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

FORM 10-K

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from: _____ to _____

Commission file number: 000-53756

BLASTGARD® INTERNATIONAL, INC.
(Name of small business issuer as specified in its charter)

Colorado	**84-1506325**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
2451 McMullen Booth Road, Suite 242, Clearwater, FL	**33759**
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number: (727) 592-9400

Securities registered under Section 12(b) of the Exchange Act: None
Securities registered under Section 12(g) of the Exchange Act: Common Stock, $.001 par value

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

Check whether the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ☐

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 193 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 filin requirements for the past 90 days.
Yes ☒ No ___.

Indicate by check mark whether the Registrant has submitted electronically and posted on it corporate Web site, if any, every Interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained in this form, and no disclosure will 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 amendment to this Form 10-K ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act: smaller reporting company ☒.

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

As of June 30, 2012, the number of shares held by non-affiliates was approximately 52,495,000 shares. The approximate market value based on the last sale (i.e. $.08 per share as of June 30, 2011) of the Company's Common Stock was approximately $4,199,600.

The number of shares outstanding of the issuer's Common Stock, $.001 par value, as of March 2, 2012 was 90,386,036 shares.

TABLE OF CONTENTS

PART I

CAUTIONARY STATEMENT IDENTIFYING IMPORTANT FACTORS THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER FROM THOSE PROJECTED IN FORWARD LOOKING STATEMENTS

Readers of this document and any document incorporated by reference herein are advised that this document and documents incorporated by reference into this document contain both statements of historical facts and forward looking statements. Forward looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially for those indicated by the forward looking statements. Examples of forward looking statements include, but are not limited to (i) projections of revenues, income or loss, earning or loss per share, capital expenditures, dividends, capital structure and other financial items, (ii) statements of the plans and objectives of the Company or its management or Board of Directors, including the introduction of new products, or estimates or predictions of actions by customers, suppliers, competitors or regulatory authorities, (iii) statements of future economic performance, and (iv) statements of assumptions underlying other statements and statements about the Company or its business.

This document and any documents incorporated by reference herein also identify important factors which could cause actual results to differ materially from those indicated by forward looking statements. These risks and uncertainties include price competition, the decisions of customers, the actions of competitors, the effects of government regulation, possible delays in the introduction of new products and services, customer acceptance of products and services, the Company's ability to secure debt and/or equity financing on reasonable terms, and other factors which are described herein and/or in documents incorporated by reference herein.

The cautionary statements made above and elsewhere by the Company should not be construed as exhaustive or as any admission regarding the adequacy of disclosures made by the Company. Forward looking statements are beyond the ability of the Company to control and in many cases the Company cannot predict what factors would cause results to differ materially from those indicated by the forward looking statements.

Item 1. Business

BlastGard International, Inc. is in the business of providing protection for individuals and property. We have developed and have been marketing BlastWrap products to protect people and property against explosive forces. We have recently acquired a 98.2% new subsidiary HighCom Security, Inc. ("HighCom") that provides a wide range of security and personal protective gear. A description of each company can be found below and a description of our acquisition can be located under "Item 13." We believe that the products of the two companies have a certain synergy and that BlastGard International is poised to be a full service provider for defensive and protective product needs. The term "the Company" shall include BlastGard and HighCom unless the context indicates otherwise.

Recent Developments

HighCom has implemented an in-depth ethics and compliance management and monitoring program that is tied to our International Standard Organization ("ISO") certified quality processes. These policies and procedures outline each step within the compliance process and how they relate to, and should be acted upon, to ensure compliance with all local, state, federal, and international laws and regulations. Most importantly they address processes and policies that are related to compliance with the Federal Acquisition Regulation ("FAR"), Defense Federal Acquisition Regulation ("DFAR"), International Traffic in Arms Regulations ("ITAR"), Office of Foreign Assets Control ("OFAC"), Export Administration Regulations ("EAR"). Arms Export Control Act ("AECA"), Export Administration Act ("EAA"), Automated Export System ("AES"), and Office of Federal Activities ("OFA"). This is in addition to United Nations ("UN") specific contract terms and performance standard policies and strict ethics and compliance standards. We have also completed training internally and externally with regards to the Foreign Corrupt Practices Act ("FCPA") and other foreign business regulations that help our employees recognize red flags and potential risk situations. Our COO has also completed a six month course through the International Import Export Institute and has been recognized as a certified U.S. Export Control Officer.

Given the equipment and ballistic protection solutions provided by HighCom, compliance with the U.S. Department of Commerce, U.S. Department of State, U.S. Department of the Treasury and all other governmental agencies' regulations is a high priority. HighCom received official communication from the U.S. State Department that HighCom's export authority has been reinstated. In addition to this, the Company also completed registration through the Directorate of Defense Trade Controls as well as the Bureau of Industry and Security ("BSI"). The purpose of these registrations is to allow the Company control over the export management and compliance program moving forward. HighCom also completed their ISO certification which had been revoked under HighCom due to missed audits. The Company has also made significant personnel changes within HighCom and restructuring of operating locations and costs, resulting in significant reductions to HighCom's operating expenses in the second half of 2011.

With the acquisition of HighCom by BlastGard, we feel this is a unique opportunity to combine the armor technology of HighCom with the blast mitigating technology of BlastGard and provide a combination of advancements in product technologies while focusing on USA made products for the United States Military and Allied government and agencies worldwide. We have initiated numerous Research and Development projects according to National Institute of Justice ("NIJ") body armor standards and testing. HighCom has created two new stand alone ballistic plates: 1) Guardian 3SFS-0 Level III Stand Alone Steel ballistic plate, according to NIJ 0101.04, INTERIM2005; and 2) NIJ 06 Guardian 4SAS-12 Level IV Stand Alone ballistic plate NIJ Certified 0101.06 NEW NIJ06. Utilizing USA made steel, we have lowered the cost of our new steel plate while improving our processing, resulting in a higher performance product. We also received NIJ new certification on our 4SAS-15 plate (NIJ 06 Level IV plate). Another area of development is the creation of new, lighter weight ballistic shield. We anticipate completing initial testing on our new material by the end of March 2012. we will have a new shield to test. We also are now doing all production in house to control costs and more effectively manage quality, compliance as well as our ability to provide quicker turnaround response times to immediate orders. We recently passed our ballistic tests for oven processed plates. We did this to find an alternative to using an autoclave, which is more expensive to operate. This will allow us to handle R&D and production in house using an oven.

Another recent development by the Company was increasing our product liability insurance from the industry standard $1,000,000 to $10,000,000. Our goal is focused on the safety of the military and law enforcement personnel who employ our products in the field. We also value the relationships we are establishing with our distributors, re-sellers, and partners. This increase in our coverage demonstrates our commitment and support to both our clients and their customers on a global basis.

We have recently entered into a number of agency agreements to market our product line in Mexico and the Middle East and North Africa ("MENA") region. We have also attended numerous tradeshows in an effort to re-establish HighCom's presence in the personal protection equipment market and are currently participating in numerous bids totaling millions of dollars. We are seeing a significant increase in our overall sales on a quarter by quarter basis as we develop these relationships.

HighCom Security, Inc.

HighCom Overview

Founded in 1997 and originally based in San Francisco, HighCom Security, Inc., a California corporation, is a global provider of security equipment. HighCom is a leader in advanced ballistic armor manufacturing. With an 11,300 square foot manufacturing and distribution facility located in Columbus, Ohio, HighCom is well positioned for large scale and time sensitive global supply needs. We design, manufacture and/or distribute a range of security products and personal protective gear. Our logistics network is now managed from our corporate headquarters in Clearwater, Florida. HighCom serves a wide range of customers throughout the world. Our North American customer base includes the Department of Defense and the Department of Homeland Security. We cater to local law enforcement agencies, correctional facilities and municipal authorities, as well as large corporations. We export our products throughout the world and have in the past sold products in Asia, Africa, Europe, Latin America and the Middle East. Many of our products are controlled for export purposes and we require end user details prior to all sales. Strict compliance with U.S. and International laws and regulations is mandatory.

Background of HighCom

HighCom was founded by Yochanan Cohen ("YC") in 1997 to market and sell a range of security and law enforcement products. HighCom's underlying philosophy was to sell only products providing protection to the public and law enforcement and security personnel. YC's leveraged his military and law enforcement background to launch HighCom's operation. YC was a combat officer in the Israel Defense Forces and later joined the Ministry of Foreign Affairs of Israel where he served in various protective security positions in foreign embassies and consulates. He also served in the V.I.P protection unit which was tasked with the protection of heads of state and senior government officials. In its early years, HighCom was focused on two operations – the sale of security and law enforcement products (products operations) in the domestic USA market and the provision of protective services (services operation) to various local San Francisco, CA community centers, schools and religious institutions. The "products" sold during this early period were primarily security metal detectors and baggage x-ray screening machines, in addition to CCTV monitoring systems. These products were manufactured by brand name manufacturers and resold by HighCom on a non-exclusive distribution basis. The 'services" provided included the provision of protective security guards to institutions either on a contractual basis or an hourly basis as required. Included in the services operations was the short term rental of metals detectors and baggage x.ray screening machines for local corporate or governmental events. In 2005 the services operations were sold off to its senior manager through a separate company. HighCom did not retain any ownership interest in this new company. HighCom was then totally focused on the sale and distribution of its current range of products. HighCom's annual revenues increased from $3 million in 2003 to $10 million in 2005 primarily from the increase in domestic homeland security spending as well as US Defense Dept expenditures to support its operations in Iraq. Through an open bid process, HighCom was awarded contracts, both on a prime and subprime basis to supply U.S. and Coalition supported operations in Iraq and Afghanistan with a range of tactical gear including military uniforms and general equipment to the Iraqi Defense Forces. As a sub-contractor, HighCom was also awarded contracts to supply protective ballistic helmets to the United Nations Peacekeeping forces. In 2006, HighCom revenues reached $28 million with the continued supply of helmets to the United Nations Forces in addition to the sale of personal protective armor plates on a sub-contractor basis to a number of leading U.S. armor companies for final supply to the Iraqi Defense Forces. Armor plate sales totaled approximately $24 million in 2006. With increasing market pricing pressure in 2007, particularly in the armor industry, HighCom made the decision to switch from a distributor to a domestic manufacturer of personal protective armor plates. Sales in 2007 decreased to approximately $7 million as HighCom focused on establishing domestic manufacturing operations based in Columbus, OH. In 2008 with its manufacturing operations in full operation, sales revenues increased to $17 million with approximately $12 million coming from the sale of personal armor plates. As a result of its investment in its own manufacturing capacity, HighCom became a market leader in competitively priced high performance ballistic plates uniquely suited to market requirements. In 2008, HighCom opened a 70,000 sq. ft. leased manufacturing facility in Columbus, OH in association with its manufacturing partner as well the construction of an in-house ballistic testing range. In association with its own manufacturing operations and testing facilities, HighCom was able to dedicate funds to its internal research and development activities. These research and development efforts lead to a more extensive product line including a range of National Institute of Justice ("NIJ") certified ballistic armor products. These products included both personal armor plates and ballistic armor shields. In the mid 1970's, NIJ began testing and developing body armor and performance standards for ballistic resistance. Recognition and acceptance of the NIJ standards has grown worldwide making it the performance benchmark for ballistic-resistant body armor. Revenues in 2009 suffered a large decrease largely attributable to a May 2009 fire in its Columbus, OH facility. This destructive fire caused significant disruption to HighCom operations which was forced to relocate to new premises to restart its manufacturing activities. The combination of decreased spending in law enforcement and homeland security sectors experienced by the industry, the US financial crisis and the destructive effects of the factory fire, revenues decreased to $4 million. In the second half of 2009, HighCom was able to re-establish its operations in OH and began to regain its market presence both with customers and vendors. The result of which was the receipt of a $6 million contract award through an open bid process for the supply of hard armor plates and soft armor vests to United Nations Peacekeeping Forces. This was the first UN contract won by HighCom as a prime contractor. Shipments under this contract began in late 2009 with the majority of the contract revenues scheduled to be earned in 2010.

Foreign Corrupt Practices Act (FCPA)

On January 19, 2010, the U.S. Department of Justice ("DOJ") unsealed indictments of 22 individuals from both the law enforcement and defense supply industry, one of whom was HighCom's then Chief Executive Officer, Yochanan Cohen, as an individual for allegedly violating 18 U.S.C. § 371 and 18 U.S.C. § 78dd-2, *United States v. Yochanan R. Cohen*, Criminal Case No. Cr-09-343. (Note: On February 24, 2012, the United States District Court of Columbia, upon consideration of the government's motion to dismiss, ordered the dismissal (with prejudice) of the indictment and superseding indictments against 22 defendants.) HighCom was not a party to this indictment. HighCom has always taken, and continues to take seriously, our obligation as an industry leader to foster a responsible and ethical culture, which includes adherence to laws and industry regulations in the United States and abroad. Following this indictment, Mr. Cohen stepped down from his daily responsibilities as CEO of HighCom. As a result of this indictment, although not a named party to the indictment, in March 2010, HighCom was placed under a policy of denial by the U.S. State Department. This resulted in a suspension of HighCom's ability to export certain armor products under U.S. Government Regulations. This effectively ended HighCom's export capacity and significantly impacted its operations and ability to deliver product to its customers and in particular fulfill its shipment obligations under the U.N. contract awarded in late 2009. HighCom was suspended by the US Dept of Defense and added to its Excluded Party List. This severely restricted its ability to sell product in the US defense sector. To regain its export privileges under US State Department regulations, Mr .Cohen, as CEO and majority shareholder, was required to resign as an executive corporate officer and director and fully divest his equity interest in HighCom. On January 25, 2011, Mr. Cohen entered into a binding Letter of Intent to sell his equity interest to BlastGard International Inc. and closing occurred on March 4, 2011.

Concurrent with Mr. Cohen's resignation both as a director and officer of HighCom and the sale of his equity interest to BlastGard, BlastGard filed with the US State Department to have the policy of denial lifted in order to regain HighCom's ability to export certain armor products again. We were delighted to report that as of March 29, 2011 this order of denial had been lifted and has had its export privileges reinstated. HighCom also successfully applied to the US Defense Dept to be removed from the Excluded Party List ("EPLS"). The successful reinstatement of HighCom's export authority and its removal from the EPLS has dramatically improved HighCom's ability to sell and market its products. BlastGard has also been reinstated as a vendor for potential bids under the United Nations and has already completed several small orders since its reinstatement. However, on February 6, 2012, the United Nations notified the Company that the UN Secretariat Review Committee met on January 27, 2012 to review the vendor registration status of HighCom Security, Inc. The Committee noted the indictment of HighCom's former CEO on four counts. Based on those charges, and in accordance with the UN's policy with regards to ethics and compliance issues, placed an immediate hold on the registration status of HighCom, pending the UN's internal review. The Company requested that the UN reconsider their decision as HighCom is under new ownership and management and that since their decision the United States District Court of Columbia dismissed all charges against the former CEO. A final decision is still pending the UN's internal review.

In March 2011, BlastGard's management team officially assumed operational control of HighCom. Since this time we have accomplished a number of key compliance tasks, including manufacturing agreements with several key partners. BlastGard has received official communication from the U.S. State Department that HighCom's export authority has been reinstated. In addition to this, BlastGard has completed registration through the Directorate of Defense Trade Controls as well as the Bureau of Industry and Security. The purpose of these registrations is to allow BlastGard control over the export management and compliance program moving forward. HighCom also completed their ISO certification which had been revoked under HighCom due to missed audits. BlastGard management has also been able to complete an internal audit and management review, in addition to meeting with BSI for the external audit review; and as of March 18, 2011, HighCom has been recommended for continuing ISO certification. BlastGard has also made significant personnel changes within HighCom and restructuring of operating locations and costs which has resulted in a 30% reduction in HighCom's operating expenses in the second half of 2011.

PRODUCT DESCRIPTION

HighCom provides a wide range of security products and personal protective gear (including tactical armor) that are tailored and offer protection solutions to specific customer requirements. HighCom caters to local law enforcement agencies, correctional facilities and municipal authorities. Given the equipment and ballistic protection solutions provided by HighCom, compliance with the U.S. Department of Commerce, U.S. Department of State, U.S. Department of the Treasury and all other governmental agencies' regulations is a high priority. HighCom has sold its products in the defense and law enforcement sectors and is known for innovative technology, exceptional customer service and superior quality performance.

Body armor is classified by the NIJ according to the level of protection it provides from various threats. The classifications are as follows:

- Type IIA body armor- minimal protection against smaller caliber handgun threats.
- Type II body armor – provides protection against many handgun threats, including many common smaller caliber pistols with standard pressure ammunition, and against many revolvers.
- Type IIIA body armor- provides a higher level of protection and will generally protect against most pistol calibers including many law enforcement ammunitions, and against many higher powered revolvers.
- Type III and IV body armor – provides protection against rifle rounds and are generally only used in tactical situations.

Our Security Products include the following:

- Ballistic helmets
- Body armor and hard armor plates
- Riot helmets and shields
- Mounted patrol, vehicular crew, and general duty helmets
- Uniforms, Apparel and Duty Gear
- Metal detectors: walk-through and handheld
- Explosive ordinance disposal equipment: bomb suits & gear, hook & line kits, detectors and search mirrors, under vehicle surveillance systems
- Range & training equipment: robots and targets
- Safety equipment: gas masks, respirators, chemical detectors, medical equipment & supplies
- X-Ray screening systems: luggage, parcel, freight and cargo scanners, mobile systems, transportation securities administration test objects
- Dry storage systems for ordnance and heavy equipment
- Outdoor equipment: gear, flashlights, GPS systems
- Vision and optics: binoculars, goggles, night vision equipment
- Communication systems
- Emergency lighting and warning systems

<u>Manufactured products versus products supplied by third party vendors.</u>

HighCom manufactures ballistic plates, ballistic shields and blankets. Hard armor plates are HighCom manufactured products which either carry our brand name or a private label. Our ballistic vests, ballistic helmets and EOD bomb suits and gear are currently manufactured and private labeled by third party vendors for us. Our soft arm vests are manufactured by one of two major suppliers and they either carry the supplier brand name or the HighCom brand name. Our UN soft armor vest is co-manufactured by us with a third party vendor. Our ballistic packs are also manufactured by one of two manufacturers. We distribute the following products made by other manufacturers: metal detectors, x-ray machines, EOD kits and detection devices, law enforcement gear, uniforms and other clothing, optics and communications. In the future, we intend to manufacture PASGT (personal armored systems for ground troops) and ACH (advanced combat helmets) ballistic helmets as well as EOD suits.

PLATES

Level IV – NIJ 05
HighCom currently maintains some of the largest capability for manufacturing Level IV ceramic plates. An important, strategic move we have employed is to partner with numerous companies to further leverage available equipment to increase production capacity. An example of this is utilizing press consolidation capacity to produce high pressure backings for plates.

The Level IV NIJ 05 plate has a very high margin of safety. Approximately 300 plates have been shot internally at HighCom's ballistic lab and shooting range as well as at independent and other commercial labs. During these tests, no penetration has occurred when tested in accordance with the NIJ standard. Another important performance feature of this plate is that when used in conjunction with a Level IIIA Vest, this plate has established the ability to defeat six rounds, in accordance with Level III NIJ 05.

HighCom has nine different certifications of its Level IV plate utilizing different suppliers of ceramics and backing materials. We have deferred risk of material supply by securing qualified vendors to provide the necessary materials.

Level III – NIJ 05
HighCom has a Level III NIJ Polyethylene based plate solution with a production capacity of 5,500-6,000 units per month.

SAPI
The SAPI Plate (Small Arms Protective Insert) is used as an insert in military carriers. Due to the rate of ballistic performance and success we have established in the tests conducted thus far, we were able to achieve SAPI level performance with a weight of 100g less than the specification. Further, the HighCom sample defeated six rounds of explosive materials in a single plate. We have conducted impact drop tests and x-rays after shoot tests. This product needs additional testing and evaluation to solidify the results. We have spent $300,000 on SAPI development thus far applying the many lessons garnered during the past several years of research and development.

