discerning what constitutes "competent and reliable scientific evidence" involves, to a degree, a subjective assessment of the relative level, degree, quality, and quantity of scientific evidence and its acceptance in the scientific community as proof of the advertising statement. It is therefore possible that we may think evidence we have as sufficient but the FTC may deem the evidence inadequate. We believe we are in material compliance with all applicable federal, state and local rules.

On December 9, 2006, President Bush signed the Dietary Supplement & Nonprescription Drug Consumer Protection Act into law. The legislation requires manufacturers of dietary supplement and over-the-counter products to notify the FDA when they receive reports of serious adverse events. We already have an internal adverse event reporting system that has been in place for several years. In December 2008 the FDA submitted Guidance for implementing the regulations for comment, this guidance, when finalized, will represent the current thinking of the Food and Drug Administration on this topic, which we would intend to fully comply with at such time.

Patents, Trademarks and Proprietary Rights

We have obtained federal registration on certain of our products. We have abandoned or not pursued efforts to register certain other marks identifying other items in our product line for various reasons including the inability of some names to qualify for registration and due to our abandonment of certain such products. All trademark registrations are protected for a period of ten years and then are renewable thereafter if still in use.

Employees

We had 11 full-time employees and one part-time employee as of December 31, 2011. We consider our employee relations to be good. In addition to the above, the Company retains consultants for certain services on an as needed basis.

Environmental Regulation

Our business does not require us to comply with any particular environmental regulations.

ITEM 1A - Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information contained in this Annual Report on Form 10-K, before investing in our common stock. If any of the events anticipated by the risks described below occur, our results of operations and financial condition could be adversely affected which could result in a decline in the market price of our common stock, causing you to lose all or part of your investment.

We have incurred losses in the past and there can be no assurance that we will achieve profitability in the future.

While we achieved positive net income for the year ended December 31, 2011, we had net losses for the year ending December 31, 2010 of $3,178,031. There can be no assurance we will continue to achieve positive net income. At December 31, 2011 and December 31, 2010, we had an accumulated deficit of $(25,138,999) and $(25,582,201),

respectively. We may require additional capital to execute our business and marketing plan, or in the event of an adverse result in our currently pending litigation. Our history of losses may impair our ability to obtain necessary financing on favorable terms or at all. It may also impair our ability to attract investors if we attempt to raise additional capital by selling additional debt or equity securities in a private or public offering. If we are not able to achieve positive cash flow from operations and we are otherwise unable to obtain additional financing, we may be unable to continue our operations.

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We may need to raise additional funds to fund operations or in the event of an adverse result in pending litigation, which cannot be assured and would result in dilution to the existing shareholders.

To date, our operating funds have been provided primarily from sales of our common stock, preferred stock and, to a lesser degree, cash flow provided by sales of our products. While we generated $104,846 of cash from operations in the year ended December 31, 2011, no assurances can be given that we will not need additional working capital in the future. If our business operations do not result in increased product sales, our business viability, financial position, results of operations and cash flows will likely continue to be adversely affected. Further, if we are not successful in resolving pending litigation against us, additional capital will be required to conduct ongoing operations. We cannot predict the terms upon which we could raise such capital or if any capital would be available at all, and what dilution will be caused to the existing shareholders.

Any adverse result in pending litigation will have a material adverse effect on the Company.

On February 19, 2009, we received a letter from the U.S. Department of Labor (“DOL”), 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 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. On February 3, 2012, the DOL’s Office of Administrative Law Judge issued on order denying the Company’s motion to stay OSHA’s preliminary order of reinstatement, thereby ordering reinstatement of Schick to the position of President. While the Company is appealing the DOL’s order, in the event the Company is not successful, the Company could be harmed.

OSHA has made a preliminary assessment of damages, which it estimates at approximately $440,000; however, the damages alleged by Mr. Schick substantially exceed this amount. The Company intends to vigorously defend against the complaint, which defense will require substantial financial and human resources (including significant amounts of our management's time and attention), which in turn could materially and adversely affect our business, operations and financial condition. In addition, if there was 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.

We established a litigation reserve of $250,000 in connection with the pending complaint as of December 31, 2011 in anticipation of further litigation and potential settlement costs associated with resolving such matter. In the event there is an ultimate finding in favor of Mr. Schick, the ultimate impact on our financial statements may exceed the amount of the reserve, and such amount may be material. Any such finding could materially and adversely affect our financial condition, business and prospects, and could prevent us from executing our business plan as currently contemplated.

We are currently dependent on sales to GNC franchisees for 95.9% of our total sales.

We currently have a purchasing agreement with GNC that provides terms and conditions for the sale of product to GNC franchisees. Sales to GNC franchises during the year ended December 31, 2011 were $11,593,749, representing 95.9% of total sales. GNC’s franchisees are not required to purchase product from the Company. In the event GNC franchisees cease purchasing products from the Company, or otherwise reduce their purchases, the Company’s total revenues would be negatively impacted, and such impact would be material.

Our ability to materially increase sales is largely dependent on the ability to increase sales of product to additional GNC franchisees, as well as increasing sales of its Core Active Nutrition Products. We may invest significant

amounts in these expansions with little success.

We currently are focusing our marketing efforts on increasing the sale of products to additional GNC franchisees, both domestically as well as internationally, as well as increasing the number of independent retailers selling Core Active Nutrition Products. We may not be successful increasing sales to additional GNC franchisees, or contracting with additional independent retailers to market and sell Core Active Nutrition Products. In addition, we do not have any history of international expansion, and therefore have no assurance that any efforts to sell our products outside the United States will result in increased revenue. Additionally, we may need to overcome significant regulatory and legal barriers in order to sell our products internationally, and we cannot give assurance as to whether we will be able to comply with such regulatory or legal requirements.

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We are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints, which can make compliance costly and subject us to enforcement actions by governmental agencies.

The formulation, manufacturing, packaging, labeling, holding, storage, distribution, advertising and sale of our products are affected by extensive laws, governmental regulations and policies, administrative determinations, court decisions and similar constraints at the federal, state and local levels, both within the United States and in any country where we conduct business. There can be no assurance that we or our independent distributors will be in compliance with all of these regulations. A failure by us or our distributors to comply with these laws and regulations could lead to governmental investigations, civil and criminal prosecutions, administrative hearings and court proceedings, civil and criminal penalties, injunctions against product sales or advertising, civil and criminal liability for the Company and/or its principals, bad publicity, and tort claims arising out of governmental or judicial findings of fact or conclusions of law adverse to the Company or its principals. In addition, the adoption of new regulations and policies or changes in the interpretations of existing regulations and policies may result in significant new compliance costs or discontinuation of product sales, and may adversely affect the marketing of our products, resulting in decreases in revenues.

We are currently dependent on a limited number of independent suppliers and manufacturers of our products, which may affect our ability to deliver our products in a timely manner. If we are not able to ensure timely product deliveries, potential distributors and customers may not order our products, and our revenues may decrease.

We rely entirely on a limited number of third parties to supply and manufacture our products. Our products are manufactured on a purchase order basis only and manufacturers can terminate their relationships with us at will. These third party manufacturers may be unable to satisfy our supply requirements, manufacture our products on a timely basis, fill and ship our orders promptly, provide services at competitive costs or offer reliable products and services. The failure to meet any of these critical needs would delay or reduce product shipment and adversely affect our revenues, as well as jeopardize our relationships with our distributors and customers. In the event any of our third party manufacturers were to become unable or unwilling to continue to provide us with products in required volumes and at suitable quality levels, we would be required to identify and obtain acceptable replacement manufacturing sources. There is no assurance that we would be able to obtain alternative manufacturing sources on a timely basis. Additionally, all our third party manufacturers source the raw materials for our products, and if we were to use alternative manufacturers we may not be able to duplicate the exact taste and consistency profile of the product from the original manufacturer. An extended interruption in the supply of our products would result in decreased product sales and our revenues would likely decline. We believe that we can meet our current supply and manufacturing requirements with our current suppliers and manufacturers or with available substitute suppliers and manufacturers. Historically, we have not experienced any delays or disruptions to our business caused by difficulties in obtaining supplies.

We are dependent on our third party manufacturers to supply our products in the compositions we require, and we do not independently analyze our products. Any errors in our product manufacturing could result in product recalls, significant legal exposure, and reduced revenues and the loss of distributors.

While we require that our manufacturers verify the accuracy of the contents of our products, we do not have the expertise or personnel to monitor the production of products by these third parties. We rely exclusively, without independent verification, on certificates of analysis regarding product content provided by our third party suppliers and limited safety testing by them. We cannot be assured that these outside manufacturers will continue to supply products to us reliably in the compositions we require. Errors in the manufacture of our products could result in product recalls, significant legal exposure, adverse publicity, decreased revenues, and loss of distributors and endorsers.

We face significant competition from existing suppliers of products similar to ours. If we are not able to compete with these companies effectively, we may not be able to achieve profitability.

We face intense competition from numerous resellers, manufacturers and wholesalers of energy drinks, protein shakes and nutritional supplements similar to ours, including retail, online and mail order providers. Most of our competitors have longer operating histories, established brands in the marketplace, revenues significantly greater than ours and better access to capital than us. We expect that these competitors may use their resources to engage in various business activities that could result in reduced sales of our products. Companies with greater capital and research capabilities could re-formulate existing products or formulate new products that could gain wide marketplace acceptance, which could have a depressive effect on our future sales. In addition, aggressive advertising and promotion by our competitors may require us to compete by lowering prices because we do not have the resources to engage in marketing campaigns against these competitors, and the economic viability of our operations likely would be diminished.

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Adverse publicity associated with our products, ingredients, or those of similar companies, could adversely affect our sales and revenue.

Our customers' perception of the safety and quality of our products or even similar products distributed by others can be significantly influenced by national media attention, publicized scientific research or findings, product liability claims and other publicity concerning our products or similar products distributed by others. Adverse publicity, whether or not accurate, that associates consumption of our products or any similar products with illness or other adverse effects, will likely diminish the public's perception of our products. Claims that any products are ineffective, inappropriately labeled or have inaccurate instructions as to their use, could have a material adverse effect on the market demand for our products, including reducing our sales and revenues.

Several of the Company's products contain methylhexanamine ("DMAA"), which has been extensively marketed as a pre-workout sports supplement. It has been reported that DMAA has potential side effects, including headache, nausea, and stoke. At least one distributor of DMAA has been named in a class action lawsuit over DMAA's safety. While the Company believes that DMAA is safe in the quantities included in its products, until further studies are conducted, no assurances can be given.

The efficiency of nutritional supplement products is supported by limited conclusive clinical studies, which could result in less market acceptance of these products and lower revenues or lower growth rates in revenues.

Our nutritional supplement products are made from various ingredients including vitamins, minerals, amino acids, herbs, botanicals, fruits, berries and other substances for which there is a long history of human consumption. However, there is little long-term experience with human consumption of certain product ingredients or combinations of ingredients in concentrated form. Although we believe all of our products fall within the generally known safe limits for daily doses of each ingredient contained within them, nutrition science is imperfect. Moreover, some people have peculiar sensitivities or reactions to nutrients commonly found in foods, and may have similar sensitivities or reactions to nutrients contained in our products. Furthermore, nutrition science is subject to change based on new research. New scientific evidence may disprove the efficacy of our products or prove our products to have effects not previously known. We could be adversely affected by studies that may assert that our products are ineffective or harmful to consumers, or if adverse effects are associated with a competitor's similar products.

Our products may not meet health and safety standards or could become contaminated.

We do not have control over all of the third parties involved in the manufacturing of our products and their compliance with government health and safety standards. Even if our products meet these standards they could otherwise become contaminated. A failure to meet these standards or contamination could occur in our operations or those of our distributors or suppliers. This could result in expensive production interruptions, recalls and liability claims. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could negatively affect our business and financial performance.

The sale of our products involves product liability and related risks that could expose us to significant insurance and loss expenses.

We face an inherent risk of exposure to product liability claims if the use of our products results in, or is believed to have resulted in, illness or injury. Most of our products contain combinations of ingredients, and there is little long-term experience with the effect of these combinations. In addition, interactions of these products with other products, prescription medicines and over-the-counter drugs have not been fully explored or understood and may have unintended consequences. While our third party manufacturers perform tests in connection with the formulations of our products, these tests are not designed to evaluate the inherent safety of our products.

Although we maintain product liability insurance, it may not be sufficient to cover all product liability claims and such claims that may arise, could have a material adverse effect on our business. The successful assertion or settlement of an uninsured claim, a significant number of insured claims or a claim exceeding the limits of our insurance coverage would harm us by adding further costs to our business and by diverting the attention of our senior management from the operation of our business. Even if we successfully defend a liability claim, the uninsured litigation costs and adverse publicity may be harmful to our business.

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Any product liability claim may increase our costs and adversely affect our revenues and operating income. Moreover, liability claims arising from a serious adverse event may increase our costs through higher insurance premiums and deductibles, and may make it more difficult to secure adequate insurance coverage in the future. In addition, our product liability insurance may fail to cover future product liability claims, which, if adversely determined, could subject us to substantial monetary damages.

If the products we sell do not have the healthful effects intended, our business may suffer.

In general, our products sold consist of nutritional supplements which are classified in the United States as "dietary supplements" which do not currently require approval from the FDA or other regulatory agencies prior to sale. Although many of the ingredients in such products are vitamins, minerals, herbs and other substances for which there is a long history of human consumption, they contain innovative ingredients or combinations of ingredients. Although we believe all of such products and the combinations of ingredients in them are safe when taken as directed by the Company, there is little long-term experience with human or other animal consumption of certain of these ingredients or combinations thereof in concentrated form. The products could have certain side effects if not taken as directed or if taken by a consumer that has certain medical conditions. Furthermore, there can be no assurance that any of the products, even when used as directed, will have the effects intended or will not have harmful side effects.

A slower growth rate in the nutritional supplement industry could lessen our sales and make it more difficult for us to achieve growth and become profitable.

The nutritional supplement industry has been growing at a strong pace over the past ten years, despite continued negative impacts of popular supplements like Echinacea and ephedra on the supplement market. However, any reported medical concerns with respect to ingredients commonly used in nutritional supplements could negatively impact the demand for our products. Meanwhile, low-carb products, affected liquid meal replacements and similar competing products addressing changing consumer tastes and preferences could affect the market for certain categories of supplements. All these factors could have a negative impact on our sales growth.

Compliance with changing corporate governance regulations and public disclosures may result in additional risks and exposures.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new regulations from the SEC, have created uncertainty for public companies such as ours. These laws, regulations, and standards are subject to varying interpretations in many cases and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. As a result, our efforts to comply with evolving laws, regulations, and standards have resulted in, and are likely to continue to result in, increased expenses and significant management time and attention.

Loss of key personnel could impair our ability to operate.

Our success depends on hiring, retaining and integrating senior management and skilled employees. We are currently dependent on certain current key employees, including John Wilson, our Chief Executive Officer, who is vital to our ability to grow our business and achieve profitability. As with all personal service providers, our officers can terminate their relationship with us at will. Our inability to retain these individuals may result in our reduced ability to operate our business.

A limited trading market currently exists for our securities and we cannot assure you that an active market will ever develop, or if developed, will be sustained.

There is currently a limited trading market for our securities on the Over-the-Counter Bulletin Board. An active trading market for the common stock may not develop. Consequently, we cannot assure you when and if an active-trading market in our shares will be established, or whether any such market will be sustained or sufficiently liquid to enable holders of shares of our common stock to liquidate their investment in our company. If an active public market should develop in the future, the sale of unregistered and restricted securities by current shareholders may have a substantial impact on any such market.

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The price of our securities could be subject to wide fluctuations and your investment could decline in value.

The market price of the securities of a company such as ours with little name recognition in the financial community and without significant revenues can be subject to wide price swings. For example, the bid price of our common stock has ranged from a high $0.16 to a low of $0.07 during the period commencing January 1, 2011 and ending December 31, 2011. The market price of our securities may be subject to wide changes in response to quarterly variations in operating results, announcements of new products by us or our competitors, reports by securities analysts, volume trading, or other events or factors. In addition, the financial markets have experienced significant price and volume fluctuations for a number of reasons, including the failure of certain companies to meet market expectations. These broad market price swings, or any industry-specific market fluctuations, may adversely affect the market price of our securities.

Companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we were to become the subject of securities class action litigation, it could result in substantial costs and a significant diversion of our management's attention and resources.

Because our common stock may be classified as "penny stock," trading may be limited, and the share price could decline. Because our common stock may fall under the definition of "penny stock," trading in the common stock, if any, may be limited because broker-dealers would be required to provide their customers with disclosure documents prior to allowing them to participate in transactions involving the common stock. These disclosure requirements are burdensome to broker-dealers and may discourage them from allowing their customers to participate in transactions involving our common stock.