NIJ 06 Specification &Compliant Products
HighCom currently has one certified Level III plate and one Level IIIA vest. One vest is approved and one has passed the Level II test criteria. There are different manufacturers producing these two different vests. The Level IV plate has passed the NIJ testing and is in process to receive the final certification documents. Our current situation with vests is that we have several vest models in the development stage: 3 Level IIIA and 3 Level II. Additionally, 2 models of both Level IV and Level III plates are ready to process but on hold due to budgetary constraints. We have a ceramic based Level III plate, which is in addition to the SAPI, also on hold for the same reason. There are tests in the pipeline along with a considerable number of options, solutions and directions for continued development of hard armor plates for certification under NIJ 0101.06 standards.

SHIELDS
HighCom produces a Level IIIA ballistic shield that is among the most advanced in the market. This is due to the fact that the electrical connections are routed internally through the composite itself. Similar products offered in the marketplace will have external electrical connections. HighCom has a ballistic shield production capacity of approximately 800-1,000 units per month.

BLANKETS
We can produce ballistic blankets at any level to whatever size is needed by the end user. Production capability is approximately 500-800 units per month.

SOFT ARMOR
HighCom has five certified soft armor products with a production capacity of 2,000 units per month. We were able to process a composite of proprietary material with a third party supplier wherein ceramic materials are incorporated within the flexible composite. This alone increases ballistic stability, stab protection and provides further avenues towards lighter solutions. These lighter solutions in turn combine composite material into soft armor material. Research and testing at this stage is very preliminary with only basic testing conducted. However, results thus far strongly indicate to us that additional research in the vein has great potential for advantageous positioning in the soft armor sector of our industry. Additionally, we have cause to believe that analyzing bullet energy combining impact systems with both hard and soft ballistic systems will provide a superior product in this industry.

EOD

HighCom intends to subcontract orders to produce Explosive Ordinance Disposal suits ("EOD") to our specifications to either a U.S. manufacturer or one of four foreign manufacturers. The current EOD production market is dominated by Med-Eng Systems, Inc., who holds about 80% of the market share.

HighCom's helmet for our EOD suit is vastly superior to the ones currently on the market. Not only have we increased the field of vision to 180 degrees, but, by using more advanced materials, we have made our helmet lighter and more mass efficient resulting in a better fit. By approaching certain laboratories, we will be able to implement the feedback from actual end users' wish list into our suit in a very short period of time.

We estimate that the U.S. Military acquire approximately 1,000 suits annually. The global market will yield a higher number with an estimated budget of approximately $40-50 million for just the bomb suit. This is a very small niche in the ballistics industry. Most countries do not buy these products in volume. Therefore, pricing is not generally the deciding, or even pivotal, factor in purchase criteria.

The major expense in design, research and development of the EOD product line is conducting the tests, as explosive testing is expensive. There are a very limited number of labs capable of performing this type of testing. This is simultaneously an advantage and disadvantage. Management believes that Med-Eng has received generous funding for their testing from the Canadian Government. This enabled Med-Eng to write in the testing specifications in the buyer's purchase description/bid package and yielded a large share of the market to them. We believe by approaching the U.S. Government entities, they will not only procure our suit but perform the necessary testing on new product designs, thus creating an increase in HighCom's market share.

Even without the solid vision of continued future development of this suit, it, in its current state, can compete in the market and HighCom could establish a stronghold quickly. Our EOD suit has the potential to be the only "Made in USA" suit. It has many advanced ballistic solutions, an ergonomic design and cutting edge helmet structure with expansive vision. Future research and development includes a/c systems, better hard armor design, design of overpressure attenuating systems, design of multi-function suits, increase helmet stability. There is great importance on marketing EOD that will result in a cumulative snowball effect on all of HighCom's products. As an example, IABTI, an independent association formed for countering the criminal use of explosives, has multifarious needs for a variety of EOD products. By simply displaying our products with them, HighCom's EOD product line would quickly become common knowledge among the end users in over 300 countries.

HELMETS

HighCom is working towards achieving a proprietary uni-directional material that a third party will lay up for us in tape form (100% Polypropylene). Based on previous research and testing conducted, management believes that we can produce a Level IIIA helmet. We have yet to finish accomplishing the entire process. We will need to validate the date, produce an aluminum mold as well as the prototype once the material is completed by a third party. Management believes that this helmet will be an excellent "Made in USA" product that can be marketed internationally at a very competitive price point. This helmet has potential to be produced as a riot helmet with an impact system. This potentially would allow us to replace the existing riot helmets and possibly adjust the ballistic requirements accordingly (Level II or 9mm only).

Research and Development

During fiscal 2011 and 2010, HighCom spent $40,737 and $945 on research and development efforts. Future research and development expenses will depend upon our liquidity and capital resources.

MARKET DEFINITION

Industry Description and Outlook

There are over 17,000 law enforcement agencies in the U.S. with over 750,000 police officers. The law enforcement market is scattered across the country and is typically serviced by distributors which provide products such as body armor, uniforms, guns, and other items.

According to a Vector Strategy report on U.S. military body armor trends, $6 Billion dollars worth of body armor will be procured between 2009 and 2015. Body armor has a life cycle of five years. This combined with an average 10% attrition rate in law enforcement, means that approximately 30% of body armor purchases are turned over each year.

HIGHCOM'S MARKETING AND SALES STRATEGY

Strategy

Our objective is to be a global leader in the businesses of safety, security, and defense protection. We continually seek to enhance our existing products and to introduce new products to expand our market share or enter into new markets. Historically, the largest portion of our HighCom business resulted from the sale of ballistic plates, vests and helmets. We plan on expanding our business into multiple segments of the defense market. We are considering other products and services for other aspects of the safety, security and defense protection. We sell our products and services through a variety of distribution channels. Depending upon the product or service, our customers include distributors; federal, state, and municipal law enforcement agencies and officers; government and military agencies; businesses; retailers; and consumers. More specifically, the major customers of HighCom are:

- Independent Distributors
- Department of Homeland Security
- Other Federal Government Agencies
- Local Police Departments
- Foreign entities
- United Nations

The channels of distribution for HighCom are distributors, direct sales, and the Government Services Administration (GSA). Since HighCom is a GSA contract holder any federal government agency can buy from them without additional prior approval.

Target Market

The primary target markets are:

- U.S. Department of Defense
    1. Army
    2. Marines
    3. Air Force
    4. Navy
- Other government agencies
    1. Homeland Security
    2. State Dept
    3. FBI
    4. DEA
    5. U.S. Marshalls
- Local law enforcement
    1. Police
    2. Highway patrol
    3. City police
    4. County Sheriffs
- Foreign governments
    1. Military
    2. Security

3. Police
- United Nations peace keeping forces

How do we market ourselves

Armor products - personal armor plates, ballistic shields and certain soft armor vests – have been designed, developed and certified by HighCom. NIJ certification is the barrier to entry/foundation to the US armor industry since without NIJ certification, marketability/sales opportunities to domestic law enforcement are limited. While export sales are possible without NIJ, NIJ certification is increasingly becoming required for export sales. All other HighCom products are distributed under non-exclusive supplier arrangements. Our HighCom marketing strategy includes the following:

- HighCom website
- Trade publications
- Defense industry news websites
- Trade Shows and Conferences
- GSA advantage and
- Bidding on federal government supply needs

Salespersons

The Company has two dedicated sales people to respond to sales inquires, to contact known potential customers, to general sales leads and to visit customer sites. These salespersons also submit bids through online public bid sources and the GSA System and make bids through an existing network of customers, resellers and commercial reps.

Bidding on Governmental Projects

Bidding on governmental (federal, state, local) contracts normally requires you to apply for status as an approved vendor. Once your application accepted – you are eligible to participate in bids. Vendor certifications have varied processes – some include/require submission of detailed financial data to qualify and be certified as a vendor. Our ISO certification is also a key factor in registration. Bids are submitted to a US agency – either through online sites, email or US Mail. For foreign sales – normally approached by agents (based in foreign companies) – who request quotes for supply of goods in their local markets. Agents generally operate on a non exclusive basis, but HighCom has in the past granted limited exclusivity to certain agents either on project specific basis – or a specific country basis. On occasion, HighCom may contract directly with a foreign government to supply products on behalf of local agent. HighCom would then receive payment direct from government agency and pay a commission to local agent.

EXPORT COMPLIANCE POLICY

HighCom is required to comply with all laws and regulations surrounding U.S. export controls. Recent events have focused the U.S. government's attention on the need for increased enforcement of such laws. Although the government has always enforced export laws and regulations, the level of intensity has risen in the past several years as concerns regarding national security and international terrorism have grown.

The United States government has various objectives when controlling exports. For instance, the U.S. has placed controls on the export of certain goods and technologies to prevent them from being used by the Armed Forces of other nations and thus threatening U.S. national security. The U.S. also uses export controls for purposes of economic sanctions against certain nations and groups hostile to the United States.

The U.S. government not only possesses a national security interest through its export controls but also has additional objectives. Export controls help protect items that may be in short supply domestically such as oil or gas. Additionally, the U.S. collects trade data that allows the government to track the trade balance, evaluate the effect of foreign trade on the domestic economy, and/or develop foreign policy decisions. The end result of all the U.S. government's regulations and laws is that HighCom must be cognizant and comply with all export laws.

HighCom management is firmly committed to full and complete compliance with all U.S. export control laws, including among others, the Export Administration Regulations administered by the Bureau of Industry and Security of the U.S. Department of Commerce, the International Traffic in Arms Regulations administered by the Directorate of Defense Trade Controls at the U.S. Department of State, and the various sanctions and embargo regulations administered by the Office of Foreign Assets Controls (OFAC) at the U.S. Department of the Treasury. While HighCom has always been committed to compliance with all U.S. export control laws and regulations, our desire to ensure that no violations occur is heightened by the events of September 11, 2001. All HighCom employees associated with activities that are subject to U.S. export controls take extra precautions to ensure that no violations occur. It is HighCom management's policy that under no circumstances will exports made on behalf of its customers be made contrary to U.S. export laws and regulations. Special care is taken to prevent transactions with entities involved in the proliferation of weapons of mass destruction.

Violations of the Export Administration Regulations could result in significant penalties for HighCom and for those individuals involved in the violation. Civil penalties of up to $50,000 per violation may be imposed or up to $120,000 if the violation involves national security controls. Violations could also result in a denial of HighCom's export privileges meaning it could no longer forward products to international customers. Criminal penalties may also be imposed on HighCom and on the individuals involved. For willful violations of the export regulations, HighCom could be fined up to $1,000,000 per violation and individuals could be fined up to $250,000 per violation and imprisoned for up to 20 years.

Violations of the International Traffic in Arms Regulations can also result in serious civil and criminal penalties for HighCom and the individuals involved. Civil penalties can reach $500,000 per violation; criminal penalties can reach $1,000,000 per violation. HighCom and individuals can also be debarred from practicing before the Directorate of Defense Trade Controls, meaning the debarred party is ineligible to export defense articles from the U.S.

Violations of OFAC regulations can also be very expensive and even result in a denial of export privileges in addition to various civil and criminal penalties. The U.S. government takes export control violations very seriously and so does the management of HighCom.

HighCom has implemented an Export Compliance Program specifically designed to satisfy the requirements of the pertinent United States statutes, rules and regulations, such as the Export Administration Act, Trading with the Enemies Act, Arms Export Control Act, International Emergency Economic Powers Act, the Export Administration Regulations, the Foreign Assets Control Regulations, the International Traffic in Arms Regulations, the Foreign Trade Statistics Regulations, the Alcohol, the Customs Regulations, and all other applicable statutes, rules and regulations governing the export and transportation of commodities by HighCom. The Export Compliance Program includes training on compliance issues, the preparation and utilization of the U.S. Export Control Compliance Manual, and the establishment of a system of internal reviews designed to identify any risks of non-compliance by HighCom.

OVERVIEW OF U.S. EXPORT REGULATIONS

The principal government agencies that regulate U.S. exports are the Department of Commerce, which regulates the export of "dual-use" items, and the Department of State, which regulates the export of defense or "munitions" items. "Dual-use" items are commercial items (*i.e.*, commodities, software and technology) that can also be used in military applications, while "defense articles," "defense services," and related technical data are items specifically designed, modified or adapted for military uses and that have limited or no commercial application. This information is based on regulations published by these two, as well as other relevant U.S. government agencies, and is subject to change. This information will be updated periodically to reflect changes made to the pertinent laws and regulations.

The Bureau of Industry and Security ("BIS") is the agency within the U.S. Department of Commerce that is responsible for administering export controls of "dual-use" items. BIS publishes and administers the Export Administration Regulations ("EAR") (15 C.F.R. Part 730 *et seq.*) which describe export controls and contain a list of the commodities, software, and technology that are controlled for export by the Department of Commerce. This list is called the Commerce Control List, or "CCL", and is contained in Supplement No.1 to Part 774 of the EAR.

The Directorate of Defense Trade Controls ("DDTC") is the agency within the U.S. Department of State that is responsible for administering controls on the temporary import, temporary export, and permanent export/re-export of "defense articles," "defense services," and related "technical data." The Department of State administers the International Traffic in Arms Regulations ("ITAR") which contain the United States Munitions List ("USML"). The USML details the commodities, software, and technical data that are controlled by the State Department.

Whether an export is controlled by the Commerce Department or the State Department depends on the proper classification of the product. All exports are controlled by only one agency though it may in some cases be difficult to determine the appropriate agency jurisdiction. In such cases, exporters may file a commodity jurisdiction ("CJ") request with DDTC to determine which agency has jurisdiction over the product, software, or technology. DDTC generally takes at least six months to respond to CJ requests, so their utility may be limited in a commercial context unless application is made sufficiently early.

Specific laws and regulations we are subject to include the following:

- Export Administration Act – 50 U.S.C. 2405
- Arms Export Control Act -22 USC 2778
- Export Administration Regulations – 15 CFR 730-774
- International Traffic in Arms Regulations – 22 CFR 120-130
- Foreign Corrupt Practices Act – 15 U.S.C. 78dd-1

Competition

We operate in intensely competitive markets that are characterized by competition from major domestic and international companies in our business and from a large number of competitive companies and alternative solutions in our security business. This intense competition could result in pricing pressures, lower sales, reduced margins, and lower market share. Any movement away from high-quality, domestic ballistic plates to lower priced or comparable foreign alternatives would adversely affect our business. Some of our competitors have greater financial, technical, marketing, distribution, and other resources and, in certain cases, may have lower cost structures than we possess and that may afford them competitive advantages. As a result, they may be able to devote greater resources to the promotion and sale of products, to negotiate lower prices on raw materials and components, to deliver competitive products at lower prices, and to introduce new products and respond to customer requirements more effectively and quickly than we can.

Competition is primarily based on quality of products, product innovation, price, consumer brand awareness, alternative solutions, and customer service and support. Pricing, product image, quality, and innovation are the dominant competitive factors in the industry. Our ability to compete successfully depends on a number of factors, both within and outside our control. These factors include the following:

- our success in designing and introducing innovative new products and services;
- our ability to predict the evolving requirements and desires of our customers;
- the quality of our customer service;
- product and service introductions by our competitors; and
- foreign labor costs and currency fluctuations, which may cause a foreign competitor’s products to be priced significantly lower than our products.

We can provide no assurances that we will be able to successfully compete with our competitors in the future.

Employees

As of March 8, 2012, the Company has four employees, including three full-time employees. The Company also relies on temp workers for its manufacturing facility. Additional sales and marketing personnel may be hired in the future as our sales efforts require such additional personnel.

BlastGard International, Inc.

BlastGard - Overview

BlastGard® International, Inc., a Colorado corporation, operates through its wholly-owned subsidiary, BlastGard Technologies, Inc., a Florida corporation established in September 2003. BlastGard® International, Inc. acquired BlastGard Technologies, Inc. effective January 31, 2004, in a transaction that was accounted for as a reverse acquisition, which is a capital transaction and not a business combination.

We have developed and designed proprietary blast mitigation materials. Patent-pending BlastWrap® has been designed to mitigate blasts and suppress flash fires resulting from explosions, regardless of the material or compound causing the explosion. We believe that this technology can be used to create new finished products or designed to retrofit existing products.

An explosion results from the rapid conversion of chemical energy into rapidly expanding high-pressure gases. The rapidly expanding gases compress the surrounding air much like a piston and create a shock wave that travels ahead of the explosive gases. The "overpressure" (pressure above ambient) in a shock wave acts to "pre-condition" the air as it passes through to make the following accelerated gas "piston" more damaging. This high intensity, short duration overpressure wave transfers impulse (momentum) stresses, damages or destroys structures in its path. Impulse follows the shock wave but lingers and decays with time. The negative phase is a partial vacuum that "whips" lighter structures to magnify damage. A shock wave can be likened to an initial hard punch, while the impulse is more like a powerful bulldozer. Any reduction in the effective power of the shock wave will increase the target's capability to withstand the destructive impulse.

Blast Solutions

Blast management solutions generally fall into one of two categories: hardening or mitigation. Hardening is a method of blast mitigation by which an object is placed around an explosive material to contain the blast, and is generally accomplished through the use of armor, mass or both. Armor is used primarily for its ballistic properties, with enhanced protection levels achieved by increasing mass (thickness and/or weight). Hardening solutions include steel armor plate, various synthetic fibers such as Kevlar™ and Spectra™ and fiber-reinforced composites. Most blast containment systems employ hardening.

Although some energy is absorbed through deformation, hardening systems have the negative effect of reflecting blast, which by the laws of physics actually magnifies blast effect up to eight times. This is because the shock waves reflecting off a solid surface add to the incident waves creating a destructive synergism of much greater gas density, temperature, pressure, and overpressure duration— all contributing to impulse (the "piston"). Reflected energy is a significant problem, particularly in confined spaces. Hardening, which essentially is trying to overmatch or resist a blast, has been widely practiced throughout the years even though it is limited in its capabilities.

Mitigation or attenuation of blast effects is the dissipation of blast energy so that acoustic and shock waves, peak overpressure, reflected peak overpressure, impulse and afterburn (the rapid burning of combustible materials in the "hot zone", including soot, occurring so fast that it adds to blast effect from the original explosive) are reduced. This reduction is accomplished through both physical and chemical processes that are triggered when a blast occurs. The remaining energy is transmitted at a slower, more sustainable level. The amount of reflected energy is significantly reduced with mitigation. Unlike hardening systems, the performance of our products is not related directly to material thickness and therefore we believe our products have a greater range of uses producing the same or better effectiveness against blast effects.

BlastWrap® Background

BlastWrap® is a concept for assemblies (not a chemical compound) from which blast protection products are built to save lives and reduce damage to valuable assets from explosions. BlastWrap® is designed to not only substantially reduce blast impulse and pressure (including reflected pressure and impulse), but quenches fireballs and suppresses post-blast fires. Lethal fragments may be captured by adding anti-ballistic armor layers on the product surface away from a blast.

Our BlastGard® technology is designed to mitigate blast and rapid combustion phenomena through numerous mechanisms. The relative contribution of each mechanism depends upon the intensity and nature of the impinging hazard. Shock wave attenuation, for example, is dominant in mitigating mechanical explosions. Our products attempt to emulate unconfined conditions and accelerate attenuating processes that occur in free air. Thus BlastWrap® does not try to resist blasts (which physically intensify blast phenomena); it mitigates them. BlastWrap® can be used as part of confining assemblies (containers and blast walls). In effect, BlastWrap® is a 'virtual vent'.

BlastWrap® Technology Components

Our BlastWrap® products are made from two flexible films arranged one over the other and joined by a plurality of seams filled with attenuating filler material (volcanic glass bead or other suitable two-phase materials), configurable (designed for each application) with an extinguishing coating. Together, this combination of materials is designed to mitigate a blast while at the same time eliminate fireballs or flame fronts produced by the blast.

We believe that this system is unique because it:

1. Works 24 hours a day
2. Quenches fireballs and post blast fires
3. Reduces blast impulse and pressure
4. Does not dispense chemical extinguishants
5. Uses neither alarms, sensors, nor an activation system
6. Is nontoxic and ecologically friendly

Our BlastGard® Technology extracts heat, decelerates both blast wind and shock waves, and quenches the hot gases in all blasts and fireballs. BlastWrap® does not interact with the explosive elements, and is therefore not altered by them. However, after a single intense detonation, BlastWrap® must be replaced.

- For blasts that produce fireballs or intense hot gases at higher pressures, BlastGard® Technology has the ability, through testing, to cool the blast zone rapidly, thereby reducing structural damage.

- In detonation of high explosives, where at least half of the energy released is in the shock wave, attenuation occurs even more rapidly, and in doing so substantially reduces explosion phenomena.

Key BlastWrap® Features

- Lightweight, flexible, durable and environment safe

- Requires no wires, electricity, detection devices and contains no sensors

- Customizable and easy to retrofit

- Materials are low in cost and are widely available

- Extremely adaptable, without losing effectiveness

- Compact structure

- Easily produced

- Can be constructed with additional environmental or specific blast conditions (e.g. weather or moisture barriers or dust free layers)

- Can be produced with armor (Kevlar, Spectra, etc) for ballistic or fragment situations

- Irreversibly dissipates energy from blast

- Eliminates need for dispensing of agents in blast mitigation process

- Neither contains nor creates hazardous fragments

- Environmentally friendly, non-toxic core materials

Key BlastWrap® Benefits

BlastWrap® is light in weight. It can be used to protect against outdoor explosions. Because of the Montreal protocols banning production of Halon extinguishing agents, BlastWrap® technology offers a light weight and environmentally acceptable blast suppression means available for most applications; and, it can even be adapted to function underwater.

BlastWrap® products are inherent sound absorbers and thermal insulators, and are typically fire-tolerant. Any or all of these qualities are readily enhanced by bonding to common materials, thereby further extending the wide range of applications which BlastWrap® can fulfill through a single product.

The performance of BlastWrap® proprietary technology is independent of scenario and environment, which means that it does not matter where the physical location is, how the basic product form is used or the environment in which the event takes place. The basic product form can be used as a stand-alone material (as linings, curtain barriers, or as structural material), or can be laminated or otherwise affixed to a wide range of product forms such as insulation (thermal and acoustic), ballistic armor such as KEVLAR™ (a DuPont trademark), decorative stone, or packaging materials. BlastWrap® products can thus provide blast and fire protection in flooring, wall, and roof constructions, in packaging, in storage cabinets and other containment structures, and aboard all types of vehicles, ships, and aircraft.

Intellectual Property Rights

Explosive devices are increasingly being used in asymmetric warfare to cause destruction to property and loss of life. These explosive devices sometimes can be disrupted, but often there is insufficient warning of an attack. Our BlastWrap® products were created around this core concept. The BlastWrap® patent application was filed with the U.S. Patent and Trademark Office on July 31, 2003. The BlastWrap® patent application was filed with Argentina on March 12, 2004; with Kuwait on July 28, 2004, and with the European market, China, Japan, Singapore, New Zealand, Indonesia, Korea, India, Australia, Israel, and Canada on February 27, 2004 and we also filed an application for this technology under the Patent Cooperation Treaty on February 27, 2004. Under this treaty, we expect to have patent protection in most industrialized countries when the patent is issued in each individual country. A substantial number of countries have been added to the list of the treaty members, including almost all of the former Soviet republics and China; thus the new claims will be protected in more than 40 countries. A second patent application for "Blast mitigating container assemblies" was filed with the U.S. Patent and Trademark Office on April 29, 2004 and a new U.S. Continuation-In-Part patent application for "Blast mitigating container assemblies" on January 26, 2005. We also filed an application for this "Blast mitigating container assemblies" technology under the Patent Cooperation Treaty on January 26, 2006.

On October 13, 2009, BlastGard was notified by its patent counsel that its patent application for its BlastWrap material was granted from the Eurasian Patent Office. The terms of this patent will expire on February 27, 2024. The patent will be valid in all contracting states: Armenia (AM), Azerbaijan (AZ), Belarus (BY), Kirgizstan (KG), Kazakstan (KZ), Moldova (MD), Russia (RU), Tajikistan (TJ), and Turkmenistan (TM). In addition, we have been issued patents in Argentina, granted on September 17, 2007, and in Singapore, granted on August 31, 2007 for our "improved acoustic/shock wave attenuating assembly" (i.e. BlastWrap). On March 18, 2008, our patent-pending application (No. 11/042,318) for our explosive effect mitigated containers (i.e. BlastGard MTR and MBR") was issued as U.S. Patent No. 7,343,843.

BlastWrap® Testing

BlastWrap® prototypes have been evaluated in different test series, which have ranged from semi-quantitative screenings to third-party instrumented trials. We have consistently observed blast effect reductions of at least 50% in virtually every activity in which BlastWrap® has been involved. These tests have indicated that impulse (momentum transfer) and peak pressure are reduced by nearly 50%. Impulse is the most destructive explosive-related hazard for structures and vehicles. We have also conducted further development design and testing of a series of products for blast mitigation protection of rapid deployment barriers, walls, revetments and bunkers (including overhead protection from inbound mortars) for the United States military.

Significance of Test Results

No BlastWrap® tests have been in small-scale. Every test series has involved standard products or test facilities simulating service conditions—munitions containers, air cargo containers, steel vessels comparable in size to commercial aircraft fuel tanks and large secondary storage units, and vehicles, all with charge weights reflecting actual hazards. Management believes that the test results provide evidence that BlastWrap® can protect vehicles, structures, and ships against very intense blasts. Tests have also shown that certain design features (such as deflectors), combined with additional BlastWrap® material, can accomplish protection against larger blasts.

Government Awards

BlastWrap®, and its BlastGard® Mitigating Trash Receptacles were designated as Qualified Anti-Terrorism Technologies and placed on the "Approved Products List for Homeland Security." We were issued the "Designation" and "Certification" for our technology by the Department of Homeland Security under the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 (the SAFETY ACT) in July of 2006. In the 4th quarter of 2011, the designation and certification was extended for another five years to our BlastWrap product but excluded our BlastGard MTR receptacles until we provide new test data that conforms to new ASTM standards which are expected to be published in April 2012. The revisions allow the use of liners and lids which the original standards did not address. The lid and liner materials must be tested to certain ASTM plastic standards.

The SAFETY ACT "Designation" and "Certification" are intended to support effective technologies aimed at preventing, detecting, identifying, or deterring acts of terrorism, or limiting the harm that such acts might otherwise cause. The criteria technologies must meet to be awarded "Designation" and "Certification" status include: the availability of the technology for immediate deployment in public and private settings; the magnitude of risk exposure to the public if the technology is not deployed; the evaluation of scientific studies being feasibly conducted to assess the technology's capability to substantially reduce risks of harm; and the technology's effectiveness in facilitating the defense against acts of terrorism. BlastWrap is designed to mitigate the blast effects of an explosion by rapidly extinguishing the fireball, eliminating burns and post-blast fires, and reducing the subsequent overpressures by more than 50%, thus reducing damage to people and property.

The SAFETY ACT legislation was designed to encourage the development and rapid deployment of life-saving antiterrorism technologies by providing manufacturers or sellers with limited risk to legal liability. It was also designed to harness the nation's scientific and technological resources to provide federal, state, and local officials with the technology and capabilities to protect the United States from terrorist acts. One area of focus for the Department of Homeland Security is catastrophic terrorist threats to the nation's security that could result in large-scale loss of life and major economic impact. The SAFETY ACT fosters research of technologies to counter threats both by evolutionary improvements to current capabilities and development of revolutionary, new capabilities.

GSA Approved Product

General Services Administration enters into contracts with commercial firms to provide supplies and services at stated prices. This streamlined procurement vehicle is available to federal agencies and other organizations to obtain engineering and environmental services from pre-qualified vendors. GSA has completed federally mandated contracting requirements—competition, pricing, small business and other contracting evaluations—normally required prior to obtaining services. Some of BlastGard's finished products are in the GSA System.

Applications

Our BlastGard® Technology works indoors or out, vented or un-vented, wet or dry, clean or dirty, damaged or intact, and against strong or weak blasts from solid explosives or flammable fluids. It is a lightweight, space-efficient custom-engineered technology that can be produced with additional layers for insulation, fragment/ballistic protection, environmental protection or impact and cushioning barriers. Significantly, no new or high-cost fabrication technologies or materials are required to produce BlastWrap®. In addition, because of the Montreal protocol's ban of Halon extinguishing agents, we believe that our BlastGard® Technology is the only blast and fire suppression means available for most applications, including adaptation for underwater use. It is an inherently effective sound absorber and thermal insulator.

Because BlastWrap® is customizable and offers protection against explosions of all types, its potential for application cuts across a wide range of industries and government agencies. Some potential applications for BlastGard® Technology include:

- Transport and storage units containing chemicals and other explosive compounds.
    - External wall linings to protect buildings, such as Embassies and other high value locations, against vehicle bombs and placed explosives.
    - Aboard naval vessels and merchant ships to minimize damage from breaching blasts emanating from mines, cruise missiles, and torpedoes.
    - Fireball and explosion-suppressing fuel tank jackets for natural and compressed natural gas, propane, fuel cells, fuel tanks and other "green fuel" vehicle systems.
- Dividers to suppress fireballs and fuel mist explosions from accidents aboard both aircraft and ships, in process facilities, and on offshore platforms.
    - Separators and partitions in explosives manufacturing and handling facilities, such as a load/assembly/pack depots, fireworks plants, and propellant manufacturing sites.
    - Pallets and buffers between stacks of palletized munitions and ordnance.
    - Lining of portable and fixed magazines.
    - Missile launch boxes for military vehicles and naval vessels.
    - Cabinets and containers for handling fuses, small rockets, and explosive devices.
    - Internal walls of commercial buildings that house, research or produce explosive materials. An example would be chemical or energy companies.
    - Quick-erect blast protection barriers and revetments.
    - Blast protection shields, armors, and structures with "stealth" (low-observable) camouflage properties.
    - Blast/fire protection linings for commercial and military aircraft and air cargo containers.
    - Blast and ballistic-protected modular buildings (barracks, accommodations for offshore facilities, field stations, tactical shelters and command facilities, monitoring stations for law enforcement).
    - Underwater blast isolation units for offshore facility abandonment's, coastal construction, and naval vessels.
    - Neutral buoyancy jackets for deep water drilling risers, and Sub Sea manifold protection.
    - Composite blast/fire protection structures and materials (blast walls, blast mitigation billboards, relief vents, reinforcement of masonry buildings) for hydrocarbon, process, mining, missile launch, and manufacturing facilities, and for building demolitions.
    - Explosives storage and shipping containers, portable magazines, and explosive disposal kits.
    - Mine blast protection kits for vehicles.

- Safety shields and specialty protection for entertainment industry location sets such as in Hollywood, California sound stages, vehicles, on-location structures.

- Personnel and vehicle protective armor.

- Mining of coal, mineral extraction and processing safety.

We believe that BlastWrap® can be integrated into some of our HighCom products in the future.

Various Product Lines Identified For BlastWrap® - We have Several Completed and Finished Products

We are currently manufacturing our core product, BlastWrap®, for sale in various forms to non-affiliated third-parties. The primary application for BlastWrap® is as an intermediate good for numerous civilian and military applications and uses.

Our technology can be customized for specific industries and applications. We have examined the various markets where explosions occur, selected targeted applications and focused on development of products for those businesses and agencies at risk. While designing finished products engineered with BlastWrap®, we have taken into account that some products must be portable, while others will remain at a fixed location. Some products have been designed to contain identified explosive agents, while others are designed to mitigate unidentified explosive threats. With these standards in mind, we have developed or are developing the following product lines to address the needs of customers and targeted markets:

- Mitigated Bomb Receptacles and MBR Gard Cart;

- Blast Mitigated Unit Load Device ("BMULD") – LD3 Container;

- Insensitive Munitions (IM) Weapons Container;

- Mitigated Trash Receptacle; and

- BlastGard Barrier System ("BBS").

MBR 300 and MBR Gard Cart

The BlastGard Mitigated-Bomb Receptacle (MBR 300) is intended to provide airport security personnel with an effective tool, if and when an explosive is discovered. The MBR 300 will dramatically contain and protect against all lethal threats posed by the detonation of an IED; namely, primary fragments, secondary fragments, mechanical effects (shock/blast pressure) and thermal effects (contact and radiation burn) from the fireball, after burn and resultant post-blast fires. If a suspect package or bomb is discovered, the airports will use the MBR 300 as a safe means of securing that package until the bomb squad arrives, or remove the suspicious device from the area, allowing airport operations to continue.

The BlastGard® MBR Gard Cart (Mobile Suspect Package Removal Unit), which houses BlastGard's MBR 300, provides security personnel with an effective tool for safe removal of an explosive device *after it is discovered.* The MBR Gard Cart contains and protects against all lethal threats posed by the detonation of an improvised explosive device (IED) and also provides rapid removal of the threat using a Mobile Removal Unit Cart. When a suspect package or device is discovered, the airports now have a safe means of securing that package and removing it from public exposure until the bomb squad arrives. In this way, the MBR Gard Cart can help prevent long airport facility shut-down times presently experienced when a suspect package is discovered. The United States Transportation Security Administration has worked hard to secure U.S. airports against a range of threats that includes attacks against both aircraft and ground facilities. The largest and most visible investment made by the agency has been in enhancing the passenger screener force and in massively expanding the number of explosive detection systems (EDS) required to examine checked luggage for bombs. Effective security, therefore, includes not only deterrent and preventive measures but also efforts to mitigate casualties, damage, and disruption. Since deterrence and prevention are sometimes difficult to achieve given the nature of terrorism and the inherent vulnerabilities of public transportation, great emphasis is also placed upon the mitigation of casualties through design of facilities and upon effective, rapid response that ensures safety while minimizing disruption. We believe that the MBR 300 is an ideal incident / security management technology for airports when dealing with bomb threats and suspicious objects or packages, especially in passenger carryon baggage.

Twin-Aisle (containerized) Aircraft – Blast Mitigated Unit Load Devices (BMULDs)

LD3 Cargo Containers are used primarily on twin aisle/wide body aircraft such as the B747. These luggage or cargo containers are manufactured by a few well-established companies throughout the world. The market is extremely competitive with low margins. In accordance with an agreement with Nordisk Aviation Products, we have combined our BlastWrap® blast-mitigating technology with Nordisk's LD3 containers to create superior blast mitigating products for the air cargo and unit loading device (ULD) market called BlastGard BMULD. ULDs are pallets and containers used to load luggage, freight, and mail onto wide-body aircraft that facilitate the bundling of cargo into large units. The alliance has developed a new line of ULDs that include BlastWrap®. The introduction of this product line enables us to provide the airline industry an important new line of defense to increase airline safety of passengers and crewmembers. This revolutionary new container design incorporating BlastWrap® will prevent shock holing of the fuselage, effectively retaining the structural integrity of the aircraft; prevent post-blast fires and conflagration in the hold; and add little or only negligible weight to the ULD. There is no effort underway to market this product.

Insensitive Munitions (IM) Weapons Containers and New Product Development

Weapons containers require specialty design. We have developed several of these containers in the past for evaluation and testing by the United States, United Kingdom and other military clients but no finished products materialized. However, we are currently looking at acquiring weapon container products as follows: an explosive storage unit that meets the US Military requirement for Limited Arc Magazines; a novel lightweight armor that out performs Kevlar but can be made for $5-8 per pound depending on choice of materials; a lightweight thermal barrier that can withstand a 1500F direct flame for 6 hours; and a modular, flat packed, light weight and high performance wall that can be helicoptered into a operational theater and erected by a four man team in a few hours.

Trash Receptacles

We have four models of mitigated trash receptacles, the BlastGard® MTR 81, MTR 91, MTR 96 and MTR 101. These containers have been designed and proof tested to drastically mitigate blast pressures and thermal output and to capture bomb fragments. Most of BlastGard's sales historically have been of this product line.

On October 25, 2004, the Company had entered into an Alliance Agreement with Centerpoint Manufacturing whereas Centerpoint would provide the Company with proprietary reinforced trash receptacles and the Company would provide proprietary composite blast mitigation material technologies to offer an enhanced reinforced trash receptacle product. All of the costs related to the testing and development of the BlastGard MTR® and BlastGard MBR® series, totaling $262,404.60 and $62,808.63 respectively, were paid by the Company. The Alliance Agreement commenced on October 25, 2004 and was in full force and effect for five years. The Alliance Agreement automatically terminated on October 25, 2009 since neither party renewed the Agreement. Nevertheless, the Company continued to rely on Centerpoint as their vendor for blast resistant receptacles for the Company's MTR and MBR line of products and Centerpoint continued to supply their receptacles to the Company. During the 5-year Alliance Agreement, the Company's line of blast-mitigated products were marketed to third parties while Centerpoint continued to market the same blast resistant receptacle under their own name but without the blast-mitigating properties of BlastWrap. In May 2010, BlastGard notified Centerpoint that it intended to create a new blast resistant receptacle component for the Company to use in its BlastGard MTR® and BlastGard MBR® product line unless Centerpoint could reach agreement with BlastGard on continuing to use its existing receptacle. On May 18, 2010, BlastGard concluded that Centerpoint would not continue its relationship with BlastGard. However, in late 2011, BlastGard and Centerpoint reestablished its previous relationship and Centerpoint now supplies BlastGard with the receptacles for its MTR sales.

BlastGard Barrier System ("BBS") High-Capacity Wall System for Perimeter and Structure Protection

The BBS product is an innovative combination of three patented technologies, an HDPE cellular core, **BlastWrap®** and an aesthetically pleasing novel fascia system. BBS has extraordinary blast, ballistic, fragment, shaped charge jet and breaching resistance capabilities and it is beautiful, low cost, configurable and "stealthy". The cellular core material, patented by the U.S. Army, has been used extensively by the U.S. military and commercial clients worldwide for building roads, for shoring up unstable roads, for extensive soil stabilization projects and for revetments and barriers. After the core is placed and filled, **BlastWrap®** is attached to the "threat side(s)" of the **BBS** structure, and finally, the fascia system encloses the entire structure, thereby creating an effective "stealth" characteristic for the entire BBS structure that is, the extreme capabilities of this system are not at all visually apparent. Clients with concerns about heavy blast, breaching, ballistic, fragment and shaped charge jet threats to their facilities can now effectively address all of those threats with our economical solution. Optional electronic security capabilities can also be integrated into the system.

In summary, we have developed either finished products or working prototypes of BlastWrap® products for each of the product lines described above. All of these products have been successfully tested and evaluated in-house, by third-parties and by interested clients and strategic partners. Prototypes may require further modifications based on the test results and client and partner feed-back. However, we have the following products that are completed and finished products, available for sale that we are currently manufacturing and marketing:

- The core product, BlastWrap®;
- BlastGard® MTR (mitigated trash receptacle);
- BlastGard MBR 300 (mitigated bomb receptacle) and MBR Gard Cart;
- BMULD (Blast Mitigated Unit Load Device - LD3 Container); and
- BlastGard Barrier System ("BBS") high-capacity wall system for perimeter and structure protection.

Manufacturing

We have three distinct production types:

- Serial Production – items that can be produced in quantity in an efficient, high-speed assembly line fashion.
- Contract Manufacturing – items that require special design or custom features requiring separate and special manufacturing processes.
- OEM (Original Equipment Manufacturer) Production – items that are licensed to OEM manufacturers enabling greater control over design, quality and production requirements specific to their industry.