We may issue preferred stock with rights senior to the common stock.

Our articles of incorporation authorize the issuance of up to 10,000,000 shares of Series A preferred stock, par value $0.01 per share, 1,000 shares of Series B preferred stock, par value $0.01 per share, and 500 shares of Series C preferred stock par value $0.01 per share (the "Preferred Stock") without shareholder approval and on terms established by our directors. We have no existing plans to issue any additional shares of preferred stock. However, the rights and preferences of any such class or series of Preferred Stock, were we to issue it, would be established by our board of directors in its sole discretion and may have dividend, voting, liquidation and other rights and preferences that are senior to the rights of the common stock.

You should not rely on an investment in our common stock for the payment of cash dividends.

Because of our significant operating losses and because we intend to retain future profits, if any, to expand our business, we have never paid cash dividends on our stock and do not anticipate paying any cash dividends in the foreseeable future. You should not make an investment in our common stock if you require dividend income. Any return on investment in our common stock would only come from an increase in the market price of our stock, which is uncertain and unpredictable.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and operating results.

It may be time consuming, difficult and costly for us to develop and implement the additional internal controls, processes and reporting procedures required by the Sarbanes-Oxley Act. We may need to hire additional financial reporting, internal auditing and other finance staff in order to develop and implement appropriate additional internal controls, processes and reporting procedures. If we are unable to comply with these requirements of the Sarbanes-Oxley Act, we may not be able to obtain the independent accountant certifications that the Sarbanes-Oxley

Act requires of publicly traded companies.

If we fail to comply in a timely manner with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting or to remedy any material weaknesses in our internal controls that we may identify, such failure could result in material misstatements in our financial statements, cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our common stock.

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Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, we have begun the process of documenting and testing our internal control procedures in order to satisfy these requirements, which is likely to result in increased general and administrative expenses and may shift management time and attention from revenue-generating activities to compliance activities. While our management is expending significant resources in an effort to complete this important project, there can be no assurance that we will be able to achieve our objective on a timely basis. There also can be no assurance that our auditors will be able to issue an unqualified opinion on management's assessment of the effectiveness of our internal control over financial reporting. Failure to achieve and maintain an effective internal control environment or complete our Section 404 certifications could have a material adverse effect on our stock price.

In addition, in connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover "material weaknesses" in our internal controls as defined in standards established by the Public Company Accounting Oversight Board, or the PCAOB. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines "significant deficiency" as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected.

In the event that a material weakness is identified, we will employ qualified personnel and adopt and implement policies and procedures to address any material weaknesses that we identify. However, the process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure you that the measures we will take will remediate any material weaknesses that we may identify or that we will implement and maintain adequate controls over our financial process and reporting in the future.

Any failure to complete our assessment of our internal controls over financial reporting, to remediate any material weaknesses that we may identify or to implement new or improved controls, or difficulties encountered in their implementation, could harm our operating results, cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of the periodic management evaluations of our internal controls and, in the case of a failure to remediate any material weaknesses that we may identify, would adversely affect the annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting that are required under Section 404 of the Sarbanes-Oxley Act. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

The Company is headquartered in Omaha, NE and maintains a lease at a cost of $4,051 per month. The Company also maintained a lease in Dallas, Texas during 2011 at a cost of $1,000 per month. The Dallas lease, which is comprised

of a small warehouse for inventory storage and management, began in May of 2009 and continued through March 2011.

Summary monthly lease information for 2011 and 2010 is provided as follows:

	Omaha	Dallas (1)	Total
2010	$ 3,859	$ 1,000	$ 4,859
2011	$ 4,051	$ 1,000	$ 5,051

(1) Commenced May 2009 and terminated March 2011.

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ITEM 3. LEGAL PROCEEDINGS

OSHA Matter

On February 19, 2009, we received a letter from the U.S. Department of Labor (“DOL”), 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 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. On February 3, 2012, the DOL’s Office of Administrative Law Judge issued on order denying the Company’s motion to stay OSHA’s preliminary order of reinstatement, thereby ordering reinstatement of Schick to the position of President. While the Company is appealing the DOL’s order, in the event the Company is not successful, the Company could be harmed.

OSHA has made a preliminary assessment of damages, which it estimates at approximately $440,000; however, the damages alleged by Mr. Schick substantially exceed this amount. The Company intends to vigorously defend against the complaint, which defense will require substantial financial and human resources (including significant amounts of our management's time and attention), which in turn could materially and adversely affect our business, operations and financial condition. In addition, if there was 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 still engaged in written discovery and no depositions have been noticed to date. At this time, the Company believes 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.

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 4. RESERVED

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PART II

ITEM 5. MARKET FOR REGISTANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUERS PURCHASES OF EQUITY SECURITIES

Bond common stock is traded in the over-the-counter market, and quoted on the OTCQB market under the symbol BNLB.

At December 31, 2011, there were 74,171,996 shares of common stock of Bond outstanding and there were approximately 230 shareholders of record of the Company's common stock.

The following table sets forth for the periods indicated the high and low bid quotations for Bond's common stock. These quotations represent inter-dealer quotations, without adjustment for retail markup, markdown or commission and may not represent actual transactions.

	High	Low
Fiscal Year 2011		
First Quarter (January - March 2011)	$0.16	$ 0.10
Second Quarter (April - June 2011)	$0.12	$ 0.08
Third Quarter (July - September 2011)	$0.16	$0.09
Fourth Quarter (October - December 2011)	$0.12	$ 0.07
Fiscal Year 2010		
First Quarter (January - March 2010)	$ 0.78	$ 0.40
Second Quarter (April - June 2010)	$ 0.49	$ 0.33
Third Quarter (July - September 2010)	$ 0.39	$ 0.20
Fourth Quarter (October - December 2010)	$ 0.24	$ 0.11

On April 10, 2012, the closing bid price of our common stock was $0.09.

Dividends

We may never pay any dividends to our shareholders. We did not declare any dividends for the year ended December 31, 2011. Our Board of Directors does not intend to distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the Board of Directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the Board of Directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend.

Transfer Agent

Bond's Transfer Agent and Registrar for the common stock is Colonial Stock & Transfer located in Salt Lake City, Utah.

Stock Splits

Share data in this report have been adjusted to reflect the following stock splits relating to the Company's common stock: On December 7, 2007, the board of directors authorized a 2-for-1 forward split, which was affected on January

8, 2008. This forward split is reflected in the statement of shareholder's equity for December 31, 2007 as an increase in common stock of 9,067,225.

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OR PLAN OF OPERATION

The following is management's discussion and analysis of certain significant factors that have affected our financial position and operating results during the periods included in the accompanying consolidated financial statements, as well as information relating to the plans of our current management. This report includes forward-looking statements. Generally, the words "believes," "anticipates," "may," "will," "should," "expect," "intend," "estimate," "continue," a expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, including the matters set forth in this report or other reports or documents we file with the Securities and Exchange Commission from time to time, which could cause actual results or outcomes to differ materially from those projected. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes thereto and other financial information contained elsewhere in this Form 10-K.

Critical Accounting Policies

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.

Use of Estimates and Assumptions

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 $8,924 and $29,261 (which included an offset of $7,975 from an established reserve account) related to bad debt and doubtful accounts, respectively, during the years ended December 31, 2011 and 2010.

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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 December 31, 2011, cash and cash equivalents include cash on hand and cash in the bank.

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 December 31, 2011, the value of the Company's inventory was $1,877,282 and at December 31, 2010, the value of the Company's inventory was $1,473,605.

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.

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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 estimate 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.

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 December 31, 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.

RESULTS OF OPERATIONS

Fiscal Year Ended December 31, 2011, Compared to Fiscal Year Ended December 31, 2010

Revenue increased to $12,091,611 for the year ended December 31, 2011 from $8,148,053 for the year ended December 31, 2010. The $3,943,558 increase is principally attributable to an increase in the number of GNC franchise locations offering our products, increased average sales volume per each location, as well as the addition of new products during the year ended December 31, 2011. Results from operations also included revenue of $12,569 and $510,397 for the fiscal years ended December 31, 2011 and 2010, respectively, attributable to the Company's Fusion Premium Beverages division, which the Company discontinued as of December 31, 2011. Excluding revenue related to both Fusion and certain discontinued product lines, revenue for years ended December 31, 2011 and 2010 increased to $12,079,041 from $7,637,656. As discussed above, this increase was attributable to numerous factors including: (i) an increase in the number of GNC franchise locations offering our products; (ii) an increase in the average sales volume attributable to each franchise location; and, (iii) the successful introduction of several new products to such locations during the year.