Serial Production

Manufacturing is sub-contracted to a BlastGard-licensed and qualified production facility, ideally in close proximity to the customer. This method facilitates customer interaction in design, quality and distribution to affect the greatest level of satisfaction and usefulness of the BlastWrap® product.

Contract Manufacturing

Although the Production/Engineering team in BlastGard's Technology Center will design these items, we will sub contract manufacturing and assembly. This will be at our discretion to ensure quality and adherence to custom design requirements.

Original Equipment Manufacturer Production

Original equipment manufacturer production requires licensing agreements with contractors for a specific industry product. There will be several licensing agreements issued on a limited and non- exclusive basis to provide end-users with an appropriate number of well-located original equipment manufacturer producers. Once qualified and licensed by BlastGard®, original equipment manufacturer producers will be directed to produce and maintain quality standards per end user requirements. BlastWrap® products to be manufactured with original equipment manufacturer production will likely include:

Lining – Aircraft (B747- 400- Royalty)- Once design and testing has been completed by our engineering and design team, we will work closely with the certified and widely dispersed air frame sub-contractors to integrate the use of BlastWrap® into their internal systems, such as fuel tanks, cargo holds, cabin and fuselage. Aircraft manufactures, similar to auto manufactures, typically require several suppliers of each part. Therefore the license agreement for air frame sub-contractors will need to be limited and non-exclusive providing us royalties on a per-unit basis as well as continued design, manufacturing, and installation consulting.

Insensitive Munitions (IM) Weapons Containers – Once the design and testing of each product is complete, we will license and train personnel on the fabrication of the various products within the line. The Contractor chosen will manufacture this product line in-house for each specific munition /weapon system. The contractor is expected to pay a per unit royalty to us for use of the design and of the patented product. In return, we will be retained on a consulting and design basis as part of the license agreement.

Current manufacturing arrangements for finished products

Currently, we have several products that we consider to be completed and finished products. Manufacturing arrangements for those products follow:

- Pro-Form Packaging, Inc., located in Dunellen, New Jersey manufactures BlastWrap® and the MTR and MBR lids and ships to Centerpoint for installation.

- Centerpoint Manufacturing, Inc., located in Robertsdale, Alabama manufactures the BlastGard® MTR receptacles and will manufacture the BlastGard Mitigated Bomb Receptacles (MBR 300) as well. We entered into a five year exclusive alliance agreement with Centerpoint Manufacturing in October 2004 for the joint development of reinforced, blast mitigated trash receptacles which contract has since expired. Since late 2011, BlastGard and Centerpoint have re-established its previous relationship and Centerpoint now supplies BlastGard with the receptacles for its MTR sales. We are not contractually bound to use Pro-Form Packaging to manufacture the receptacle lids, and we believe that there are alternative manufacturers in the United States.

- Geo Products, LLC has a license for the manufacture of the patented (by the US Army Corps of engineers) HDPE cellular core sections in their plant in Houston, TX, which are used in the BlastGard Barrier system ("BBS"). We are not contractually bound to use this product, and there are at least four different core systems we can use for BBS. However, BlastGard has an exclusive worldwide license for this core product which is used for any blast-mitigated system with BlastWrap®.

Purchasing

We rely on various suppliers to furnish the raw materials and components used in the manufacturing of our products. Management believes that there are numerous alternative suppliers for all of the key raw material and virtually all component needs.

Marketing Analysis

Overall Market

The market for blast solutions includes commercial industries (accidental explosions of chemicals, terrorist threats, demilitarization), militaries (weapons storage and transport, barriers, revetments and bunkers and vehicle protection), and governments and municipalities (bomb explosions and threats). We have examined each of these markets to identify areas and industries within each that will benefit most from BlastGard® Technology. For a detailed discussion of our market analysis, reference is made to Item 1 of our Form 10-K for the fiscal year ended December 31, 2009, which is incorporated herein by reference.

Governmental Regulation

We are not aware of any existing or probable governmental regulations that would affect our business, except to the extent that we voluntarily design products to meet various governmental guidelines. For example, our products can be designed to conform to the United States Bureau of Alcohol, Tobacco and Firearm's requirements for the containment of explosive materials.

Research and Development

In 2011, 2010 and 2009, we spent approximately $30,670, $950 and $25,110, respectively, on research and development related activities of BlastGard. To date our products or prototypes of our products have been provided by us at no charge to potential customers for their own evaluation and testing done at their expense.

SEC Reports Available on Website

The SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other SEC filings are available on the SEC's website as well as our company website at www.blastgardintl.com.

Item 1.A Risk Factors

An investment in our common stock involves major risks. Before you invest in our common stock, you should be aware that there are various risks, including those described below. You should carefully consider these risk factors together with all of the other information included in this Form 10-K before you decide to purchase shares of our common stock.

Purchase of our stock is a highly speculative and you could lose your entire investment. We have been operating at a loss since inception, and you cannot assume that our plans and business prospects described herein will either materialize or prove successful. Accordingly, you may lose all or a substantial part of your investment. The purchase of our stock must be considered a highly speculative investment.

We can provide no assurances we will be able to continue as a going concern or raise additional financing in the future. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, we have incurred recurring losses, and have negative working capital and a net capital deficiency at December 31, 2011. These factors, among others, may indicate that we may be unable to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis and ultimately to attain profitability. The Company will require from time-to-time additional financing to finance its operations through the sale of equity and/or debt borrowing. We can provide no assurances that financing will be available to us on terms satisfactory to us, if at all, or that we will be able to continue as a going concern. See "Notes to our Financial Statements."

We had total liabilities at December 31, 2011 of $6,748,437and may not be able to meet our obligations as they become due. The majority of this debt was owed to our secured debt holders who have security interests in all our tangible and intangible assets. At December 31, 2011, we had convertible secured debt of $1,430,692 which continues to accrue interest at rates of 8% to 12%. In addition to the convertible debt, we owed approximately $90,000 on a credit line and approximately $600,000 in accrued salaries and accounts payables. We can provide no assurances that we will be able to meet our obligations to our secured lenders as they become due and payable.

Certain provisions of our secured debt may make it very difficult in the future to obtain additional financing or may cause a mandatory redemption of such securities. At December 31, 2011, we had convertible secured debt of $1,430,692. The secured debt has mandatory redemption provisions. A large portion of the secured debt provides that in the event (i) the Company is prohibited from issuing Conversion Shares, (ii) upon the occurrence of any other Event of Default (as defined in the Transaction Documents), that continues beyond any applicable cure period, (iii) a Change in Control (as defined below) occurs, or (iv) upon the liquidation, dissolution or winding up of the Company or any Subsidiary, then at the Secured Debt Holder's election, the Company must pay to the Secured Debt Holder not later than ten (10) days after request by such Secured Debt Holder, a sum of money determined by multiplying up to the outstanding principal amount of the Note designated by the Secured Debt Holder, at the Secured Debt Holder's election, the greater of (i) 120%, or (ii) a fraction the numerator of which is the highest closing price of the Common Stock for the thirty days preceding the date demand is made by Secured Debt Holder and the denominator of which is the lowest applicable conversion price during such thirty (30) day period, plus accrued but unpaid interest and any other amounts due under the Transaction Documents ("**Mandatory Redemption Payment**"). The Mandatory Redemption Payment must be received by the Secured Debt Holder on the same date as the Conversion Shares otherwise deliverable or within ten (10) days after request, whichever is sooner ("**Mandatory Redemption Payment Date**"). Upon receipt of the Mandatory Redemption Payment, the corresponding Note principal, interest and other amounts will be deemed paid and no longer outstanding. The Secured Debt Holder may rescind the election to receive a Mandatory Redemption Payment at any time until such payment is actually received. Liquidated damages calculated that have been paid or accrued for the ten day period prior to the actual receipt of the Mandatory Redemption Payment by such Secured Debt Holder shall be credited against the Mandatory Redemption Payment provided the balance of the Mandatory Redemption Payment is timely paid. "**Change in Control**" is defined as (i) the Company becoming a Subsidiary of another entity (other than a corporation formed by the Company for purposes of reincorporation in another U.S. jurisdiction), (ii) the sale, lease or transfer of substantially all the assets of the Company or any Subsidiary, (iii) a majority of the members of the Company's board of directors as of the Closing Date no longer serving as directors of the Company, except as a result of natural causes or as a result of hiring additional outside directors in order to meet appropriate stock exchange requirements, or (iv) Michael Gordon, the Chief Executive Officer of the Company is no longer serving as Chief Executive Officer unless prior written consent of the Secured Debt Holder had been obtained by the Company. The foregoing notwithstanding, the Secured Debt Holder may demand and receive from the Company the amount stated above or any other greater amount which the Secured Debt Holder is entitled to receive or demand pursuant to the Transaction Documents.

In connection with the aforementioned loan transaction, we also issued to our Secured Debt Holder warrants to purchase 104,333,335 shares of the Company's Common Stock, which warrants are currently exercisable at an exercise price of $.01 per share, which exercise price is subject to adjustment pursuant to the provisions of the warrant. In the event a fundamental transaction occurs as defined in the warrants, which includes without limitation any person or group acquiring 50% of the aggregate Common Stock of the Company, then the holder of the warrants may have the right to have the warrants redeemed at a price equal to the Black-Scholes value of said warrants.

The most recent subscription agreement dated in November 2011 pursuant to which the Secured Debt Holder advanced financing to the Company included a 12-months right of first refusal, a most favored nations provision which may result in additional securities being issued to the Secured Debt Holder and prohibitions against filing a registration statement with the Securities and Exchange Commission without the Secured Debt Holder's consent. The aforementioned provisions that have been agreed to with our Secured Debt Holder may make it very difficult or impossible in the future to obtain additional financing for the Company to support its operations and remaining a going concern.

We have incurred substantial losses from inception and failure to achieve significant revenues and profitability in the future would cause the market price for our common stock to decline further. We have generated net losses from inception. We have an accumulated retained deficit of $17,540,517 and a shareholders' equity of $(2,794,539) as of December 31, 2011. If we don't immediately achieve significant revenues and profitability in the near future, the market price for our common stock could decline further.

Business and Operational Risks

The following are the major business and operational risks related to our new HighCom subsidiary:

- A substantial portion of our revenue is dependent on U.S. military business, and a decrease or delay in contract awards in such business could have a material adverse effect on us.
- We must comply with all laws and regulations surrounding U.S. export controls.
- Continued turmoil in the credit markets and the financial services industry may negatively impact our business, results of operations, financial condition or liquidity.
- Many of our customers have fluctuating budgets, which may cause fluctuations in our results of operations.
- Our business is subject to various laws and regulations favoring the U.S. government's contractual position, and our failure to comply with such laws and regulations could harm operating results and prospects.
- We rely on certain vendors to supply us with ballistics materials, composites materials, and other key materials that if we were unable to obtain could adversely affect our business.
- Growth of operations may strain resources and if we fail to manage growth successfully, our business could be adversely affected.
- Increases in the prices paid for raw materials or labor costs may adversely affect profit margins.
- Our products are used in situations that are inherently risky. Accordingly, we may face product liability and exposure to other claims for which we may not be able to obtain adequate insurance.
- We are engaged in a highly competitive marketplace, which demands that producers continue to develop new products. Our business will be adversely affected if we are not able to continue to develop new and competitive products.
- We face continuous pricing pressure from our customers and our competitors. This will affect our margins and therefore our profitability and cash flow unless we can efficiently manage our manufacturing costs and market our products based on superior quality.
- We may have difficulty protecting our proprietary technology.
- If we are unable to successfully retain executive leadership and other key personnel, our ability to successfully develop and market our products and operate our business may be harmed.
- We have launched and expect to continue to launch strategic and operational initiatives which if not successful could adversely affect our business.
- HighCom has in the past relied on its credit facility for liquidity needs which is currently at its maximum. The available credit under this facility is linked to a borrowing base, and reductions in eligible receivables and inventory will reduce our ability to draw on the line. The terms of the facility include various covenants, and failure to meet these covenants could affect our ability to borrow. These factors could affect our liquidity.
- We may incur additional costs or material shortages due to new NIJ certification and testing standards.
- If internal control over financial reporting becomes ineffective, our business and future prospects may suffer.

HighCom faces intense competition that could result in our losing or failing to gain market share and suffering reduced revenue.

HighCom operates in intensely competitive markets that are characterized by competition from major domestic and international companies in our business and from a large number of competitive companies and alternative solutions in our security business. This intense competition could result in pricing pressures, lower sales, reduced margins, and lower market share. Any movement away from high-quality, domestic ballistic plates to lower priced or comparable foreign alternatives would adversely affect our business. Some of HighCom's competitors have greater financial, technical, marketing, distribution, and other resources and, in certain cases, may have lower cost structures than we possess and that may afford them competitive advantages. As a result, they may be able to devote greater resources to the promotion and sale of products, to negotiate lower prices on raw materials and components, to deliver competitive products at lower prices, and to introduce new products and respond to customer requirements more effectively and quickly than HighCom can.

Competition is primarily based on quality of products, product innovation, price, consumer brand awareness, alternative solutions, and customer service and support. Pricing, product image, quality, and innovation are the dominant competitive factors in the industry. Our ability to compete successfully depends on a number of factors, both within and outside our control. These factors include the following:

- our success in designing and introducing innovative new products and services;
- our ability to predict the evolving requirements and desires of our customers;
- the quality of our customer service;
- product and service introductions by our competitors; and
- foreign labor costs and currency fluctuations, which may cause a foreign competitor’s products to be priced significantly lower than our products.

We can provide no assurances that we will be able to successfully compete with our competitors in the future.

If we are unable to compete effectively with our competitors, we will not be successful generating revenues or attaining profits. The blast mitigation industry is highly competitive. BlastGard's ability to generate revenues and profitability is directly related to our ability to compete with our competitors. Currently, we believe that we have a competitive advantage because of our unique technology, our product performance, product mix and price. Our beliefs are based only on our research and development testing and we currently have only four completed and finished products. We face competition in our markets from competing technologies and direct competition from additional companies that may enter this market with greater financial resources than we have. If we are unable to compete effectively, we will not be successful in generating revenues or attaining profits.

BlastGard has not yet hired sales and marketing personnel, which may hinder our ability to generate revenues. BlastGard's primary sales focus has been to distribute our products through strategic partners, direct sales and through information and education by our executive officers. Through our executive officers, we have in the past entered into agreements with several strategic partners and our officers worked with them to attempt to generate significant sales. However, these efforts have not been successful. In the future, we may develop our own sales and marketing department in the event that management believes that such efforts would be meaningful and within our budget requirements. The failure to form a sales and marketing department and hire qualified sales personnel may adversely affect BlastGard's sales efforts and could cause us not to meet operating projections.

Loss of key personnel could cause a major disruption in our day-to-day operations and we could lose our relationships with third-parties with whom we do business. Our future success depends in a significant part upon the continued service of our executive officers as key management personnel. Competition for such personnel may be intense, and to be successful we must retain our key managerial personnel. The loss of key personnel or the inability to hire or retain qualified replacement personnel could have cause a major disruption in our day-to-day operations and we could lose our relationships with third-parties with whom we do business, which could adversely affect our financial condition and results of operations.

We can provide no assurances that HighCom sales will be restored to historical levels or that BlastGard will successfully achieve sales of its products.

Our new subsidiary, HighCom, has a history of significant sales, which are not present in
BlastGard. HighCom will attempt to restore sales to historical levels, although no assurances can be given in this regard. Currently, the Company intends to devote primarily all of its manpower and capital resources to the operations of HighCom. If our parent corporation, BlastGard, chooses to devote resources toward the development of sales in its traditional Blastwrap business, these sales activities may not be successful. We can provide no assurances that our operations will be able to operate profitably in the future.

Dependence on outside manufacturers and suppliers could disrupt our business if they fail to meet our expectations. Currently, we rely on outside manufacturers and suppliers for many of our products. In the event that any of our suppliers or manufacturers should become too expensive or suffer from quality control problems or financial difficulties, we would have to find alternative sources.

Possible technological obsolescence of our products. Our products may be subject to technological obsolescence, which would adversely affect our business by increasing our research and development costs and reducing our ability to generate sales. Discovery of another new technology by third parties could replace or result in lower than anticipated demand for our products and could materially adversely affect our operations.

We may not be able to successfully use or defend our intellectual property rights, which would prevent us from developing an advantage over our competitors. We rely on a combination of patent applications, trademarks, copyright and trade secret laws, and confidentiality procedures to protect our intellectual property rights, which we believe will give us a competitive advantage over our competitors. However, we have not been granted any patents and we may never be granted any patents if our applications are denied. Even if a patent is issued, use of our technology may infringe upon patents issued to third-parties, which would subject us to the cost of defending the patent and possibly requiring us to stop using the technology or to license it from a third party. If a third party infringes on a patent issued to us, we will bear the cost of enforcing the patent. If we are not able to successfully use or defend our intellectual property rights, we may not be able to develop an advantage over our competitors.

Product Liability Insurance. Due to new financing during the fourth quarter of 2011, the Company has secured product liability insurance which had previously lapsed. We can provide no assurances that our operations will be able to operate profitably in the future in order to maintain product liability insurance.

We do not expect to be able to pay cash dividends in the foreseeable future, so you should not make an investment in our stock if you require dividend income. The payment of cash dividends, if any, in the future rests within the discretion of its Board of Directors and will depend, among other things, upon our earnings, our capital requirements and our financial condition, as well as other relevant factors. We have not paid or declared any cash dividends upon our Common Stock since our inception and by reason of our present financial status and our contemplated future financial requirements does not contemplate or anticipate making any cash distributions upon our Common Stock in the foreseeable future.

We have a limited market for our common stock which causes the market price to be volatile and to usually decline when there is more selling than buying on any given day. Our common stock currently trades on the over the counter market under the symbol “BLGA.” However, at most times in the past, our common stock has been thinly traded and as a result the market price usually declines when there is more selling than buying on any given day. As a result, the market price has been volatile, and the market price may decline immediately if you decide to place an order to sell your shares.

The market price of our common stock is highly volatile and several factors that are beyond our control, including our common stock being historically thinly traded, could adversely affect its market price. Our common stock has been historically thinly traded and the market price has been highly volatile. For these and other reasons, our stock price is subject to significant volatility and will likely be adversely affected if our revenues or earnings in any quarter fail to meet the investment community's expectations. Additionally, the market price of our common stock could be subject to significant fluctuations in response to:

- announcements of new products or sales offered by BlastGard® or its competitors;
- actual or anticipated variations in quarterly operating results;
- changes in financial estimates by securities analysts;
- changes in the market's perception of us or the nature of our business; and
- sales of our common stock.

Future sales of common stock into the public market place will increase the public float and may adversely affect the market price. As of March 2, 2012, we have outstanding 90,386,036 shares of common stock, including an estimated 52,495,000 outstanding shares held by non-affiliated persons. Holders of restrictive securities may also sell their restrictive shares pursuant to Rule 144. In general, under Rule 144 of the Securities Act of 1933, as amended, shares of our common stock beneficially owned by a person for at least six months (as defined in Rule 144) are eligible for resale under Rule 144, subject to the availability of current public information about us and, in the case of affiliated persons, subject to certain additional volume limitations, manner of sale provisions and notice provisions. Pursuant to Rule 144, non-affiliates may sell or otherwise transfer their restricted shares without compliance with current public information where the restricted securities have been held for at least one year pursuant to Rule 144(a). Future sales of common stock or the availability of common stock for sale may have an adverse effect on the market price of our thinly traded common stock, which in turn could adversely affect our ability to obtain future funding as well as create a potential market overhang.

"Penny Stock" regulations may adversely affect your ability to resell your stock in market transactions. The SEC has adopted penny stock regulations which apply to securities traded over-the-counter. These regulations generally define penny stock to be any equity security that has a market price of less than $5.00 per share or an equity security of an issuer with net tangible assets of less than $5,000,000 as indicated in audited financial statements, if the corporation has been in continuous operations for less than three years. Subject to certain limited exceptions, the rules for any transaction involving a penny stock require the delivery, prior to the transaction, of a risk disclosure document prepared by the SEC that contains certain information describing the nature and level of risk associated with investments in the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Monthly account statements must be sent by the broker-dealer disclosing the estimated market value of each penny stock held in the account or indicating that the estimated market value cannot be determined because of the unavailability of firm quotes. In addition, the rules impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and institutional accredited investors (generally institutions with assets in excess of $5,000,000). These practices require that, prior to the purchase, the broker-dealer determined that transactions in penny stocks were suitable for the purchaser and obtained the purchaser's written consent to the transaction.

Our common stock is currently subject to the penny stock regulations. Compliance with the penny stock regulations by broker-dealers will likely result in price fluctuations and the lack of a liquid market for the common stock, and may make it difficult for you to resell your stock in market transactions.

Item 1.B. Unresolved Staff Comments

Not applicable.

Item 2. Description of Property

We do not own any real estate properties. The BlastGard entered into a lease agreement in January 1, 2009 for office space in Clearwater Florida, which was expanded to two offices in 2011 to accommodate HighCom Security. Rental payments under the lease were $300 per month on a month to month basis for each office space.

HighCom leases office and manufacturing space in Columbus, Ohio. The total space leased is approximately 11,000 square feet. The lease expired on August 31, 2011 and we are on a month to month basis. We believe that our HighCom facility is adequate for present requirements and suitable for the operations involved.

HighCom rents office space in Aurora, CO on a short-term lease expiring on October 31, 2012. Rental payments under the lease were $329 per month until November, when we added more office space for our sales staff. The new rental amount is $965 per month.

HighCom leased office space in San Francisco, CA until April 30, 2011 when the offices moved to Clearwater, FL. The rent in San Francisco was approximately $8,600 per month.

Rent expense for 2011 and 2010 was approximately $70,507 and $3,600 respectively.

Item 3. Legal Proceedings

We are currently not subject to any threatened or pending legal proceedings. Nevertheless, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business.

Item 4. Mining Safety Disclosures

Not applicable.

PART II

Item 5. Market for Common Stock and Related Shareholder Matters

There is a limited public market for our Common Stock. Our common stock has been quoted on the OTC Bulletin Board under the symbol “BLGA” since March 29, 2004 (on some internet-based services such as http://finance.yahoo.com, stock quotes can be accessed using the symbol BLGA.OB).The following table sets forth the range of high and low sales prices for our Common Stock for each quarterly period indicated, in the last two fiscal years.

Quarter Ended	High Sales	Low Sales
March 31, 2010	$ 0.011	$ 0.0036
June 30, 2010	$ 0.01	$ 0.0036
September 30, 2010	$ 0.005	$ 0.0021
December 31, 2010	$ 0.0225	$ 0.004
March 31, 2011	$ 0.065	$ 0.055
June 30, 2011	$ 0.08	$ 0.04
September 30, 2011	$ 0.035	$ 0.035
December 31, 2011	$ 0.012	$ 0.012

The source of this information is the OTC Bulletin Board and other quotation services. The quotations reflect inter-dealer prices, without retail markup, markdown or commission.

Holders

As of March 2, 2012, there were approximately 263 holders of record of our common stock (this number does not include beneficial owners who hold shares at broker/dealers in “street-name”).

Dividends

To date, we have not paid any dividends on its common stock and do not expect to declare or pay any dividends on such common stock in the foreseeable future. Payment of any dividends will be dependent upon future earnings, if any, our financial condition, and other factors as deemed relevant by our Board of Directors.

Repurchases of equity securities

During the past three years, we did not repurchase any of our outstanding equity securities. except for the warrants repurchased from the June 2006 lenders as described under "Item 13.

Sales of Unregistered Securities

From January 1, 2011 to December 31, 2011, we had no sales or issuances of unregistered common stock, except we made sales or issuances of unregistered securities listed in the table below:

Date of Sale	Title of Security	Number Sold	Consideration Received and Description of Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers	Exemption from Registration Claimed	If Option, Warrant or Convertible Security, terms of exercise or conversion
January 2011	Common Stock	4,166,667	$125,000 Equity Investment; no commissions paid	Rule 506, Section 4(2)	Equity conversion At $.03 per share
January 2011	Common Stock	866,667	$25,000 Equity Investment; no commissions paid	Rule 506, Section 4(2)	Equity conversion At $.03 per share
March 2011	Common Stock	9,820,666	$491,000 Equity Investment; HighCom acquisition	Rule 506, Section 4(2)	Equity conversion At $.05 per share
April 2011	Common Stock	800,000	$24,000 Equity Investment; no commissions paid	Rule 506, Section 4(2)	Equity conversion At $.03 per share
May 2011	Common Stock	1,000,000	$50,000 (bonus for services as officer)	Rule 506, Section 4(2)	Not applicable
May 2011	Common Stock	3,333,333	$100,000 (for services)	Rule 506, Section 4(2)	Equity conversion At $.03 per share
June 2011	Common Stock	2,889,617	$86,689 Debt Conversion	Rule 506, Section 4(2)	Debt conversion At $.03 per share
June 2011	Common Stock	4,782,915	$143,487 Debt Conversion	Rule 506, Section 4(2)	Debt conversion At $.03 per share
June 2011	Common Stock	140,029	$4,201 Debt Conversion	Rule 506, Section 4(2)	Debt conversion At $.03 per share
August 2011	Common Stock	500,000	$25,000 Equity Investment; Acquisition of Acer Defense	Rule 506, Section 4(2)	Equity conversion At $.03 per share
September 2011	Common Stock	500,000	$15,000 (convertible note settlement fee)	Rule 506, Section 4(2)	Not applicable
September 2011	Common Stock	1,500,000	$45,000 (convertible note settlement fee)	Rule 506, Section 4(2)	Not applicable
September 2011	Common Stock	4,000,000	$40,000 (convertible note settlement fee)	Rule 506, Section 4(2)	Not applicable

From January 1, 2011 to December 31, 2011, we had no sales or issuances of unregistered promissory notes or common stock purchase warrants, except we made sales or issuances of unregistered securities listed in the table below:

Date of Sale	Title of Security	Number Sold	Consideration Received and Description of Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers	Exemption from Registration Claimed	If Option, Warrant or Convertible Security, terms of exercise or conversion
January 2011	Common Stock Purchase Warrants	6,250,00	Services rendered; No commissions paid	Section 4(2)	Five year warrants Exercisable at $.05 per share
January 2011	Notes	$434,025 Principal Amount	Accounts payable Totaling $ 434,025 owed to directors and Legal counsel; no commissions paid	Section 4(2)	Notes payable on demand; convertible at $.05 per share
February 2011	Notes (1)	$160,000 in principal	$160,000	Section 4(2)	Notes due August 31, 2011 which were later extended to March 31, 2012
March 2011	Notes (2)	$300,000 in principal	$300,000	Section 4(2)	Notes due March 3, 2012
June 2011	Notes (3)	$300,000 in principal	$300,000	Section 4(2)	Notes due June 2012
November 2011	Notes (4)	$500,000 in principal	$500,000	Section 4(2)	Notes due November 2012

(1) Notes were accompanied by Common Stock Purchase Warrants to purchase 8,000,000 shares of Common Stock originally exercisable at $.03 per share and currently exercisable at $.01 per share through November 2018.

(2) Notes were accompanied by Common Stock Purchase Warrants to purchase 9,000,000 shares of Common Stock originally exercisable at $.08 per share and currently exercisable at $.01 per share through November 2018.

(3) Notes were accompanied by Common Stock Purchase Warrants to purchase 12,335,000 shares of Common Stock originally exercisable at $.06 per share and currently exercisable at $.01 per share through November 2008.

(4) Notes were accompanied by Common Stock Purchase Warrants to purchase 75,000,000 shares of Common Stock, currently exercisable through November 2018.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management's Discussion and Analysis or Plan of Operation

Statements contained herein that are not historical facts are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. We caution investors that any forward-looking statements made by us are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: well-established competitors who have substantially greater financial resources and longer operating histories, regulatory delays or denials, ability to compete as a start-up company in a highly competitive market, and access to sources of capital.

The following discussion and analysis should be read in conjunction with our financial statements and notes thereto included elsewhere in this Form 10-K. Except for the historical information contained in this Form 10-K, the discussion in this Form 10-K contains certain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. The cautionary statements made in this Form 10-K should be read as being applicable to all related forward-looking statements wherever they appear in this Form 10-K. Our actual results could differ materially from those discussed here.

New Product Line

On January 25, 2011, we acquired 98.2% of the capital stock of HighCom pursuant to a transaction which is described under "Item 13" herein. HighCom provides a wide range of security products and personal protective gear (including tactical armor) that are tailored and offer protection solutions to specific customer requirements. HighCom caters to local law enforcement agencies, correctional facilities and municipal authorities. Given the equipment and ballistic protection solutions provided by HighCom, compliance with the U.S. Department of Commerce, U.S. Department of State, U.S. Department of the Treasury and all other governmental agencies' regulations is a high priority. HighCom has sold its products in the defense and law enforcement sectors and is known for innovative technology, exceptional customer service and superior quality performance. We export our products throughout the world and have in the past sold products in Asia, Africa, Europe, Latin America and the Middle East. Many of our products are controlled for export purposes and we require end user details prior to all sales. Strict compliance with U.S. and International laws and regulations is mandatory.

As discussed under "Background of HighCom" under "Item 1," HighCom's sales revenues in 2008 were approximately $17 million. Revenues in 2009 suffered a large decrease largely attributable to a May 2009 fire in its Columbus, OH facility. This destructive fire caused significant disruption to HighCom operations which was forced to relocate to new premises to restart its manufacturing activities. The combination of decreased spending in law enforcement and homeland security sectors experienced by the industry, the US financial crisis and the destructive effects of the factory fire, revenues decreased to $4 million. In the second half of 2009, HighCom was able to reestablish its operations in OH and began to regain its market presence both with customers and vendors. The result of which was the receipt of a $6 million contract award through an open bid process for the supply of hard armor plates and soft armor vests to United Nations Peacekeeping Forces. This was the first UN contract won by HighCom as a prime contractor. Shipments under this contract began in late 2009 with the majority of the contract revenues scheduled to be earned in 2010. Reference is made to “Item 1” – Foreign Corrupt Practices Act for a discussion of material events that effected HighCom in fiscal 2010 and the first quarter of 2011.

In March 2011, BlastGard’s management team officially assumed operational control of HighCom. Since this time we have accomplished a number of key compliance tasks and finalized manufacturing agreements with several key partners. As stated in the paragraph above, BlastGard has received official communication from the U.S. State Department that HighCom’s export authority has been reinstated. In addition to this, BlastGard has completed registration through both the Directorate of Defense Trade Controls as well as the Bureau of Industry and Security ("BSI"). The purpose of these registrations is to allow BlastGard control over the export management and compliance program moving forward. HighCom also completed their ISO certification which had been revoked under HighCom due to missed audits. BlastGard management has been able to complete an internal audit and management review, in addition to meeting with BSI for the external audit review and HighCom has been recommended for continuing ISO certification which should be completed by the end of March 2012. BlastGard has also made significant personnel changes within HighCom and restructuring of operating locations and costs. BlastGard achieved a 30% reduction in HighCom’s operating expenses in the second half of 2011.

Since the completion of our acquisition of HighCom, the Company has focused its employee time and capital resources primarily on the development of the business of HighCom. We expect future results of operations to show the benefits of these changes. For the year ended December 31, 2011, our results of operations will include revenues and expenses of HighCom Securities from March 4, 2011.

Results of Operations

Year Ended December 31, 2011 vs. 2010

Since the acquisition of HighCom Security in January 1022, we have worked to rebuild the HighCom sales. Our first sales in HighCom started in July 2011 and have increased each month. Occasional sales of BlastWrap and receptacles have continued in BlastGard. For fiscal 2011, we recognized sales of $334,209 and a gross profit of $72,160, as compared to sales of $87,994 and a gross profit of $23,033 for the comparable period of the prior year.

For fiscal 2011, our overall operating and non operating expenses, increased due to the acquisition of HighCom and increased financing costs. We have worked to reduce operating costs in HighCom but we still had to recognize the costs of increased staff and facilities. Financing cost increased due to interest and amortization of debt discount and a loss on derivative liability. See the pro forma results included in footnote 10 of the financial statements and “Recent Developments” under Item 7 following “Liquidity and Capital Resources.”

Our net loss for fiscal 2011 was $3,872,185 as compared to $467,613 for the comparable period of the prior year.

Liquidity and Capital Resources.

At December 31, 2011, we had cash of $253,221, accounts receivable of $26,178, a retained deficit of $(17,540,517) and shareholder equity of $(2,794,539). At December 31, 2011, we owed $2,429,454 in principle and interest on notes payable and $1,370,246 in payables and accruals. Our 2006 Debt was retired in January 2011 pursuant to a settlement agreement described below. During 2011, net cash was used in operating activities of $(1,034,752). This resulted primarily from our net loss of $(3,872,185), partially reduced by a stock based compensation non-cash charges of $577,944 and an amortization of debt discount of $1,558.942. During 2011, net cash was used in investing activities of $(8,879) and net cash provided by financing activities was $1,250,461.

At December 31, 2010, we had cash of $46,382, accounts receivable of $342, a retained deficit of $13,668,332 and shareholder equity of $(1,051,997). At December 31, 2010, we owed $322,743 in principle and interest pursuant to our December 2004 Debt and $355,000 in principal pursuant to our June 2006 Debt, which June 2006 Debt was retired in January 2011 pursuant to a settlement agreement described below. During 2010, net cash was used in operating activities of $(99,914). This resulted primarily from our net loss of $463,613, partially reduced by a stock based compensation non-cash charge of $50,000 and an increase in accounts payable and accruals of $307,622. During 2010, net cash was used in investing activities of $24,423, primarily payments for deferred costs.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, we have incurred recurring losses, and have negative working capital and a net capital deficiency at December 31, 2011. These factors, among others, may indicate that we may be unable to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis and ultimately to attain profitability. The Company has a plan of financing to obtain cash to finance its operations through the sale of equity and debt borrowing. We can provide no assurances that financing will be available to us on terms satisfactory to us, if at all, or that we will be able to continue as a going concern. In this respect, see “Note 1 – Going Concern” in our financial statements for additional information as to the possibility that we may not be able to continue as a “going concern.”

On January 25, 2011, BlastGard settled the 2006 debt (subordinated convertible promissory notes) for $130,000 to pay off the debt and the accrued interest at a discount, eliminate all claims to equity and warrants by the Lenders and free up the unissued shares.

To date, we have relied on management’s ability to raise capital through equity and debt private placement financings to fund our operations. We also have relied on borrowings from our Chief Executive Officer/Chief Financial Officer who has loaned the Company approximately $11,000 during 2010 which was subsequently paid back and from our financial institution with a personal guaranty of our Chief Executive Officer/Chief Financial Officer, in the amount of approximately $91,000 as of December 31, 2011. We anticipate that our current and future liquidity requirements will arise from the need to finance our operations, accounts receivable and inventories, and from the need to fund our growth from operations, current debt obligations and capital expenditures. The primary sources of funding for such requirements are expected to be cash generated from operations and raising additional capital from the sale of equity and/or debt securities. We estimate that we will require between $2.0 million and $2.5 million in additional financing and cash flow from operations to support our operations and to meet our debt obligations as they become due and payable over the next 15 months of operations. We can provide no assurances that cash generated from operations will occur or additional financing will be obtained on terms satisfactory to us, if at all, or that additional debt conversions will occur.

Recent Developments

On January 25, 2011, BlastGard International, Inc. ("BlastGard") entered into a binding Letter of Intent ("LOI") with HighCom Security, Inc. ("HighCom") under which BlastGard would acquire 100% of the common stock of HighCom. Under the LOI, the HighCom stockholders were entitled to the following: (a) 10,000,000 shares of common stock upon execution of the definitive stock purchase agreement by all parties; (b) 100 Preferred convertible into 10,000,000 shares of common stock at such time as the company achieves a gross revenue of $5 million dollars within 18 months of close; (c) 100 Preferred convertible into 10,000,000 shares of common stock at such time as the company achieves a gross revenue of $10 million dollars within 24 months of close; and lastly (d) 150 Preferred convertible into 15,000,000 shares of common stock at such time as the company achieves a gross revenue of $15 million dollars within 30 months of close. HighCom's shareholders shall be entitled to a *pro rata* delivery of earn-out shares in the event a milestone is not 100% achieved or in the event BlastGard does not raise the amount of Two Million Five Hundred Thousand Dollars ($2,500,000). At Closing, BGI shall deliver its promissory notes representing its promise to pay $200,000 to HighCom shareholders at the earlier of ninety days or upon receipt of audited financials from HighCom, unless HighCom fails to provide the requested material to the extent they exist with such audit to start within ten days or as soon as practicable. An additional payment of $100,000 will be released upon revenues of $2 million dollars being achieved by HighCom which shall be paid pro-rata and shall be calculated based on revenue achieved at the end of 8 months post close. All sales mentioned above refer to sales from products presently marketed by HighCom.

On March 4, 2011, among other changes the LOI was amended as follows: 1) the LOI constitutes the definitive stock purchase agreement; 2) BlastGard issued 9,820,666 shares of its Common Stock and promissory notes totaling $196,400 to Robert Rimberg as trustee for an Irrevocable Trust FBO and Yochi Cohen and his wife, Yocheved Cohen–Charash (the "Trust") in exchange for 1,150 shares of the outstanding 1,171 shares of HighCom Common Stock, equivalent to 98.2% of the outstanding shares; 3) the parties agree to waive all closing conditions, escrow provisions and right of rescission; and 4) BGI agreed for a period of 30 days to offer to purchase from a non-affiliated person 21 shares of HighCom from him or his transferee at a cost of 179,934 shares of BGI Common Stock and in exchange for promissory notes totaling $3,600, with terms identical to those received by the Trust plus 1.8% of the Earnout provisions contained in the LOI. As of the filing date of this Form 10-K, these 21 shares of HighCom have not been purchased by us.

BlastGard also agreed to an earnout consisting of up to $100,000 in cash and up to 35,000,000 shares of common stock based on a pro-rata basis if revenue reaches certain goals. BlastGard management believes that the revenues goals are, subject to available financing to remain as a going concern, very achievable and have valued the contingent consideration at 68% of the market price at the time of the agreement.

Starting on March 4, 2011, we have the revenues from the sale of HighCom products to help fund our operations. The extent of the cash provided will be dependent on our ability to generate sales and control the administrative costs of HighCom.

Recent Financings

As reported in our Form 10-Q for September 30, 2010 filed on December 8, 2010, BlastGard reported that on November 30, 2010, the Company received funds in the amount of $165,000 as a down payment to be followed by additional financing on December 15, 2010; January 3, 2011; January 17, 2011; and February 1, 2011, in accordance with a schedule to be mutually agreed upon. The funds were a portion of a $500,000 commitment and were convertible to stock at $0.03 (16,666,667 shares) per share at the holder's discretion. Subsequent disbursements on December 15, 2010; January 3, 2011 and January 17, 2011 never took place and a default notice was sent to TangoPoint Group. In addition, BlastGard was notified by certified mail that the sole member and managing member of TangoPoint Investments, LLC, one of the two entities representing themselves collectively as TangoPoint Group, did not authorize entering into an agreement with BlastGard. The sole member of TangoPoint Investments, LLC stated that because there was no operating agreement for TangoPoint Investments, LLC and no agreement amongst the members regarding the same, no one should conduct business in the name or act on behalf of TangoPoint Investments, LLC. On December 22, 2010, BlastGard, Mitch Silverman and TangoPoint Investments, LLC entered into an agreement stating that they have no financial or other obligations or liabilities to each other, that the parties are not involved in any business or business relationship with each other and providing for the benefit of each party a general release for the benefit of each party. The Company has offered TangoPoint Group, which now does not include TangoPoint Investments, LLC, a new agreement. The Company had verbally agreed to accept the balance of the initial $500,000 equity investment at $.03 per share ($335,000) from the new TangoPoint Group. On January 24, 2011, the new TangoPoint Group wired $125,000 to BlastGard, which was subsequently used to settle the 2006 debt described above, which also freed up the unissued shares needed for the conversion of the $125,000 investment. However, no final funding arrangements are in effect at the time of this filing.