Cost of goods sold for the years ended December 31, 2011 and 2010 increased to $7,944,433 from $6,119,371, respectively. Cost of goods sold for the years ended December 31, 2011 and 2010 included $229,299 and $1,159,523, respectively, attributable to the Company's Fusion Premium Beverages division. Excluding cost of goods sold related to Fusion, cost of goods sold increased to $7,715,134 from $4,959,848 for the years ended December 31, 2011 and 2010, respectively. This increase is directly related to the increase in our similarly adjusted sales figures over that same time period.

General and administrative expense decreased to $2,059,719 from $3,170,625 for the years ended December 31, 2011 and 2010, respectively, which decrease is principally attributable to the Company's decision to shift its strategic focus exclusively on its NDS operations. General and administrative expense for the year ended December 31, 2011 included the establishment of a $250,000 litigation reserve in connection with the pending DOL litigation.

Selling and marketing expense for the years ended December 31, 2011 and 2010 decreased to $1,615,739 from $1,684,628, respectively.

Depreciation and amortization for the years ended December 31, 2011 and 2010 decreased to $263,056 from $274,209, respectively.

Net income for the years ended December 31, 2011 was $326,652, compared to a net loss of $3,178,031 for the year ended December 31, 2010. The net income achieved in the year ended December 31, 2011 compared to the net loss achieved in the year ended December 31, 2010 is due to substantially increased sales in the recently completed fiscal year, the elimination of lower margin products attributed to our Fusion Premium Beverages division during the recent completed fiscal year, and the introduction of additional products offering higher margins. The net loss for the year ended December 31, 2011 included several charges and expenses, which management believes are non-recurring in nature including (i) a net loss of $298,109 attributable to the Fusion Premium Beverages division, (ii) a net loss of $15,853 attributable to Vista Bottlers, Inc., and (iii) a $250,000 litigation reserve established in connection with the pending DOL litigation. Excluding each of the foregoing matters, net income for the year ended December 31, 2011 would have been $890,614.

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Financial Position, 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. We did not sell any securities during the year ended December 31, 2011. Working capital requirements during 2011 were provided by existing cash and positive cash flow from operations during the year. The Company also has a $1.0 million credit facility, of which $437,089 was outstanding as of December 31, 2011. The Company did not access its credit line during the year and continued to make interest only payments on the outstanding balance as allowed and provided for in the agreement. We currently anticipate that cash derived from operations, together with existing cash and other resources, are expected to provide for the Company's liquidity through at least June 30, 2012; provided, however, 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 June 30, 2012. Factors that could affect the Company's ability to provide for its future working capital needs beyond June 30, 2012 include, but are not limited to, the outcome of current litigation pending against the Company, and the Company's ability to continue to generate positive cash flow from operations.

Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities was $104,846 in the fiscal year ended December 31, 2011, compared to cash used in operating activities of $1,854,018 for the year ended December 31, 2010. The increase is mainly attributable to higher sales and the focus on higher margin products.

Net Cash Flows from Investing Activities

Cash provided by (used in) investing activities was $(861) and $16,224 for the years ended December 31, 2011 and 2010, respectively. The change in net cash used in investing activities is principally attributable to reduced proceeds from the sale of certain assets.

Net Cash Flows from Financing Activities

Cash provided by (used in) financing activities was $(194,718) and $1,247,243 for the years ended December 31, 2011 and 2010, respectively. The change in net cash provided by financing activities is principally attributable to the repayment of notes payable and reduced issuances of securities for cash.

Working Capital

The Company currently believes that it has adequate cash resources to fund its working capital requirements for the remainder of 2012; however, in the event it is unable to generate sufficient revenue in the future to achieve positive cash flow from operations, or in the event of an adverse result in litigation currently pending against the Company, additional working capital will be required. In the event the Company is unable to achieve positive cash flow from operations, and management is unable to secure additional working capital, the Company's business would be materially and adversely harmed. There can be no assurance that the Company will be successful in achieving profitable operations or continue in the long-term as a going concern.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8. FINANCIAL STATEMENTS

The information required hereunder in this Annual Report on Form 10-K is set forth in the financial statements and the notes thereto beginning on Page F-1.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On January 7, 2010, Tarvaran, Askelson & Company, LLP ("TAC") was appointed as the independent registered public accounting firm for Bond Laboratories, Inc., commencing immediately, and Jewett, Schwartz, Wolfe, & Associates ("JSW") was dismissed as the independent auditors for the Company as of January 7, 2010. JSW was engaged on August 18, 2006. The decision to change auditors was approved by the Board of Directors on January 7, 2010.

The report of JSW on the financial statements for year ended December 31, 2008 and the year ended December 31, 2007 did not contain any adverse opinion or disclaimer of opinion or was qualified or modified as to uncertainty, audit scope or accounting principles.

Through the date of dismissal, there were no disagreements with JSW on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of JSW, would have caused it to make reference to the subject matter of the disagreements in connection with its reports with respect to the financial statements of the Company.

During the Company's two most recently completed fiscal years and through the date of dismissal, there were no "reportable events" as such term is described in Item 304(a)(1)(v) of Regulation S-B under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the Company.

During the Company's two most recent completed fiscal years and through the date of engagement, the Company did not consult with TAC with respect to the Company regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company’s financial statements, (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-B under the Exchange Act and the related instructions to Item 304 of Regulation S-B) or a "reportable event" (as such term is described in Item 304(a)(1)(v) of Regulation S-B), or (iii) any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-B.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of our Management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of December 31, 2011. Based on this evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports submitted under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, including to ensure that information required to be disclosed by the Company is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control over Financial Reporting.

We are responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes of accounting principles generally accepted in the United States.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

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Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2011, our internal control over financial reporting was effective.

(c) Changes in Internal Controls over Financial Reporting.

The Company's Chief Executive Officer and Chief Financial Officer have determined that there have been no changes, in the Company's internal control over financial reporting during the period covered by this report identified in connection with the evaluation described in the above paragraph that have materially affected, or are reasonably likely to materially affect, Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Directors and Executive Officers

Set forth below is information regarding the Company's current directors and executive officers. There are no family relationships between any of our directors or executive officers. Stockholders elect the directors annually. The executive officers serve at the pleasure of the Board of Directors.

Name	Age	Title
John Wilson	48	Chief Executive Officer, President, Director
Michael Abrams	42	Interim Chief Financial Officer, Director
Lewis Jaffe	56	Director

The Chief Executive Officer and directors of the Company will hold office until their successors are duly elected and qualified. The background and principal occupations of the officers and directors of the Company are as follows:

John S. Wilson is the Chief Executive Officer, President, and Director with over seventeen years of invaluable experience at both The Coca-Cola Company and Coca-Cola Enterprises. Most recently, Mr. Wilson was responsible for negotiating exclusive bottling agreements with national customers on behalf of all seventy-three of the Coca-Cola Bottlers in the United States. Mr. Wilson holds a Master of Business Administration degree from St. Louis University.

Mr. Wilson's extensive experience with a Fortune 500 company involved in managing distribution relationships, and his success at growing the Company's revenue since joining the Company as Chief Executive Officer in 2009, provides substantial value to the Board of Directors.

Michael S. Abrams is the Interim Chief Financial Officer and Director, and currently a Managing Director of Burnham Hill Partners LLC, a New York-based investment and merchant banking firm he joined in August of 2003. Mr. Abrams holds a Master of Business Administration with Honors from the Booth School of Business at the

University of Chicago.

The Board of Directors believes that Mr. Abrams' broad experience in corporate finance, including investment banking, his experience as a finance executive working with public companies, as well as his experience restructuring the Company, provides necessary and relevant experience to the Board of Directors in its deliberations.

Lewis Jaffe is a Director, and currently a principal of Jaffe & Associates ("J&A"), a consulting and advisory firm that provides strategic and tactical planning to mid-market companies and CEO coaching to their executives. Mr. Jaffe has served in that capacity since 2009. Prior to J&A, Mr. Jaffe was Interim Chief Executive Officer and President of Oxford Media, Inc., where he served from 2006 to 2008. Mr. Jaffe has also served in executive management positions with Verso Technologies, Inc., Wireone Technologies, Inc., Picturetel Corporation, and was also previously a Managing Director of Arthur Andersen. Mr. Jaffe is a graduate of the Stanford Business School Executive Program, and holds a Bachelor of Science from LaSalle University. Mr. Jaffe served on the Board of Directors of Benihana, Inc. as its lead independent director from 2004 to 2012.