Alpha Capital Aktiengesellschaft, a holder of 2004 Debt, loaned us $160,000 in February 2010 , an additional $300,000 in March 2011, an additional $300,000 in June 2011 and an additional $500,000 in November 2011 pursuant to secured convertible promissory notes convertible. See “Item 5.”

At December 31, 2011, we had convertible secured debt of $1,430,692. The secured debt has mandatory redemption provisions. A large portion of the secured debt provides that in the event (i) the Company is prohibited from issuing Conversion Shares, (ii) upon the occurrence of any other Event of Default (as defined in the Transaction Documents), that continues beyond any applicable cure period, (iii) a Change in Control (as defined below) occurs, or (iv) upon the liquidation, dissolution or winding up of the Company or any Subsidiary, then at the Secured Debt Holder’s election, the Company must pay to the Secured Debt Holder not later than ten (10) days after request by such Secured Debt Holder, a sum of money determined by multiplying up to the outstanding principal amount of the Note designated by the Secured Debt Holder, at the Secured Debt Holder’s election, the greater of (i) 120%, or (ii) a fraction the numerator of which is the highest closing price of the Common Stock for the thirty days preceding the date demand is made by Secured Debt Holder and the denominator of which is the lowest applicable conversion price during such thirty (30) day period, plus accrued but unpaid interest and any other amounts due under the Transaction Documents ("**Mandatory Redemption Payment**"). The Mandatory Redemption Payment must be received by the Secured Debt Holder on the same date as the Conversion Shares otherwise deliverable or within ten (10) days after request, whichever is sooner ("**Mandatory Redemption Payment Date**"). Upon receipt of the Mandatory Redemption Payment, the corresponding Note principal, interest and other amounts will be deemed paid and no longer outstanding. The Secured Debt Holder may rescind the election to receive a Mandatory Redemption Payment at any time until such payment is actually received. Liquidated damages calculated that have been paid or accrued for the ten day period prior to the actual receipt of the Mandatory Redemption Payment by such Secured Debt Holder shall be credited against the Mandatory Redemption Payment provided the balance of the Mandatory Redemption Payment is timely paid. “**Change in Control**” is defined as (i) the Company becoming a Subsidiary of another entity (other than a corporation formed by the Company for purposes of reincorporation in another U.S. jurisdiction), (ii) the sale, lease or transfer of substantially all the assets of the Company or any Subsidiary, (iii) a majority of the members of the Company’s board of directors as of the Closing Date no longer serving as directors of the Company, except as a result of natural causes or as a result of hiring additional outside directors in order to meet appropriate stock exchange requirements, or (iv) Michael Gordon, the Chief Executive Officer of the Company is no longer serving as Chief Executive Officer unless prior written consent of the Secured Debt Holder had been obtained by the Company. The foregoing notwithstanding, the Secured Debt Holder may demand and receive from the Company the amount stated above or any other greater amount which the Secured Debt Holder is entitled to receive or demand pursuant to the Transaction Documents.

In connection with the aforementioned loan transactions, we also issued to our Secured Debt Holder warrants to purchase 104,333,335 shares of the Company’s Common Stock, which warrants are currently exercisable at an exercise price of $.01 per share, which exercise price is subject to adjustment pursuant to the provisions of the warrant. In the event a fundamental transaction occurs as defined in the warrants, which includes without limitation any person or group acquiring 50% of the aggregate Common Stock of the Company, then the holder of the warrants may have the right to have the warrants redeemed at a price equal to the Black-Scholes value of said warrants.

The most recent subscription agreement dated in November 2011 pursuant to which the Secured Debt Holder advanced financing to the Company included a 12-months right of first refusal, a most favored nations provision which may result in additional securities being issued to the Secured Debt Holder and prohibitions against filing a registration statement with the Securities and Exchange Commission without the Secured Debt Holder’s consent. The aforementioned provisions that have been agreed to with our Secured Debt Holder may make it very difficult or impossible in the future to obtain additional financing for the Company to support its operations and remaining a going concern. See “Risk Factors.”

Recently Issued Accounting Pronouncements

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration. Reference is made to these recent accounting pronouncements as if they are set forth therein in their entirety.

Item 8. Financial Statements

The information required by Item 8 and an index thereto commences on page F-1, which pages follow this page.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this annual report, an evaluation was carried out by the Registrant's management, with the participation of the principal executive officer and the principal financial officer, of the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")) as of December 31, 2011. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Registrant's management concluded, as of the end of the period covered by this report, that the Registrant's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms, and that such information was not accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

The management of the Registrant is responsible for establishing and maintaining adequate internal control over financial reporting. The Registrant's internal control over financial reporting is a process, under the supervision of the principal executive officer and the principal financial officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Registrant's financial statements for external purposes in accordance with United States generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that:

* Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Registrant's assets;

* Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the board of directors; and

* Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Registrant's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The Registrant's management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2011.

Changes in Internal Controls over Financial Reporting

During the year ended December 31, 2011 we purchased HIghCom Securities, Inc.. The purchased subsidiary had its own system of internal controls which need to conform to the parent's. Management has been implementing controls to assist with the consolidation of the various entities. There have been and will be significant change in the internal control over financial reporting, while our Company evolves, that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

Not Applicable.

INDEX

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders:
BlastGard International, Inc.

I have audited the consolidated balance sheets of BlastGard International, Inc. and subsidiaries as of December 31, 2011 and 2010 and the related consolidated statements of operations, changes in stockholders' deficit, and consolidated cash flows for the years then ended. These financial statements were the responsibility of the Company's management. My responsibility was to express an opinion on these financial statements based on our audits.

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

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

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses and has used significant cash in support of its operating activities. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Further information and management's plans in regard to this uncertainty were also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Peter Messineo, CPA
Palm Harbor, Florida
March 28, 2012

BlastGard International Inc.
Consolidated Balance Sheets

	December 31, 2011	December 31, 2010
Assets		
Current assets		
Cash	$ 253,221	$ 46,382
Accounts receivable, net	26,178	342
Inventory	523,557	51,290
Prepaid and other current assets	1,897	-
Net related party loans receivable from acquisition	181,138	-
Prepaid expenses	-	-
Total current assets	985,991	98,014
Property & equipment, net of accumulated		
depreciation of $236,533 and $75,700, respectively	100,462	64
Intangible property, net of accumulated		
amortization of $500,000 and $4,642, respectively	476,524	24,344
Deferred patent costs	209,896	203,535
Investments	112,832	-
Goodwill	2,061,649	-
Deposits	6,544	300
Total Assets	$ 3,953,898	$ 326,257
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	$ 1,034,237	$ 249,087
Accrued expenses	444,979	385,094
Current portion notes payable	1,820,485	729,652
Loans and notes payable, related parties	-	14,421
Total current liabilities	3,299,701	1,378,254
Contingent liability	1,238,781	-
Derivative liability, net	1,709,955	-
Notes payable, net of current portion	500,000	-
Total liabilities	6,748,437	1,378,254
Stockholders' Deficit		
Preferred Stock:		
Preferred Stock, 1,000,000 shares authorized;		
$100 par value; 0 and 0 issued and outstanding	-	-
Common Stock, $.001 par value, 100,000,000 shares		
authorized; 90,386,036 and 56,086,142 shares		
issued and outstanding, respectively	90,386	56,086
Additional paid-in capital	14,694,710	12,560,249
Minority interest	(39,118)	-
Accumulated deficit	(17,540,517)	(13,668,332)
Total stockholders' deficit	(2,794,539)	(1,051,997)
Total Liabilities and Stockholders' Deficit	$ 3,953,898	$ 326,257

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

BlastGard International Inc.
Consolidated Statement of Operations

	For the Year Ended December 31,	
	2011	2010
Revenues	$ 334,209	$ 87,994
Direct costs	262,049	64,961
Gross Profit	72,160	23,033
Operating expenses:		
General and administrative	1,492,887	397,210
Research and Development	40,737	945
Amortization and depreciation	257,180	2,189
Total operating expenses	1,790,804	400,344
Operating loss	(1,718,644)	(377,311)
Non-operating activity		
Other income (expense)	(36,073)	(671)
Gains (losses) on settlement of debt	248,754	-
Gain (loss) on derivative liability	(634,467)	-
Gain (loss) on settlement of assets	(34,676)	
Interest expenses	(1,712,241)	(85,631)
Total other income (expense)	(2,168,703)	(86,302)
Loss before income taxes and minority interests	(3,887,347)	(463,613)
Minority interest loss, net of tax	(15,162)	
Provision for income taxes	-	-
Net loss	$ (3,872,185)	$ (463,613)
Earnings (loss) per share:		
Basic	$ (0.05)	$ (0.01)
Dilutive	$ (0.05)	$ (0.01)
Weighted average shares outstanding		
Basic	78,243,689	50,983,402
Dilutive	78,243,689	50,983,402

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

BlastGard International Inc.

Consolidated Statement of Stockholders' Deficit

	Common		Additional Paid in	Minority	Accumulated	Stock-Holders'
	shares	Par	Capital	Interest	Deficit	Deficit
Balance at December 31, 2009	50,086,142	50,086	12,351,249	-	(13,204,719)	(803,384)
Board member compensation	500,000	500	49,500			50,000
Sale of stock	5,500,000	5,500	159,500			165,000
Net loss					(463,613)	(463,613)
Balance at December 31, 2010	56,086,142	56,086	12,560,249	-	(13,668,332)	(1,051,997)
Sale of stock	5,833,334	5,833	169,167			175,000
Stock issued for acquisition of HighCom Security	9,820,666	9,821	481,179			491,000
Stock issued for conversion of debt	7,812,561	7,813	226,564			234,377
Stock issued for consulting	10,333,333	10,333	239,667			250,000
Stock issued for Acer payable	500,000	500	24,500			25,000
Options issued for compensation			327,944			327,944
Record discount on new loans			665,440			665,440
Reclassify minority interest				(23,956)		(23,956)
Net loss				(15,162)	(3,872,185)	(3,887,347)
Balance at December 31, 2011	90,386,036	$ 90,386	14,694,710	(39,118)	(17,540,517)	$ (2,794,539)

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

BlastGard International Inc.
Consolidated Statement of Cash Flows

	For the Year Ended December 31,	
	2011	**2010**
Cash Flows from Operating Activities:		
Net loss	$ (3,872,185)	$ (463,613)
Adjustment to reconcile Net Income to net		
cash provided by operations:		
Minority interest loss	(15,162)	
Depreciation and amortization	257,180	2,189
Amortization of debt discount	1,558,942	
Discount on debt		
Stock given for interest	250,000	
Other stock comp	327,944	50,000
Gain on conversion of debt	(248,754)	
Gain on disposal of equipment	34,676	
gain on derivative	634,467	
Changes in assets and liabilities:		
Accounts receivable	59,273	(342)
Note receivable	229,416	-
Inventory	(29,548)	15,836
Other operating assets	80,285	517
Accounts payable and accruals	(273,365)	307,622
Related party loans	(27,921)	(12,123)
Net Cash Used in Operating Activities	(1,034,752)	(99,914)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(7,175)	-
Payments for deferred costs	(6,429)	(24,423)
Proceeds from sales of assets and intangibles	3,900	-
Cash purchased	834	-
Net Cash Used in Investing Activities	(8,870)	(24,423)
Cash Flows from Financing Activities:		
Proceeds from issuance of stock	175,000	165,000
Proceeds from issuance of note payable	1,260,000	-
Net proceeds from line of credit	-	3,980
Repayments of notes payable	(184,539)	-
Net Cash Provided by Financing Activities	1,250,461	168,980
Net increase in Cash	206,839	44,643
Cash at beginning of period	46,382	1,739
Cash at end of period	$ 253,221	$ 46,382
Supplemental cash flow information:		
Interest paid	$ 76,233	$ 22,960
Taxes paid	$ -	$ -

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

(1) Organization, Basis of Presentation, and Summary of Significant Accounting Policies

Organization and Basis of Presentation

BlastGard International, Inc. (the "Company") was incorporated on September 26, 2003 as BlastGard Technologies, Inc. ("BTI") in the State of Florida, to design and market proprietary blast mitigation materials. The Company created, designs, develops and markets proprietary blast mitigation materials. The Company's patent-pending BlastWrap® technology effectively mitigates blast effects and suppresses post-blast fires. The Company sub-contracts the manufacturing of products to licensed and qualified production facilities.

The Company went public through a shell merger on January 31, 2004. On March 31, 2004, the Company changed its name to BlastGard International, Inc.

Principles of Consolidation

These consolidated financial statements include the assets and liabilities of BlastGard International, Inc. and its subsidiaries, HighCom Security Inc. and BlastGard Technologies, Inc. as of December 31, 2011 and 2010, after the date of acquisition. All material intercompany transactions have been eliminated.

BlastGard Technologies Inc. was formed in 2003 as a Florida Corporation. The Company has been inactive during 2011 and 2010.

HighCom Security, Inc. ("HighCom") was organized as a California corporation in 1997 and designs, manufactures and distributes a unique range of security products and personal protective gear, personal protective gear to distributors, local governments, military units and international organizations. The Company has a sales office in Colorado, a manufacturing facility in Ohio and administrative offices in Clearwater Florida. The company was purchased on January 25, 2011. Activity of HighCom is included as the date of the acquisition.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has incurred recurring losses and has used significant cash in support of its operating activities. These factors, among others, may indicate that the Company may be unable to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitability. The Company plans to generate the necessary cash flows with increased sales revenue over the next 12 months. However, should the Company's sales not provide sufficient cash flow; the Company has plans to raise additional working capital through debt and/or equity financings. There is no assurance the Company will be successful in producing increased sales revenues or obtaining additional funding through debt and equity financings.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles required management to make estimates and assumptions that affected the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considered all highly liquid debt instruments with original maturities of three months or less when acquired to be cash equivalents. The Company had no cash equivalents at December 31, 2011.

Financial Instruments

The carrying amounts of cash, receivables and current liabilities approximated fair value due to the short-term maturity of the instruments. Debt obligations were carried at cost, which approximated fair value due to the prevailing market rate for similar instruments.

Fair Value Measurement

All financial and nonfinancial assets and liabilities were recognized or disclosed at fair value in the financial statements. This value was evaluated on a recurring basis (at least annually). Generally accepted accounting principles in the United States define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The accounting principles also established a fair value hierarchy which required an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs were used to measure fair value.

Level 1: Quotes market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that were corroborated by market data.
Level 3: Unobservable inputs that were not corroborated by market data.

Accounts Receivable

Accounts receivable consisted of amounts due from customers (mostly government agencies) based in the United States and abroad. The Company considered accounts more than 30 days old to be past due. The Company uses the allowance method for recognizing bad debts. When an account was deemed uncollectible, it was written off against the allowance. The Company generally does not require collateral for its accounts receivable. As of December 31, 2011 and 2010, management believes an allowance for uncollectible accounts in the amount of $28,228 and $3,873 was adequate, respectively.

Inventory

Inventory was stated at the lower of cost (first-in, first-out) or market. Market was generally considered to be net realizable value. Inventory consisted of materials used to manufacture the Company's BlastWrap® product and finished goods ready for sale. The breakdown of inventory at December 31, 2011 and 2010 was as follows:

	2011	2010
Finished goods	$ 33,824	$ 33,920
Materials and supplies	489,733	17,370
Total inventory	$ 523,557	$ 51,290

Property and Equipment

Property and equipment were stated at cost. Depreciation was calculated using the straight-line method over the estimated useful lives of the related assets, ranging from three to seven years. Expenditures for additions and improvements were capitalized, while repairs and maintenance costs were expensed as incurred. The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of were removed from the accounts and any gain or loss was recorded in the year of disposal.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of its long-lived assets at least annually. Impairment losses were recorded on long-lived assets used in operations when indicators of impairment were present and the undiscounted future cash flows estimated to be generated by those assets were less than the assets' carrying amount. If such assets were impaired, the impairment to be recognized was measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of were reported at the lower of the carrying value or fair value, less costs to sell.

Debt Issue Costs

The costs related to the issuance of debt were capitalized and amortized to interest expense using the straight-line method over the lives of the related debt. The straight-line method results in amortization that was not materially different from that calculated under the effective interest method.

Deferred Costs

Patent and trademark application costs were capitalized as deferred costs. If a patent or trademark application was denied or expires, the costs incurred were charged to operations in the year the application was denied or expires. Amortization commences once a patent or trademark was granted.

Revenue Recognition

Sales revenue was recognized upon the shipment of product to customers. Allowances for sales returns, rebates and discounts were recorded as a component of net sales in the period the allowances were recognized.

Research and Development

Research and development costs were expensed as incurred.

Advertising

Advertising costs were expensed as incurred. Advertising costs of $29 and $0 were incurred during the years ended December 31, 2011 and 2010, respectively.

Income Taxes

Income taxes were provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and the tax basis of assets and liabilities for financial and income tax reporting. Deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities were recovered or settled. Deferred tax assets were also recognized for operating losses that were available to offset future taxable income and tax credits that were available to offset future federal income taxes, less the effect of any allowances considered necessary. The company use guidance provided by *FIN 48, Accounting for Uncertainty in Income Taxes,* for reporting uncertain tax provisions.

Stock-based Compensation

We use the Black-Scholes option pricing model to estimate the fair value of stock-based awards on the date of grant, using assumptions for volatility, expected term, risk-free interest rate and dividend yield. We have used one grouping for the assumptions as our option grants were primarily basic with similar characteristics. The expected term of options granted has been derived based upon our history of actual exercise behavior and represents the period of time that options granted were expected to be outstanding. Historical data was also used to estimate option exercises and employee terminations. Estimated volatility was based upon our historical market price at consistent points in a period equal to the expected life of the options. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of grant and the dividend yield was based on the historical dividend yield. Compensation expense for stock based compensation is recognized over the vesting period.

Loss per Common Share

Basic net loss per share excludes the impact of common stock equivalents. Diluted net loss per share utilizes the average market price per share when applying the treasury stock method in determining common stock equivalents. As of December 31, 2011, there were 8,550,000 vested common stock options outstanding, which were excluded from the calculation of net loss per share-diluted because they were anti-dilutive. In addition, at December 31, 2011 the Company had 104,333,335 warrants outstanding issued in connection with convertible promissory notes and stock sales that were also excluded because they were anti-dilutive.

Recent Accounting Pronouncements

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration. Reference is made to these recent accounting pronouncements as if they are set forth therein in their entirety.

(2) Property and Equipment

Property and equipment consisted of the following at December 31:

	2011	2010
Equipment	$ 124,398	$ 60,707
Furniture	15,057	15,057
Moulds	45,060	
Test	79,665	
Gross property	359,730	75,764
Less accumulated depreciation	(259,268)	(75,700)
	$ 100,462	$ 64

Depreciation expense totaled $74,360 and $256, respectively, for the years ended December 31, 2011 and 2010.

(3) Notes Payable

Convertible Promissory Notes

On December 2, 2004, the Company entered into agreements to borrow an aggregate principal amount of $1,420,000 and to issue to the investors secured convertible notes and common stock purchase warrants. The Company's convertible promissory notes payable consisted of the following at December 31, 2011 and 2010:

At December 31, 2011, all warrants associated with the above debt had expired.