Mr. Jaffe’s experience as a former CEO of public companies and consultant providing strategic and tactical planning to public companies provides the Company with a depth of knowledge, systems and best practices. He also holds an advanced directors certification from the American College of Public Company Directors. His experience is invaluable on the strategic and operations side of our business and is our corporate governance expert. He adds significant value to the Board of Directors and management as the Company executes its business plan.

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Audit Committee Financial Expert

Lewis Jaffe serves as the independent audit committee financial expert and chairs the compensation committee for the Company's board of directors.

Compliance with Section 16(a)

Section 16(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of beneficial ownership and changes in beneficial ownership of the Company's securities with the Securities and Exchange Commission on Forms 3 (Initial Statement of Beneficial Ownership), 4 (Statement of Changes of Beneficial Ownership of Securities) and 5 (Annual Statement of Beneficial Ownership of Securities). Directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock are required by Securities and Exchange Commission regulations to furnish the Company with copies of all Section 16(a) forms that they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2010, the following reports were not timely filed: The Company's President, John Wilson, failed to timely file a Form 4 reporting the acquisition of certain shares of common stock and warrants to purchase shares of the Company's common stock issued to Mr. Wilson in exchange for certain warrants and in lieu of a cash bonus.

Code of Ethics and Business Conduct

We have adopted a code of ethics that applies to all of our executive officers, directors and employees. Code of ethics codifies the business and ethical principles that govern all aspects of our business. This document will be made available in print, free of charge, to any shareholder requesting a copy in writing from the Company. A form of the code of conduct and ethics was filed as Exhibit 14.1 to the Annual Report on Form 10-K for December 31, 2008.

Indemnification of Officers and Directors

As permitted by Nevada law, Bond Laboratories will indemnify its directors and officers against expenses and liabilities they incur to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct.

Exclusion of Liability

The Nevada Business Corporation Act excludes personal liability for directors for monetary damages based upon any violation of their fiduciary duties as directors, except as to liability for any breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, acts in violation of the Nevada Business Corporation Act, or any transaction from which a director receives an improper personal benefit. This exclusion of liability does not limit any right that a director may have to be indemnified and does not affect any director's liability under federal or applicable state securities laws.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation paid to the Company's Chief Executive Officer, and the Company's two most highly compensated executive officers other than its Chief Executive Officer, who were serving as executive officers as of December 31, 2011 and whose annual compensation exceeded $100,000 during such year (collectively the "Named Executive Officers").

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Stock Awards ($)	Warrants Option Awards ($)	All Other Compensation ($)	Total ($)
John Wilson	2011	175,000	36,000	18,792		229,792
CEO and Director	2010	175,692				175,692
Michael Abrams	2011				170,000	170,000
Interim Chief Financial Officer	2010		75,000(1)		130,000(2)	205,000

(1) The Company issued 625,000 shares of common stock to Mr. Abrams on December 31, 2010 as consideration for his service to the Company as its Interim Chief Executive Officer. The shares were issued in exchange for the cancellation of a warrant to purchase 750,000 shares of the Company's common stock originally issued to Mr. Abrams when he was appointed the Company's Interim Chief Financial Officer.

(2) Amounts represent payments to Burnham Hill Advisors ("BHA") for management and related services provided to the Company by BHA, including providing the services of Mr. Abrams as the Company's Interim Chief Financial Officer. Mr. Abrams is an employee of BHA. Payments were $10,000 per month from August 2009 to August 2010, $12,500 per month from August 2010 through April 2011, and $15,000 per month from May 2011 through December 31, 2011.

Employment Agreements

Mr. Michael Abrams currently serves as the Company's Interim Chief Financial Officer pursuant to the terms of a Consulting Agreement for Services ("Agreement") by and between the Company and Burnham Hill Advisors LLC ("BHA"), dated as of August 25, 2011. Under the terms of the Agreement, BHA acts as a financial and corporate strategy consultant to the Company. The Agreement, as amended, provides that Mr. Abrams will serve in the capacity of Interim Chief Financial Officer through August 31, 2012, the termination date of the Agreement, unless the Company's Board of Directors appoints a permanent Chief Financial Officer to replace Mr. Abrams.

Compensation of Directors

We currently have three directors. Our director compensation plan adopted in June 2010 provides for the issuance of 25,000 shares of the Company's common stock on the date of their appointment to each independent director for service on the Company's Board of Directors. In addition, each independent director receives $5,000 per quarter for service on the Board. Under the plan, the Chairman of the Board is paid $5,000 annually in addition to all other fees, and the chairman of each committee of the Board of Directors is paid $2,500 annually in addition to all other fees. The maximum amount that may be paid to any director for service on the Board of Directors in any calendar year is $25,000. Messrs. Elorian Landers and Scott Landow, former members of our Board of Directors, resigned on September 7, 2011 and July 5, 2011, respectively. The Company, Scott Landow, Small World Traders LLC ("SWT"), Beshert LLC ("Beshert") and WWFD LLC ("WWFD") entered into an Agreement and Release of Claims on August 4, 2011 which, among other things, provided for aggregate payments to Mr. Landow of $70,000, $35,000 of which was paid during 2011. In addition, the Company exchanged warrants to purchase 981,250 shares of the Company's common stock held by SWT, Beshert and WWFD for 625,000 shares of restricted common stock of the Company.

Elorian Landers was paid an aggregate of $45,000 by the Company during the year ended December 31, 2011, as follows: (i) $35,000 was paid in connection with Mr. Lander's service to the Company in connection with a consulting agreement by and between Mr. Landers and the Company for the fair value of additional services rendered to the Company outside his responsibilities as a member of the Board of Directors; (ii) $5,000 was paid for service as a member of the Board of Directors for the quarter ended September 30, 2011; and (iii) $5,000 was paid as a cash bonus for his assistance and efforts in assisting the Company resolve certain issues involving potential litigation; provided, however, $30,000 of the amount paid to Mr. Landers was setoff against amounts owed to the Company as a result of violations of Section 16(b) of the Securities Exchange Act of 1934, as amended.

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Stock Options and Warrants

The Company has adopted the 2010 Stock Incentive Plan ("2010 Plan"), pursuant to which the Company may issue stock options and other equity-based awards to officers, directors, consultants and employees. Save a grant of 500,000 options issued to John Wilson on May 19, 2011 with an exercise price of $0.10 per share, no other option awards were outstanding as of December 31, 2011 under the terms of the 2010 Plan:

At December 31, 2011, a total of 15,018,582 warrants to purchase shares of common stock were issued and outstanding. Of that amount, 1.0 million were held by officers and directors of the Company. Specifically, Mr. Wilson held warrants to purchase 1.0 million shares of common stock at an exercise price of $0.15.

Compensation Committee Interlocks and Insider Participation

No executive officers of the Company serve on the Compensation Committee (or in a like capacity) for the Company or any other entity.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists stock ownership of our common stock as of March 28, 2012, based on shares of common stock issued and outstanding on a fully diluted basis, which includes 74,299,003 shares of common stock and 125 shares of Series C Preferred Stock convertible into 5,000,000 shares of common stock. The information includes beneficial ownership by (i) holders of more than 5% of our common stock, (ii) each of our directors and executive officers and (iii) all of our directors and executive officers as a group. Except as noted below, to our knowledge, each person named in the table has sole voting and investment power with respect to all shares of our common stock beneficially owned by them.

Name and Address of Owner	Title of Class	Number of Shares Owned (1)	Percentage of Class
Michael Abrams 64 Ramshead Road Raynham, MA 02767	Common Stock	625,000	0.8%
Lewis Jaffe 3408 Watermarke Place Irvine, CA 92612	Common Stock	-	0.0%
John Wilson(4) 7404 Ivanhoe Drive Plano, TX 75024	Common Stock	2,462,987	3.3%
All Officers and Directors as a group (3 persons)	Common Stock	3,087,987	4.1%
Vicis Capital Master Fund(5)	Common Stock	32,713,559	40.0%

445 Park Avenue
New York, NY 10022

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities.

(4) Includes warrants to purchase 1.0 million shares of common stock, exercisable at $0.15 per share and options to purchase 500,000 shares of common stock, exercisable at $0.10 per share.

(5) Includes 5,000,000 shares of common stock shown on an as converted basis in connection with 125 shares of Series C Convertible Preferred Stock held and warrants to purchase 2.5 million shares of common stock, exercisable at $0.30 per share.