	December 31, 2011	December 31, 2010
$500,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	$ -	$ 150,166
$93,097 convertible promissory note (1/4 of previous outstanding notes) issued December 2, 2004, due November 30, 2009, 8% interest Net of unamortized discount of $0	108,338	93,096
$50,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	17,325	17,325
$50,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	-	15,241
$10,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	-	3,464
$500,000 convertible promissory note issued November 10, 2011, due on February 10, 2013 12% annual interest rate, net of unamortized discount $0	500,000	-
	125,663	279,292
Less: current maturities	(125,663)	(279,292)
	$ 500,000	$ -

New Financing

Alpha Capital Aktiengesellschaft ("Alpha"), a holder of 2004 Debt, loaned the Company $160,000 on February 2011, $300,000 in March 2011 and an additional $300,000 in June 2011 pursuant to secured notes convertible at the lesser of the applicable conversion price or eighty percent of the conversion price of any convertible note issued by the Company to anyone prior to or on the one year anniversary of the Issue Date of the Note, subject to adjustment as described therein. The February 2011 notes had a conversion price of $.03 per share and the March 2011 notes had a conversion price of $.05 per share. The Notes are accompanied by the issuance of five year warrants to purchase 8,000,000 shares at an exercise price of $0.03 per share, five year warrants to purchase 9,000,000 shares at an exercise price of $0.08 per share and five year warrants to purchase 12,333,335 shares at an exercise price of $0.06 per share, respectively.

Conversion of Accrued Expenses.

On March 8, 2011, BlastGard's Board of Directors ratified, adopted and approved that James F. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); Michael J. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); and Morse & Morse, PLLC's accrued legal bill of $67,025.30 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Note holder(s) discretion. On May 3, 2011, BlastGard's Board of Directors ratified, adopted and approved $100,000 in additional compensation to Michael J. Gordon as CEO, of which $50,000 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Noteholder(s) discretion and $50,000 issued in Common Stock at $.05 per share.

The 2011 convertible promissory notes consisted of the following at September 30, 2011 and December 31, 2010:

	December 31, 2011	December 31, 2010
$160,000 convertible promissory note issued February 3, 2011, due on August 3, 2011, 6% annual interest rate, net of unamortized Discount of $30,055	$ 79,945	$ -
$300,000 convertible promissory note issued March 3, 2011, due on March 3, 2012, 6% interest, net of unamortized discount of $80,984	219,016	-
$300,000 convertible promissory note issued June 16, 2011, due on June 17, 2012, 6% annual interest rate, net of unamortized Discount of $28,934	271,066	-
$210,000 convertible promissory note issued January 31, 2011, due on September 30, 2011, 6% annual interest rate, net of unamortized Discount of $24,331	185,669	-
$160,000 convertible promissory note issued January 31, 2011, due on 1/31/2012, 6% annual interest rate, net of unamortized Discount of $37,699	122,301	-
$67,025 convertible promissory note issued January 31, 2011, due on September 30, 2011, 6% annual interest rate, net of unamortized Discount of $10,192	56,833	-
	934,830	-
Less: current maturities	(934,830)	-
	$ -	$ -

The Company has a line of credit with a local bank. The Company also acquired various revolving credit facilities in the acquisition of HighCom Security, Inc. HighCom had been paying interest only on the loans. Two of these loans are not transferable and all have been called by the lenders. The revolving credit facilities consist of the following at December 31, 2011 and December 31, 2010:

	December 31, 2011	December 31, 2010
$100,000 line of credit from Regions Bank, interest only at 8% annually, due on demand	$ 88,968	$ 95,360
$450,000 line of credit from Fifth Third Bank, interest only at prime + % annually, due on demand	434,011	-
$150,000 revolving credit card facility with Wells Fargo Bank, interest only at prime + % annually, due on demand	148,376	-
$50,000 revolving credit card facility with California Bank & Trust (non-assumable), interest only, due on demand	49,750	-
Three credit card accounts with major financial institutions varying monthly minimum payments including interest due on demand	38,887	-
	759,992	95,360
Less: current maturities	(759,992)	(95,360)
	$ -	$ -

Acquisition note

The Company issued a note in the amount of $196,400 as part of the acquisition of HighCom Security, Inc. to the former majority shareholder. As of June 30, 2011, the Company has stopped making payments on this note and has applied the unpaid balance of $156,400 against receivables due from the former shareholder that were also acquired in the purchase transaction.

(4) Subordinated Convertible Notes Payable

On June 22, 2006, the Company entered into agreements to borrow an aggregate principal amount of $1,200,000 and to issue to the investors' subordinated, convertible promissory notes and common stock purchase warrants. On January 25, 2011, the Company entered into an agreement to settle the outstanding debt, accrued interest and all outstanding warrants for $130,000.

The Company's subordinated, convertible promissory notes payable consist of the following:

	December 31, 2011	December 31, 2010
$600,000 subordinated, convertible promissory note issued June 22, 2006, due on June 22, 2008, 8% annual interest rate, net of unamortized discount of $0 and $0, respectively	$ -	$ 355,000
	-	355,000
Less: current maturities	-	(355,000)
	$ -	$ -

(5) Detachable common stock warrants issued with convertible and subordinated convertible promissory notes

The company has issued warrants with convertible promissory notes, the sale of stock and consulting agreements throughout the years. For the year ended December 31, 2010 there was approximately 16,750,000 warrants, valued at approximately $485,000, outstanding. During the year ended December 31, 2011 all outstanding warrants from the December 31, 2010 expired and approximately 104,333,000 warrants, valued at approximately $3,016,000, were issued as part of promissory notes made during the year ended December 31, 2011.

To value the warrants issued the Company used the Black-Scholes model. The assumptions used to value the warrants in the Black-Scholes model for the year ended December 31, 2011 are shown in the table below.

Risk-free interest rate	1.450%
Dividend yield	0.00%
Volatility factor	336.1%
Weighted average expected life	4.0 years

(6) Shareholders' Deficit

Preferred stock

The Company was authorized to issue 1,000,000 shares of $.001 par value preferred stock. The Company may divide and issue the Preferred Shares in series. Each Series, when issued, shall be designated to distinguish them from the shares of all other series. The relative rights and preferences of these series include preference of dividends, redemption terms and conditions, amount payable upon shares of voluntary or involuntary liquidation, terms and condition of conversion as well as voting powers.

Common stock issuances

In February, 2010, the two non-officer directors received 250,000 shares of common stock each in exchange for $25,000 each in services to the board.

In December 2010, an unrelated party received 5,500,000 shares of common stock in exchange for an investment of $165,000.

In January 2011, an unrelated party received 4,166,667 shares of common stock in exchange for an investment of $125,000.

In March 2011 BlastGuard issued 9,820,666 shares of common stock valued at $491,000 to Rimberg Trust in exchange for the acquisition of HighCom Security.

In 2011 Phoenix Alliance Corp., a related party received 1,666,667 shares of common stock in exchange for an investment of $50,000.

A total of 10,333,333 shares of common stock valued at $250,000 were issued during 2011 for services.

In June 2011, BlastGuard converted $234,377 of convertible notes and interest into 7,812,561 shares of common stock.

In August 2011 BlastGuard issued 500,000 shares of common stock valued at $25,000 to the stock holders of Acer Defense as in exchange for the acquisition of Acer Defense products.

Stock Compensation

The Company periodically offered options to purchase stock in the company to vendors and employees.

Options were granted at the fair market value of the stock on the date of grant. Options generally become fully vested after one year from the date of grant and expire five years from the date of grant. During the years ended December 31, 2011 and 2010 6,550,000 and zero options were granted no options expired or expired when sales goals were not met.

There were no net cash proceeds from the exercise of stock options for the twelve months ended December 31, 2011 or 2010. At December 31, 2011, there was no unrecognized compensation cost related to share-based payments which was expected to be recognized in the future.

The following table represents stock option activity as of and for the twelve months ended December 31, 2011:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options Outstanding - January 1, 2011	2,850,000	$ 0.10	1.0 years	
Granted	6,550,000	$ 0.03	5.0 years	
Exercised	-	-		
Forfeited/expired/cancelled	(900,000)	0.10		
Options Outstanding – December 31, 2011	8,500,000	$ 0.048	4.8 years	$ -
Outstanding Exercisable – January 1, 2011	2,850,000	$ 0.10	1.0 years	$
Outstanding Exercisable – December 31, 2011	8,500,000	$ 0.048	4.8 years	$ -

The total grant date fair value of options vested during the twelve months ended December 31, 2011 and 2010 was $327,944 and $0, respectively.

The following table represents our non-vested stock option activity for the twelve months ended December 31, 2010:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested options - January 1, 2011	-	$ -
Granted	-	-
Vested		
Forfeited/expired/cancelled	-	-
Nonvested Options – December 31, 2011	-	$ -

(6) Related Party Transactions

During the twelve months ended December 31, 2011, the Company repaid approximately $6,500 against its $100,000 credit line, which was secured by a personal guarantee of its Chief Financial Officer. As of December 31, 2011 approximately $89,000 was owed pursuant to the line of credit, inclusive of interest.

(7) Income Taxes

A reconciliation of U.S. statutory federal income tax rate to the effective rate follows:

	December 31, 2011	December 31, 2010
U.S. statutory federal rate, graduated	34.00%	34.00%
State income tax rate, net of Federal	3.6%	3.6%
Permanent book-tax differences	0%	(0.03%)
Net operating loss (NOL) for which no tax benefit was available.	-37.6%	-37.57%
Net tax rate	0.00%	0.00%

At December 31, 2011, deferred tax assets consisted of a net tax asset of approximately $6,485,000, due to operating loss carryforwards of approximately $17,233,000, which was fully allowed for, in the valuation allowance of $6,485,000. The valuation allowance offsets the net deferred tax asset for which it was more likely than not that the deferred tax assets will not be realized. The change in the valuation allowance for the years ended December 31, 2011 and 2010 totaled approximately $1,334,000 and $176,000 respectively. The current tax benefit also totaled $1,334,000 and $176,000 for the years ended December 31, 2011 and 2010, respectively. The net operating loss carryforwards expire through the year 2031.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets was no longer impaired and the allowance was no longer required.

Should the Company undergo an ownership change as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of these losses.

(8) Concentration of Credit Risk for Cash

The Company has concentrated its credit risk for cash by maintaining deposits in a financial institution, which may at times exceed the amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2011, the Company had no funds in excess of the FDIC insurance limits.

(9) Commitments and Contingencies

From time to time the Company may be a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

Office Lease

The Company entered into a lease agreement in January 1, 2009 for office space in Clearwater Florida. Rental payments under the lease were $300 per month on a month to month basis. Rent expense for 2011 and 2010 was approximately $3,600 and $3,600 respectively.

Prior Litigation Matter

Verde Partners Family Limited Partnership

The Company was served with a lawsuit that was filed on September 12, 2005 in the Second Judicial District Court in Washoe County, Nevada as case number CV-05-02072. The plaintiff in the lawsuit was Verde Partners Family Limited Partnership ("Verde"). The lawsuit makes a variety of claims and contends that the Company and certain officers of the Company misappropriated certain technology, including two patents, and seeks damages "in excess of $10,000". The action was removed to federal court in Nevada. A motion was pending to have the case dismissed as to BlastGard International, Inc., and all other defendants, for lack of personal jurisdiction. There was also a motion pending for a more definite statement in that three of the claims by Verde were conclusory, vague and ambiguous.

On July 14, 2006, the United States District Court rendered its decision in this case. It was ordered and adjudged that the motion to dismiss the individual defendants and the motion to dismiss the BlastGard defendants was granted. Defendants' motion for a more definite statement was moot. The Court entered judgment on July 17, 2007 in favor of all Defendants and against the Plaintiff. The Plaintiff had 30 days from the date of the judgment (July 17) to file a notice of appeal. No notice was filed.

On July 19, 2006, the Company filed a lawsuit in the Circuit Court of the Sixth Judicial Circuit in Pinellas County, Florida. The Defendants in the lawsuit were Sam Gettle, Guy Gettle and Verde Partners Family Limited Partnership ("Verde"). The lawsuit contends that the Defendants have committed defamatory acts against BlastGard International and its products. The lawsuit also asks for a declaration that BlastGard International was not liable for the acts complained of in the Nevada action. On BlastGard's affirmative claims for defamation, the Florida action seeks injunctive relief and damages in excess of $15,000, exclusive of attorney's fees and costs. Sam Gettle, Guy Gettle, and Verde counter claimed in the lawsuit alleging the same bad acts complained of in the Nevada action. The counterclaim seeks an award of unspecified damages and injunctive relief.

On April 2, 2009, the Company entered into a Settlement Agreement to settle our outstanding civil litigation. The Company will pay the sum of $125,000 over 18 months. The first monthly payment was paid within 30 days after the Defendants deliver to the Company's counsel an original executed version of the Agreement and a promissory note in the amount of the remaining principal balance to bear interest in the amount of 6% per annum. Upon Verde's receipt of the payment and promissory note, the parties shall jointly dismiss with prejudice all litigation between them, including the Pinellas County action and the Federal action. The company and Verde also entered into a license agreement whereby BlastGard obtains a fully paid up non-exclusive license for the 2 Verde patents for the remaining life of those patents in exchange for the Company paying Verde a 2% royalty for the life of the patents, on the sales price received by BlastGard for BlastGard's portion of all blast mitigation products sold by the company (the royalty was **not** on any third-party's portion of any product containing blast mitigation products sold by BlastGard). The parties also agreed not to file any complaints with any state, federal or international agency or disciplinary body regarding any of the other parties or any person affiliated with any of the other parties or otherwise makes negative statements about them (in other words, a broad non-disparagement clause). The company and Verde also signed mutual general releases (excepting the obligations above) and a covenant not to sue. At December 31, 2010, the Company was in arrears on the final twelve monthly payments on the settlement.

(10) Acquisition of HighCom Security, Inc.

On January 25, 2011, the Company purchased 98.2% of the outstanding stock in HighCom Security, Inc. (HighCom) from an unrelated party for cash, stock common and preferred stock to be paid out at certain milestones. As of the signing of the agreement, BlastGard International, Inc. immediately assumed the operations of HighCom and started to provide financing for the operations while a definitive agreement is drawn up over the next 90 days.

HighCom is a worldwide security equipment provider based in San Francisco, California. HighCom designs, manufactures and distributes a unique range of security products and personal protective gear. BlastGard issued a note payable in the amount of $196,400 and 9,820,000 shares of common stock as initial consideration and promised up to another $98,200 in cash and 34,370,000 shares of common stock based on a pro-rata basis if revenue reaches certain goals. BlastGard management believes that the revenues goals are very achievable and have valued the contingent consideration at 68% of the market price at the time of the agreement. On March 4, 2011, the transaction closed.

BlastGard International, Inc. accounted for the assets, liabilities and ownership interests in accordance with the provisions of ASC 805, Business Combinations for acquisitions occurring in years beginning after December 15, 2008 (formerly SFAS No. 141R, Business Combinations). As such, the recorded assets and liabilities acquired were recorded at fair value and any difference in the net asset values and the consideration given was recorded as a gain on acquisition or as goodwill. The actual values as of the date of agreement are as follows:

Cash	$ 278
Accounts receivable	85,109
Contract performance bonds	50,500
Refundable taxes	-
Inventory	229,132
Prepaid expenses	6,035
Fixed assets	206,159
Investments	112,764
Deposits	31,891
Due from seller	303,356
Related party loans	107,198
Customer lists	500,000
Website	80,000
Goodwill	2,653,118
	$ 4,365,540
Accounts payable	$ 1,282,234
Accrued expenses	382,819
Short-term loans	45,209
Bank line of credit	454,835
Credit card line 1	150,726
Credit card line 2	49,750
Credit card line 3	24,922
Credit card line 4	9,514
Credit card line 5	47,910
Credit card line 6	1,896
Due to BlastGard	3,500
Loan from related party	10,000
Minority interest	(23,956)
Acquisition note	196,400
Contingent liability	1,238,781
Stock given at closing	491,000
Total liabilities assumed and consideration given	$ 4,365,540
	-

Goodwill was subsequently reduced for changes in the valuation of inventory and liabilities acquired.

Pro forma results of operations for the years ended December 31, 2011 and 2010 as though this acquisition had taken place at January 1, 2010 are as follows:

	Years ended December 31, 2011	2010
Revenues	$ 576,613	$ 5,512,174
Net loss	$ (3,872,185)	$ (999,172)
EPS	$ (0.05)	$ (0.02)

The unaudited pro forma results disclosed in the table above are based on various assumptions and are not necessarily indicative of the results of operations that would have occurred had the Company completed this acquisition on January 1, 2010.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The Company has a Board of Directors which is currently comprised of four members and three vacancies in our Board of Directors. Each director holds office until the next annual meeting of shareholders or until a successor is elected or appointed. The members of our Board of Directors and our executive officers and their respective age and position are as follows:

Name	Age	Position with Registrant	Director of Registrant Since
Andrew R. McKinnon	64	Director	October 2007
Keith Brill	34	Director	October 2011
Michael J. Gordon (1)	54	CEO, CFO, Director	January 2004
Michael L. Bundy	32	COO of HighCom	March 2011
Paul W. Henry	64	Director	February 2010
Solomon Mayer	58	Director	October 2011

Indemnification of Executive Officers

Michael J. Gordon is Chief Executive Officer and Chief Financial Officer. Michael Bundy serves as Chief Operating Officer of HighCom. The biographies of our directors and executive officers are provided below.

Andrew R. McKinnon – Mr. McKinnon served as BlastGard's Chief Executive Officer from April 2007 through June 30, 2009 and a Board member since October 2007. Mr. McKinnon has been CEO of Phoenix Alliance Corp. and PAC Business Group since 2004. Mr. McKinnon is an internationally known public speaker and has been a turn-a-round specialist for the past twenty years. Mr. McKinnon and his wife, own one of Canada's Premier Thoroughbred Breeding operations. As a past member of The International Speakers Bureau, Mr. McKinnon has spoken on various topics in 14 countries and participated in the re-organization of companies varying in size from multi-national to small franchise operations. Mr. McKinnon founded Horsebrokers International in 1995 and was its Chief Executive Officer until 2000. In 1980 Mr. McKinnon founded what was to become one of Canada's largest specialty furniture franchise companies and subsequently sold the company in 1986. In 1973 Mr. McKinnon co-founded a small Floor Coverings Company that by 1978 had become the largest volume retailer in Canada and subsequently sold the company in 1979. Mr. McKinnon has served as a sponsor and advisor to the fundraising committee of Olds College, Alberta Horse Industries Branch, the re-election campaign fund in Western Canada for the late Prime Minister Pierre Elliot Trudeau and as a Sponsor of The Calgary Stampede. Mr. McKinnon's extensive business, financial, management and leadership experience in a variety of industries and development stage enterprises particularly qualifies him for service on the Company's Board.

Keith Brill – In October 2011, Keith Brill was appointed to fill a vacancy on the board of directors. Mr Brill is a financial executive and management consultant with comprehensive experience in financial management and analysis, operational effectiveness, and IT finance. He is the Managing Director of The Brill Group, LLC, a strategy and management consulting firm established in 2011, that provides corporate finance and operations advisory services. Mr. Brill is also a member of the Board of Directors of Liberty Star Uranium & Metals Corp. (OTCBB: LBSR) and Ironwood Gold Corp. (OTCBB: IROG), positions he has held since December, 2009 and August, 2011, respectively. In 2010, he was the CFO / CIO of AmTrust Realty Corp., a New York-based commercial real estate firm. From 2006 to 2009, Mr. Brill was a financial and IT consultant with PA Consulting Group, Inc., a leading global consulting firm, working in both its Financial Services and Information Technology Practices. He has provided multinational Fortune 500 companies with consulting advice on topics including cost reduction, IT outsourcing, regulatory compliance, and performance benchmarking. Mr. Brill received an International Master of Business Administration (IMBA) from the Moore School of Business, University of South Carolina in May 2005. He graduated from the South Carolina Honors College, University of South Carolina in May 2003 with a Bachelor of Science, magna cum laude, major in Economics and Finance, minor in Spanish. Mr. Brill's extensive business, financial, management and leadership experience in a variety of industries and development stage enterprises particularly qualifies him for service on the Company's Board.