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Changes in Control

We are not aware of any arrangements that may result in a change in control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Mr. Michael Abrams currently serves as the Company's Interim Chief Financial Officer pursuant to the terms of a Consulting Agreement for Services ("Agreement") by and between the Company and Burnham Hill Advisors LLC ("BHA"), dated as of August 25, 2011. Under the terms of the Agreement, as amended, BHA acts as a financial and corporate strategy consultant to the Company. The Agreement provides that Mr. Abrams will serve in the capacity of Interim Chief Financial Officer through August 31, 2012, the termination date of the Agreement, unless the Company's Board of Directors appoints a permanent Chief Financial Officer to replace Mr. Abrams. During 2011, BHA was paid $170,000 under the terms of the Agreement.

Mr. Scott Landow served as Chairman of the Board of the Company through July 5, 2011, and served as a consultant to the Company from August 16, 2009 through the date of his resignation from the Board, pursuant to a Consulting Agreement by and between the Company and SWT. The Company did not make any payments to SWT during fiscal 2011 in connection with the Consulting Agreement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed by Tarvaran, Askelson & Company for professional services rendered for the audit of the Company's annual financial statements for fiscal years ended December, 31, 2011 and 2010 approximated $40,000 and $38,500 respectively. In addition, aggregate fees billed by Tarvaran, Askelson & Company for professional services rendered for the review of the Company's quarterly financial statements for fiscal years ended December 31, 2011 and 2010 approximated $20,400 and $20,100, respectively.

Audit-Related Fees

Tarvaran, Askelson & Company and Jewett, Schwartz, Wolfe & Associates did not provide assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements for the fiscal years ended December 31, 2011 and 2010, and that are not disclosed in the paragraph captioned "Audit Fees" above.

Tax Fees

Tarvaran, Askelson & Company and Jewett Schwartz Wolfe & Associates did not provide professional services for tax compliance, tax advice and tax planning for the fiscal year ended December 31, 2011 and 2010.

All Other Fees

Tarvaran, Askelson & Company and Jewett Schwartz Wolfe & Associates did not provide any additional services to the Company, other than the services described in the paragraphs "Audit Fees" above, for the fiscal years ended December 31, 2011 and 2010.

The Board has received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and has discussed with its auditors its independence from the Company. The Board has considered whether the provision of services other than audit services is compatible with maintaining auditor independence.

Based on the review and discussions referred to above, the Board approved the inclusion of the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for its 2011 fiscal year for filing with the SEC.

The Board pre-approved all fees described above.

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PART IV

ITEM 15. EXHIBITS AND REPORTS

Exhibits

3.1	Articles of Incorporation (incorporated by reference to Exhibit 3.1 filed with Amendment No. 3 to the Company's Registration Statement on Form SB2 (Commission File No. 333-137170)).
3.2	Amendments to Articles of Incorporation (incorporated by reference to Exhibit 3.2 filed with Amendment No. 3 to the Company's Registration Statement on Form SB2 (Commission File No. 333-137170)).
3.3	Bylaws of the Corporation (incorporated by reference to Exhibit 3.3 filed with Amendment No. 3 to the Company's Registration Statement on Form SB2 (Commission File No. 333-137170).
3.4	Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 filed with Form 8-K on September 13, 2010).
4.1	Certificate of Designations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.2 filed with Form 8-K on June 30, 2008).
4.2	Certificate of Designations of Series B Convertible Preferred Stock (incorporated by reference to Exhibit 10.1 filed with Form 8-K on January 23, 2009).
4.3	Certificate of Designations of Series C Convertible Preferred Stock. (incorporated by reference to Exhibit 4.3 filed with Form 10-K on April 15, 2011).
10.1	Form of Note Purchase and Warrant Agreement (incorporated by reference to Exhibit 10.1 filed with Form 8-K on July 6, 2010).
10.2	Asset Purchase Agreement between the Company and NDS Nutritional Products, Inc. (incorporated by reference to Exhibit 10.1 filed with Form 8-K on October 15, 2008).
10.3	Settlement Agreement (incorporated by reference to Exhibit 10.1 filed with Form 8-K on October 6, 2009).
10.4	Secured Promissory Note (incorporated by reference to Exhibit 10.2 filed with Form 8-K on October 6, 2009).
10.5	Second Amendment to Asset Purchase Agreement (incorporated by reference to Exhibit 10.3 filed with Form 8-K on October 6, 2009).
10.6	Amendment No. 1 to Security Agreement (incorporated by reference to Exhibit 10.4 filed with Form 8-K on October 6, 2009).
10.7	Amendment No. 1 to Supply, License and Transition Agreement (incorporated by reference to Exhibit 10.5 filed with Form 8-K on October 6, 2009).
10.8	Assignment of Name (incorporated by reference to Exhibit 10.6 filed with Form 8-K on October 6, 2009).
10.9	Employment Agreement between the Company and Scott Landow (incorporated by reference to Exhibit 10.1 filed with Form 8-K on October 13, 2009)
10.10	Consulting Agreement for Services between the Company and Burnham Hill Advisors LLC, dated August 20, 2009 (incorporated by reference to Exhibit 99.1 filed with the Form 8-K on August 26, 2009).
10.11	Consulting Agreement for Services between the Company and Burnham Hill Advisors LLC, dated August 20, 2010 (incorporated by reference to Exhibit 99.1 filed with Form 8-K on August 23, 2010).
10.12	Amendment No. 1 to Consulting Agreement between the Company and Burnham Hill Advisors LLC, dated September 15, 2010. (incorporated by reference to Exhibit 10.12 filed with Form 10-K on April 15, 2011).
10.13	Amendment No. 2 to Consulting Agreement between the Company and Burnham Hill Advisors LLC, dated November 18, 2010. (incorporated by reference to Exhibit 10.13 filed with Form 10-K on April 15, 2011).
10.14	Employment Agreement, dated December 31, 2009, between the Company and John Wilson. (incorporated by reference to Exhibit 10.14 filed with Form 10-K on April 15, 2011).
10.15	Consulting Agreement, dated June 1, 2009, between the Company and Elorian Landers. (incorporated by reference to Exhibit 10.15 filed with Form 10-K on April 15, 2011).
10.16	Amendment No. 1 to Consulting Agreement, between the Company and Elorian Landers, dated October 1, 2009. (incorporated by reference to Exhibit 10.16 filed with Form 10-K on April 15, 2011).

10.17	Consulting Agreement between Elorian Landers and the Company, dated August 20, 2010 (incorporated by reference to Exhibit 10.17 filed with Form 10-K on April 15, 2011).
10.18	2010 Equity Incentive Plan (incorporated by reference to Exhibit 10.18 filed with Form 10-K on April 15, 2011).
14.1	Code of Ethics (incorporated by reference to 14.1 filed with Form 10-K on March 27, 2009).
21	List of Subsidiaries (incorporated by reference to Exhibit 21 filed with Form 10-K on March 27, 2009).
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Principal Financial and Accounting 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 Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

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SIGNATURES

In accordance with 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, there unto duly authorized.

Registrant	Bond Laboratories, Inc.
Date: April 13, 2012	By: /s/ John Wilson John Wilson Chief Executive Officer (Principal Executive Officer), President
Date: April 13, 2012	By: /s/ Michael Abrams Michael Abrams Chief Financial Officer (Principal Financial Officer)

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Date: April 13, 2012	By: /s/ Lewis Jaffe Lewis Jaffe Chairman of the Board
Date: April 13, 2012	By: /s/ John Wilson John Wilson Chief Executive Officer (Principal Executive Officer), President, Director
Date: April 13, 2012	By: /s/ Michael Abrams Michael Abrams Interim Chief Financial Officer (Principal Financial Officer)

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ITEM 8. FINANCIAL STATEMENTS

BOND LABORATORIES, INC.

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REPORT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

To the Board of Directors and Stockholders of Bond Laboratories, Inc.
Omaha, Nebraska

We have audited the accompanying balance sheets of Bond Laboratories, Inc. (Company) and subsidiaries as of December 31, 2011 and 2010, and the related statements of income, stockholders' equity (deficit), and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bond Laboratories, Inc. as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Tarvaran Askelson & Company, LLP

Laguna Niguel, California
April 13, 2012

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BOND LABORATORIES, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS:	December 31, 2011	December 31, 2010
CURRENT ASSETS		
Cash	$ 354,929	$ 445,662
Accounts receivable, net	1,042,748	574,616
Inventory	1,877,282	1,473,605
Prepaid expenses and other current assets	21,421	54,045
Total current assets	3,296,380	2,547,928
PROPERTY AND EQUIPMENT, net	42,887	87,208
Intangibles assets, net	1,476,615	1,696,363
Deposits	6,830	3,783
TOTAL ASSETS	$ 4,822,712	$ 4,335,282
LIABILITIES AND STOCKHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Accounts payable	$ 767,171	$ 508,146
Disputed accounts payables	-	113,299
Accrued expenses and other liabilities	162,128	101,467
Litigation reserve	250,000	-
Note payable	-	194,718
Line of credit	437,089	437,089
Total current liabilities	1,616,388	1,354,719
TOTAL LIABILITIES	1,616,388	1,354,719
CONTINGENCIES AND COMMITMENTS	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock series B, $.01 par value, 1,000 shares authorized; 103.3 and 103.3 issued and outstanding of its 10% Perpetual Preferred with a Stated Value of $10,000 per share with a cumulative dividend of $588,709 and $436,188 as of December 31, 2011 and December 31, 2010, respectively	588,710	436,189
Preferred stock series C, $.01 par value, 500 shares authorized; 125 and 125 issued and outstanding as of December 31, 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 December 31, 2010 and December 31, 2009, respectively	741,720	721,982
Additional paid-in capital	27,014,893	27,404,592
Accumulated deficit	(25,138,999)	(25,582,201)
Total stockholders' equity	$ 3,206,325	$ 2,980,562

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	4,822,712	$	4,335,282

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

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BOND LABORATORIES, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Revenue	$ 12,091,611	$ 8,148,053
Total	12,091,611	8,148,053
Cost of Goods Sold	7,944,433	6,119,371
Gross Profit	4,147,178	2,028,682
OPERATING EXPENSES:		
General and administrative	2,059,719	3,170,625
Selling and marketing	1,615,739	1,684,628
Depreciation and amortization	263,056	274,209
Total operating expenses	3,938,514	5,129,462
OPERATING INCOME (LOSS)	208,664	(3,100,780)
OTHER (INCOME) AND EXPENSES		
Interest expense	30,862	139,794
Other expense (income)	(150,725)	(30,262)
Gain on extinguishment of debt	-	(107,343)
Loss on the sale of assets	1,875	75,062
Total other (income) expense	(117,988)	77,251
INCOME TAXES	-	-
NET INCOME (LOSS)	$ 326,652	$ (3,178,031)
NET INCOME (LOSS) PER SHARE:		
Basic	$ 0.00	$ (0.05)
Diluted	$ 0.00	$ (0.05)
Basic	72,975,357	60,661,835
Diluted	94,149,715	60,661,835

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

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BOND LABORATORIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Net loss	$ 326,652	$ (3,178,031)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	263,056	274,209
Common stock issued (cancelled) for services	81,100	686,408
Warrants and options issued (cancelled) for services	(298,541)	(273,861)
Warrants issued or exchanged for common shares	-	149,000
Gain on extinguishment of debt	-	(107,343)
Non-cash interest expense	-	71,875
Loss on sale of assets	1,875	75,062
Litigation reserve	250,000	-
Changes in operating assets and liabilities:		
Accounts receivable	(468,132)	(122,353)
Inventory	(403,677)	612,511
Prepaid expenses	32,624	3,857
Deposits	(3,047)	5,728
Accounts payable	262,275	(68,988)
Accrued liabilities	60,661	7,908
Notes receivable affiliate	-	10,000
Net cash provided by (used in) operating activities	104,846	(1,854,018)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,061)	(14,370)
Proceeds from sale of assets	1,200	30,594
Net cash provided by (used in) investing activities	(861)	16,224
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of bridge notes	-	369,600
Proceeds from issuance of preferred stock C	-	1,250,000
Cost of raising capital	-	54,400
Repayments of note payable	(194,718)	(426,757)
Net cash provided by (used in) financing activities	(194,718)	1,247,243
INCREASE (DECREASE) IN CASH	(90,733)	(590,551)
CASH, BEGINNING OF PERIOD	445,662	1,036,213
CASH, END OF PERIOD	$ 354,929	$ 445,662
Supplemental disclosure operating activities		
Cash paid for interest	$ 30,862	$ 67,919

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

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BOND LABORATORIES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Common Stock		Preferred Stock Preferred A		Preferred B		Preferred C		Additional	Preferred Common Stock Subscribed Not Issued	Preferred A Stock Subscribed Not Issued	Preferred B Stock Subscribed Not Issued
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital			
DECEMBER 31, 2009	56,165,820	$561,658	5,148,646	$51,486	219.3	$200,666	$-	$-	$25,548,875	$-	$-	$-
Common stock issued for debt	212,000	2,120							69,755			
Common stock issued for services	3,047,540	30,475							655,932			
Common stock cancelled	(896,240)	(8,962)							(264,898)			
Common stock issued for conversion of debt	2,638,812	26,388							290,269			
Common stock issued for the conversion of Preferred A Shares	5,148,646	51,486	(5,148,646)	(51,486)					-			
Common stock issued for the conversion of Preferred B Shares	4,640,000	46,400			(116)	(1)			(46,399)			
Common stock issued for warrant	1,241,668	12,417							136,583			

exercises and exchanges												
Preferred B shares allocation												
Preferred B shares accumulated dividends						235,524			(235,524)			
Preferred C shares issued for cash							125	1	1,249,999			
Warrants issued												`
Warrants cancelled												
Cost of capital												
Foreign translation												
Net loss												
DECEMBER 31, 2010	72,198,246	$721,982	-	$-	103.3	$436,189	125.0	$1	$27,404,592	$-	$-	$-
Common stock issued for services	2,066,250	20,663							174,188			
Common stock cancelled for services	(455,000)	(4,550)							(109,200)			
Preferred B shares accumulated dividends						152,521			(152,521)			
Options issued									18,792			
Warrants cancelled									(317,333)			`
Issuance Correction	362,500	3,625							(3,625)			
Write of Disputed and Other Accounts Payable												
Net income												
DECEMBER 31, 2011	74,171,996	$741,719	-	$-	103.3	$588,710	125.0	$1	$27,014,893	$-	$-	$-

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

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BOND LABORATORIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

NOTE 1. BACKGROUND

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

The accompanying financial statements represent the consolidated financial position and results of operations of the Company and include the accounts and results of operations of the Company and its wholly owned subsidiaries. The accompanying consolidated financial statements include the active entity of Bond Laboratories, Inc. and its wholly owned subsidiaries.

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 condensed 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.

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.

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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 $8,924 and $29,261 (which included an offset of $7,975 from an established reserve account) related to bad debt and doubtful accounts, respectively, during the years ended December 31, 2011 and 2010.

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 December 31, 2011, cash and cash equivalents include cash on hand and cash in the bank.

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 December 31, 2011, the value of the Company’s inventory was $1,877,282 and at December 31, 2010, the value of the Company’s inventory was $1,473,605.

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

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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.

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 December 31, 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.

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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 parties payable, if any, approximate fair value.

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. PREPAID EXPENSES

The Company has prepaid expenses as of December 31, 2011 and 2010 as follows:

	December 31,	
	2011	2010
Inventory	$ 0	$ 12,027
Other	21,421	42,018
Total	$ 21,421	$ 54,045

The Company also has prepaid legal and manufacturing retainers which are expenses when incurred.

NOTE 5. INVENTORIES

The Company inventories as of December 31, 2011 and 2010 consists as follows:

	2011	2010
Finished goods	$ 1,352,143	$ 1,201,300
Components	525,139	272,305
Total	$ 1,877,282	$ 1,473,605

NOTE 6. PROPERTY AND EQUIPMENT

The Company has fixed assets as of December 31, 2011 and 2010 as follows:

	December 31,	
	2011	2010
Equipment	$ 285,753	$ 288,192
Accumulated depreciation	$ (242,866)	$ (200,984)
Total	$ 42,887	$ 87,208

Depreciation Expense is $43,307 for December 31, 2011 compared to $54,460 for December 31, 2010.

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NOTE 7. ACQUISITION

On October 1, 2008, the Company entered into an Asset Purchase Agreement with Cory Wiedel and Ryan Zink (the "Shareholders"), and NDS Nutritional Products, Inc. ("NDS"), a Nebraska corporation. The Company purchased substantially all of the tangible properties, equipment, tenant improvements, customer accounts, customer lists, goodwill, software, intellectual property, component inventory and all insurance benefits, including rights and proceeds in or related to the retail operations of NDS, in accordance with the provisions of the definitive transaction documents. The estimated purchase price was $2,645,684. In addition to $700,000 in cash, the purchase price consisted of promissory notes and an earn-out based on gross profits of NDS.

On September 30, 2009, the Company amended the terms to the above referenced Asset Purchase Agreement originally dated October 1, 2008 by and between the Shareholders, NDS and the Company. Under the terms of the amendment, all remaining obligations payable by the Company in connection with the earn-out and outstanding secured promissory notes were replaced in their entirety by a new promissory note (the "New Note") with an original principal amount of $621,775.01 payable in monthly installments commencing as of March 1, 2010, accruing at the rate of eight percent (8%) per annum, and due and payable in full on December 31, 2010.

On November 15, 2010, the Company entered into an Amended and Restated Secured Promissory Note by and among Bond Laboratories, Inc., NDS Nutrition Products, Inc. and NDS Nutritional Products, Inc., as well as other ancillary documents in connection with such transaction in replacement of that certain Secured Promissory Note by and among the parties dated September 30, 2009. The Amended and Restated Secured Promissory Note, which became effective December 1, 2010, calls for an initial payment by the Company of $205,000 on December 1, 2010 and ongoing monthly payments of $17,350 throughout 2011 in full satisfaction of the note. The Secured Promissory Note, which was replaced by the Amended and Restated Secured Promissory Note, had a remaining principal balance of approximately $400,000 and matured in December of 2010.

The Company hired a third-party expert to prepare a valuation analysis to assist management of the Company in its allocation of the purchase price, primarily through the determination of the fair value and remaining useful lives of the intangible assets from the acquisition of NDS Nutritional Products, Inc. in 2008. A summary of that analysis is included herein in Note 3 to these financial statements. Based on that analysis, the Company determined that there was no impairment for the year ended December 31, 2010 or 2011.

The amortization expense for all intangible assets is grouped with the depreciation expense for the related reporting period, and reported in the Statements of Operations and the Statements of Cash Flows as "Depreciation and amortization" expense. The Company calculates the weighted average of the average amortization period, in total and by major define-lived intangible asset on a straight-line basis over the estimated useful lives of the related assets that is ten years in accordance with the agreements with the above intangible assets. The Company had total amortization expense of $219,749 for December 31, 2011 and $219,749 for December 31, 2010.

NOTE 8. NOTE PAYABLES

On June 29, 2010, we issued $172,000 in aggregate principal amount of promissory bridge notes (the "June Notes") to six accredited investors (the "June Financing"). Net proceeds to the Company after the deduction of selling commissions and expenses of the June Financing were approximately $149,050. The June Notes mature on the first anniversary of the issuance date, June 30, 2011. In addition, the Company issued a total of 86,000 shares of its common stock, $0.01 par value, in connection with the June Financing, as well as warrants to purchase 172,000 shares of common stock, exercisable at $0.40 per share, representing 500 shares of common stock and 1,000 warrants issued for each $1,000 principal amount of June Notes purchased in connection with the June Financing. The warrants terminate, if not previously exercised, on the fifth anniversary of the date of grant. The June Notes accrue interest at the rate of ten

percent (10%) per annum. All remaining principal and accrued interest is due and payable on the maturity date.

On July 21, 2010, we issued $177,000 in aggregate principal amount of promissory bridge notes (the "July Notes") to fifteen accredited investors (the “July Financing”). Net proceeds to the Company after the deduction of selling commissions and expenses of the July Financing were approximately $155,800. The July Notes mature on June 30, 2011. In addition, the Company issued a total of 88,500 shares of its common stock, $0.01 par value, in connection with the July Financing, as well as warrants to purchase 177,000 shares of common stock, exercisable at $0.40 per share, representing 500 shares of common stock and 1,000 warrants issued for each $1,000 principal amount of July Notes purchased in connection with the July Financing. The warrants terminate, if not previously exercised, on the fifth anniversary of the date of grant. The July Notes accrue interest at the rate of ten percent (10%) per annum. All remaining principal and accrued interest is due and payable on the maturity date.

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On September 3, 2010, we issued $75,000 in aggregate principal amount of promissory bridge notes (the "September Notes", and collectively with the June Notes and July Notes, the “Bridge Notes”) to two accredited investors (the “September Financing”, and taken together with the June Financing and July Financing, the “Bridge Financing”). Net proceeds to the Company after the deduction of selling commissions and expenses of the September Financing were approximately $64,750. The September Notes mature on June 30, 2011. In addition, the Company issued a total of 37,500 shares of its common stock, $0.01 par value, in connection with the September Financing, as well as warrants to purchase 75,000 shares of common stock, exercisable at $0.40 per share, representing 500 shares of common stock and 1,000 warrants issued for each $1,000 principal amount of September Notes purchased in connection with the September Financing. The warrants terminate, if not previously exercised, on the fifth anniversary of the date of grant. The September Notes accrue interest at the rate of ten percent (10%) per annum. All remaining principal and accrued interest is due and payable on the maturity date.

In total, we issued $424,000 in aggregate principal amount of Bridge Notes in connection with the Bridge Financing to twenty-three accredited investors. Net proceeds to the Company after the deduction of selling commissions and expenses of the Bridge Financing were approximately $369,600. The Bridge Notes mature on June 30, 2011. In addition, the Company issued a total of 212,000 shares of its common stock, $0.01 par value, in connection with the Bridge Financing, as well as warrants to purchase 424,000 shares of common stock, exercisable at $0.40 per share, representing 500 shares of common stock and 1,000 warrants issued for each $1,000 principal amount of Bridge Notes purchased in connection with the Bridge Financing. The Company also issued 84,800 warrants to the placement agent as partial consideration for services rendered on the same terms as the warrants issued to investors in connection with the Bridge Financing. All warrants terminate, if not previously exercised, on the fifth anniversary of the date of grant. The Bridge Notes accrue interest at the rate of ten percent (10%) per annum. All remaining principal and accrued interest is due and payable on the maturity date.

On November 15, 2010, holders representing 100% of the outstanding principal value of the Bridge Notes issued in three separate closing in June, July and September of 2010 exchanged such securities at a fixed conversion price of $0.20 per share for an aggregate issuance of 2,638,812 shares of common stock of the Company. The outstanding principal value of the Bridge Notes included all accrued but unpaid interest through November 15, 2010 plus a partial interest make-whole amount equal to six months of additional interest. Pursuant to the original terms of the Bridge Notes, holders received a 15% exchange premium on the entire outstanding balance exchanged.

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

	December 31, 2011	December 31, 2010
Amended and Restated Secured Promissory Note dated December 1, 2010, matures December 1, 2011 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.	$ -	$ 194,718
Revolving Line of Credit of $500,000 from US Bank dated April 9, 2009 as amended July 15, 2010 at an interest rate of 3.5% plus the one-month LIBOR quoted by US Bank from Reuters screen LIBOR01.The Line of Credit matures July 15, 2011 and is secured by all of the receivables and inventory of NDS Nutrition Products, Inc. The Company pays interest only on a monthly basis on this Line of Credit.	$ 437,089	$ 437,089

Total of notes payable and advances	$ 437,089	$ 631,807
Less Current Portion:	$ (437,089)	$ (631,807)
Long-Term Portion:	$ -	$ -

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NOTE 9. EQUITY

Common and Preferred Stock

The Company is authorized to issue 150,000,000 shares of common stock, $0.01 par value, of which 74,171,998 common shares were issued and outstanding as of December 31, 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 December 31, 2011. The Company is authorized to issue 1,000 shares of its 10% Cumulative Perpetual Series B Preferred Stock, of which 103.3 were issued and outstanding as of December 31, 2011. The Company recorded an accumulated dividend of $588,709 on its Cumulative Perpetual Series B Preferred Stock, which was recorded against accumulated deficit and payable in kind. The outstanding 10% Cumulative Perpetual Series B Preferred has a liquidation preference of $10,000 per share. The Company is authorized to issue 500 shares of its Series C Convertible Preferred Stock, of which 125 were issued and outstanding as of December 31, 2011. The Series C Preferred Stock is convertible at $0.25 per share and has a liquidation preference of $10,000 per share.

Options

As of December 31, 2011, 500,000 options to purchase common stock of the Company were issued and outstanding.

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%.

As of December 31, 2011, 15,018,582 warrants to purchase common stock of the Company were issued and outstanding, additional information on 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