Michael J. Gordon –Executive Officer and Board member since January 2004. From January 2003 to January 2004, Mr. Gordon devoted a majority of his time in the development and marketing of BlastGard, Inc. (an entity not related to our company, that had a license to a different blast mitigation technology that was different that the technology owned by our company). From April 1998 through December 2002, Mr. Gordon was Vice President and a Board member of BBJ Environmental Solutions, which conducts research on the causes of, and develops solutions to, biologically related indoor air quality problems, including research in bio-defense and emerging infectious diseases, such as Anthrax. From August 1987 through December 1997, Mr. Gordon was employed by Phoenix Information Systems Corp., where he was responsible for overseeing administrative operations, the filing of all SEC reports and documents, company news releases and public relations. Before joining Phoenix, Mr. Gordon served as Director of Legacies and Planned Giving for the American Cancer Society. Mr. Gordon received his Bachelor of Science degree from the State University of New York in 1980. Mr. Gordon's extensive business, financial, management and leadership experience in a variety of industries and development stage enterprises particularly qualifies him for service on the Company's Board.

Michael L. Bundy – In March 2011, Michael L. Bundy was retained as the Chief Operating Officer for BlastGard International, and is currently overseeing the operational management of our Acquisition of HighCom Security. Mr. Bundy has served as both a Director of Operations and Vice President for HighCom Security of San Francisco from January 2006 through October 2010, where he was responsible for the daily management of operations and logistics. Mr. Bundy will be tasked with overseeing the operational and compliance processes for the combined companies. From March 2000 through January 2005, Mr. Bundy was the President and Managing Member of Castle Logistics, LLC. Castle provided full service transportation intermediary and freight brokerage services for both small and large businesses. Through Castle, Mr. Bundy played a strategic role in helping to develop and implement supply chain management processes and policies to help support the delivery of both raw/finished goods for a number of large publicly traded companies such as; Wal-Mart, Home Depot, Target, K-Mart, Lowes, Sears, Coors Brewing, Pepsi Bottling Group, and several others. Mr. Bundy is currently in the process of earning his BS in Business Management and looks forward to completing his MBA in Organizational leadership, both through Colorado State University. Mr. Bundy also holds several unique and critical certifications with regards to his new position with our company, these include; "TIA Certified Transportation Broker", "Certified RABQSA Quality Lead Auditor", and most importantly, he has been recognized by the International Import Export Institute as a "Certified U.S. Export Compliance Officer as 2010".

Paul W. Henry - In February 2010, Paul Henry was appointed to fill a vacancy on the board of directors. Mr. Henry has served since 2008 in new business development for Colchis Capital Management of San Francisco, an alternative investment management firm. Since 1987, Mr. Henry has served as an investment banker, business advisor, and/or director of several start-up and emerging companies, including the following: Caithness Energy, an independent power producer based in New York City; Essex Investment Management Company, an investment advisory firm based in Boston, Massachusetts; Phoenix Information Systems, an information technology and services company based in St. Petersburg, Florida; DragonHorse International, a China business development company based in Florida; and Prescott & Forbes, a start-up materials science company based in Indianapolis, Indiana. From 1983 to 1987, Mr. Henry was employed by Connecticut Financial Management Company in Boston as a personal financial advisor. Mr. Henry has a BA in economics from Yale University and an MBA from Northeastern University Graduate School of Business. Mr. Henry's extensive business, financial, management and leadership experience in a variety of industries and development stage enterprises particularly qualifies him for service on the Company's Board.

Solomon Mayer - In October 2011, Solomon Mayer was appointed to fill a vacancy on the board of directors. Mr. Mayer has been President and CEO of Mooney Aviation Company since 1999, which was founded in 1929 and has delivered more than 11,000 aircraft worldwide. Mr. Mayer has held various executive level positions, and has successfully overseen several businesses from conception through profitability. He is a senior business executive with expertise in business relations, sales and marketing , corporate management and enterprise financial path growth and operation, purchasing and negations for multi-million dollar businesses and organizations in diverse industries both nationally and internationality.

He brings extensive experience in international connections with governments and private industry. He has founded and established Overseas Trading, Incorporated and Far East Electronics Import/Export Corporation; corporations designed to import and export baked goods and electronics. His 35 year career in production sales and management in various different capacities in management and consulting will bring a lot of opportunities to our company. As the Chief Executive Officer of Overseas Trading, Incorporated, Mr. Mayer played an integral part in marketing baking products to Wal-Mart, Shoprite, Pathmark and Pamida. His business strategies at Far East Electronics Import/Export Corporation led to the generation of $200 million in revenues within the span of five years.

Mr. Mayer created an international call center in India, successfully establishing and implementing a licensed international call service center in conjunction with government agencies in India, servicing the international world-wide market, while maintaining competitive prices and quality control services included: collections, surveys, marketing and sales and served as the Director of Sales and Marketing for Sportswear, Inc. There, he was responsible for launching a hip-hop fashion line, creating sales strategies, and strategically placing factories to support the supply chain throughout the South-Alabama, Georgia, and Louisiana. His Vast experience in China, India, Brazil going back over 30 years was the pioneer in many new ventures that became very popular later on developing import export processes. He was responsible for development and expansion of new territories in Brazil and Argentina, by creating an assembly factory in a tax free zone working on a joint venture with the government in China thus generating 200 Million dollars in revenue within 5 years and also established a successful Import/Export business in a highly competitive industry.

Mr. Mayer serves on the board of directors and is President of Chai Lifeline, and is a board member of Mishkon and Laniado Hospital, organizations dedicated to assisting profoundly ill children. He is Vice President of International Medical Search Co., a non-profit medical referral organization. He also serves on the board of directors of Mooney Airplane Corporation, Premier Store Fixtures and Supreme Construction and Development. He has excellent ability to hire, train and supervise a loyal and productive force in a high volume environment. He is a creative, entrepreneurial business leader with many skills and much knowledge. Mr. Henry's extensive business, financial, management and leadership experience in a variety of industries and development stage enterprises particularly qualifies him for service on the Company's Board.

Corporate Governance

Our business, property and affairs are managed by, or under the direction of, our Board, in accordance with the General Corporation Law of the State of Colorado and our By-Laws. Members of the Board are kept informed of our business through discussions with the Chief Executive Officer and other key members of management, by reviewing materials provided to them by management.

We continue to review our corporate governance policies and practices by comparing our policies and practices with those suggested by various groups or authorities active in evaluating or setting best practices for corporate governance of public companies. Based on this review, we have adopted, and will continue to adopt, changes that the Board believes are the appropriate corporate governance policies and practices for our Company. We have adopted changes and will continue to adopt changes, as appropriate, to comply with the Sarbanes-Oxley Act of 2002 and subsequent rule changes made by the SEC and any applicable securities exchange.

Director Qualifications and Diversity

The board seeks independent directors who represent a diversity of backgrounds and experiences that will enhance the quality of the board’s deliberations and decisions. Candidates shall have substantial experience with one or more publicly traded companies or shall have achieved a high level of distinction in their chosen fields. The board is particularly interested in maintaining a mix that includes individuals who are active or retired executive officers and senior executives, particularly those with experience in the defense, sales and marketing and capital market industries.

In evaluating nominations to the Board of Directors, our Board also looks for certain personal attributes, such as integrity, ability and willingness to apply sound and independent business judgment, comprehensive understanding of a director's role in corporate governance, availability for meetings and consultation on Company matters, and the willingness to assume and carry out fiduciary responsibilities. Qualified candidates for membership on the Board will be considered without regard to race, color, religion, sex, ancestry, national origin or disability.

Risk Oversight

Enterprise risks are identified and prioritized by management and each prioritized risk is assigned to a board committee or the full board for oversight as follows:

- *Full Board* - Risks and exposures associated with corporate governance, and management and director succession planning, strategic, financial and execution risks and other current matters that may present material risk to our operations, plans, prospects or reputation.

- *Audit Committee* - Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters.

- *Compensation Committee* - Risks and exposures associated with leadership assessment, and compensation programs and arrangements, including incentive plans.

Board Leadership Structure

The Chairman of the Board presides at all meetings of the Board. The Chairman is appointed on an annual basis by at least a majority vote of the remaining directors. Currently, the office of Chairman of the Board is vacant. The Company has no fixed policy with respect to the separation of the offices of the Chairman of the Board and Chief Executive Officer. The Board believes that the separation of the offices of the Chairman of the Board and Chief Executive Officer is part of the succession planning process and that it is in the best interests of the company to make this determination from time to time.

Review of Risks Arising from Compensation Policies and Practices

We have reviewed our compensation policies and practices for all employees and concluded that any risks arising from our policies and practices are not reasonably likely to have a material adverse effect on the Company.

Code of Ethics

On August 4, 2004, the Board of Directors established a written code of ethics that applies to our senior executive and financial officers. A copy of the code of ethics is posted on our website at www.blastgardintl.com and or may be obtained by any person, without charge, who sends a written request to BlastGard® International. Inc., c/o Investor Relations, 2451 McMullen Booth Road, Suite 242, Clearwater, FL 33759.

COMMITTEES

We have no nominating committee of the Board of Directors or committees performing similar functions. In February 2006, we established a Compensation Committee and Audit Committee and in March 2007, we established a Management Committee.

Compensation Committee

In March 2007, our Board of Directors established a Compensation Committee and adopted a written charter. Our Compensation Committee consists of Andrew McKinnon, Solomon Mayer and one vacancy. Our Compensation Committee has such powers and functions as may be assigned to it by the Board of Directors from time to time; however, such functions shall, at a minimum, include the following:

- to review and approve corporate goals and objectives relevant to senior executive compensation, evaluate senior executive performance in light of those goals and objectives, and to set the senior executive compensation levels based on this evaluation;
- to approve employment contracts of its officers and employees and consulting contracts of other persons;
- to make recommendations to the Board with respect to incentive compensation plans and equity-based plans, including, without limitation, the Company's stock options plans; and
- to administer the Company's stock option plans and grant stock options or other awards pursuant to such plans.

Management Committee

In March 2007, our Board of Directors established a Management Committee and adopted a written charter. The members of our Management Committee consist of Paul W. Henry, Michael J. Gordon and Keith Brill. The charter includes, among other things, the following responsibilities of the Management Committee:

- Administer the business of the Corporation and generally supervise its day-to-day activities.
- Control and manage the funds and other property of the Corporation and have general oversight of business matters affecting the Corporation, consistent with the strategic directions established by the Board of Directors.
- Designate banks to be used as depositories of Corporation funds, upon the recommendation of the auditors and approval by the Board.
- Review the budget as submitted by the CFO and submit its recommendations to the Board for approval.
- Make recommendations concerning the Corporation's fiscal structure, resource allocations and other financial matters to the Board.
- Make recommendations to the Board on the appointment of Corporate Executives.
- Undertake any other duties as may be assigned from time to time by the Board.

Audit Committee

The members of the Companys audit committee are Paul W. Henry and Keith Brill. Management believes that each audit committee member is an independent director and may be deemed to be a Financial Expert within the meaning of Sarbanes Oxley Act of 2002, as amended.

Effective February 16, 2006, the Board adopted a written charter for its Audit Committee. The charter includes, among other things:

- annually reviewing and reassessing the adequacy of the committee's formal charter;
- reviewing the annual audited financial statements with the Company's management and its independent auditors and the adequacy of its internal accounting controls;
- reviewing analyses prepared by the Company's management and independent auditors concerning significant financial reporting issues and judgments made in connection with the preparation of its financial statements;
- being directly responsible for the appointment, compensation and oversight of the independent auditor, which shall report directly to the Audit Committee, including resolution of disagreements between management and the auditors regarding financial reporting for the purpose of preparing or issuing an audit report or related work;
- reviewing the independence of the independent auditors;
- reviewing the Company's auditing and accounting principles and practices with the independent auditors and reviewing major changes to its auditing and accounting principles and practices as suggested by the independent auditor or its management;
- reviewing all related party transactions on an ongoing basis for potential conflict of interest situations; and
- all responsibilities given to the Audit Committee by virtue of the Sarbanes-Oxley Act of 2002 (which was signed into law by President George W. Bush on July 30, 2002) and all amendments thereto.

Nominating Committee

The Board does not currently have a nominating committee.

Stockholder Nominations

The policy of the Board is to consider properly submitted stockholder nominations for candidates for membership on the Board as described below in the section entitled "Identifying and Evaluating Nominees for Directors" and in our Bylaws. In evaluating such nominations, the Board will address the membership criteria set forth below in the section entitled "Director Qualifications". Any stockholder nominations proposed for consideration by the Board should include the nominee's name and qualifications for membership on the Board and other information in accordance with the Company's Bylaws and should be addressed to:

BlastGard International, Inc.

2451 McMullen Booth Road, Suite 242,
Clearwater, FL 33759
Attn: Michael J. Gordon, Chief Executive Officer

Director Qualifications

New members of the Board should possess certain core competencies, some of which may include broad experience in business, finance or administration, familiarity with national and international business matters, and familiarity with the defense and law enforcement industries. In addition to having one or more of these core competencies, members of the Board are identified and considered on the basis of knowledge, experience, integrity, diversity, leadership, reputation, and ability to understand our business.

Identifying and Evaluating Nominees for the Board

The Board utilizes a variety of methods for identifying and evaluating nominees for the Board. However, there are no specific minimum qualifications that the Board requires to be met by a director nominee recommended for a position on the Board, nor are there any specific qualities or skills that are necessary for one or more of our Board to possess, other than as are necessary to meet any requirements under rules and regulations applicable to us. Although the Board does not have a specific policy with respect to the diversity, the Board considers the extent to which potential candidates possess sufficiently diverse skill sets and diversity characteristics that would contribute to the Board's overall effectiveness. The Board has the duty of regularly assessing the composition of the Board, including the size of the Board, diversity, age, skills and experience in the context of the needs of the Board. In addition, the Board also has the duty of identifying individuals qualified to become members of the Board. Candidates may come to the attention of the Board through current members of the Board, professional search firms, stockholders or other persons. These candidates will be evaluated by the Board and may be considered at any point during the year. As described above, the Board will consider properly submitted stockholder nominations for candidates for the Board. Following verification of the stockholder status of persons proposing candidates, recommendations will be aggregated and considered by the Board. If any materials are provided by a stockholder in connection with the nomination of a director candidate, such materials will be forwarded to the Board. We have previously, and we may in the future, review materials provided by professional search firms or other parties to identify, evaluate and recruit potential director nominees who are not proposed by a stockholder. In addition, a professional search firm may be used to make initial contact with potential candidates to assess, among other things, their availability, fit and major strengths.

Communications with the Board

Stockholders may communicate with the Company by writing to: BlastGard International, Inc., Attention: Michael J. Gordon, 2451 McMullen Booth Road, Suite 242, Clearwater, FL 33759. Communications received from stockholders are forwarded directly to the Board, or to any individual member or members, as appropriate, depending on the facts and circumstances outlined in the communication. The Board has authorized the Chief Executive Officer of the Company to exclude communications that are patently unrelated to the duties and responsibilities of the Board, such as spam, junk mail and mass mailings. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out by the Secretary pursuant to the policy will be made available to any non-management director upon request.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the “Commission”). Officers, directors and greater than ten percent stockholders are required by the Commission's regulations to furnish us with copies of all Section 16(a) forms they file. During fiscal 2011, none of our officers, directors or 10% or greater stockholders filed any forms late to the best of our knowledge.

Item 11. Executive Compensation.

Summary Compensation Table

The following table sets forth the overall compensation earned over the fiscal year ended December 31, 2011 and 2010 by (1) each person who served as the principal executive officer of the Company during fiscal year 2011; and (2) the Company's most highly compensated (up to a maximum of two) executive officers as of December 31, 2011 with compensation during fiscal year 2011 of $100,000 or more.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards	Warrant/ Options Awards ($) (1)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (2) (3)	Total ($)
Michael Bundy,	2011	$ 74,000(4)	$ -0-	-0-	$ 17,714	-0-	-0-	-0-	$ 91,714
COO	2010	$ 0(4)	-0-	-0-	$ -0-	-0-	-0-	-0-	$ 0
Michael J. Gordon,		$ 96,000(4)	50,000	50,000	$ 62,046	-0-	-0-	-0-	$ 258,046
CEO/CFO	2011 2010	$ 96,000(4)	-0-	-0-	$ -0-	-0-	-0-	-0-	$ 96,000

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(1) The options and restricted stock awards presented in this table reflect the full fair value as of the date of grant. However, the accompanying financial statements reflect the dollar amount expensed by the company during applicable fiscal year for financial statement reporting purposes pursuant to guidance issued by the FASB. Such guidance requires the company to determine the overall value of the stock awards and options as of the date of grant. The stock awards are valued based on the fair market value of such shares on the date of grant and are charged to compensation expense over the related vesting period. The options are valued at the date of grant based upon the Black-Scholes method of valuation, which is expensed over the service period over which the options become vested. As a general rule, for time-in-service-based options, the company will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option. For a description of the guidance issued by the FASB and the assumptions used in determining the value of the options under the Black-Scholes model of valuation, see the notes to the consolidated financial statements included with this Form 10-K.

(2) Includes all other compensation not reported in the preceding columns, including (i) perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than $10,000; (ii) any "gross-ups" or other amounts reimbursed during the fiscal year for the payment of taxes; (iii) discounts from market price with respect to securities purchased from the company except to the extent available generally to all security holders or to all salaried employees; (iv) any amounts paid or accrued in connection with any termination (including without limitation through retirement, resignation, severance or constructive termination, including change of responsibilities) or change in control; (v) contributions to vested and unvested defined contribution plans; (vi) any insurance premiums paid by, or on behalf of, the company relating to life insurance for the benefit of the named executive officer; and (vii) any dividends or other earnings paid on stock or option awards that are not factored into the grant date fair value required to be reported in a preceding column.

(3) Includes compensation for service as a director described under Director Compensation, below.

(4) Salary includes commissions and accrued cash compensation. During fiscal 2011 and 2010, accrued salaries for Michael Bundy were $0 and $0, respectively. During fiscal 2011 and 2010, accrued salaries for Michael Gordon were $0 and $96,000, respectively.

(5) On March 8, 2011, BlastGard's Board of Directors ratified, adopted and approved that James F. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); Michael J. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); and Morse & Morse, PLLC's accrued legal bill of $67,025.30 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Noteholder(s) discretion. On May 3, 2011, BlastGard's Board of Directors ratified, adopted and approved $100,000 in additional compensation to Michael J. Gordon as CEO, of which $50,000 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Noteholder(s) discretion and $50,000 issued in Common Stock at $.05 per share.

For a description of the material terms of each named executive officers' employment agreement, including, without limitation, the terms of any common share purchase option grants, any agreement, plan or other arrangement that provides for any payment to a named executive officer in connection with his or her resignation, retirement or other termination, or a change in control of the company see "Employment Agreements".

None of the outstanding common share purchase options or other equity-based awards granted to or held by any named executive officer in 2011 were re-priced or otherwise materially modified, including extension of exercise periods, the change of vesting or forfeiture conditions, the change or elimination of applicable performance criteria, or the change of the bases upon which returns are determined, nor was there any waiver or modification of any specified performance target, goal or condition to payout.

Executive Officer Outstanding Equity Awards At Fiscal Year-End

The following table provides certain information concerning any common share purchase options, stock awards or equity incentive plan awards held by each of our named executive officers that were outstanding as of December 31, 2011.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexer-cised Options(#) Exercisable	Number of Securities Underlying Unexercised Options(#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Michael Bundy	300,000	0	0	$ 0.05	05/02/2015	0	0	0	0
Michael Gordon	1,250,000	0	0	$ 0.03	01/27/2016	0	0	0	0

Employment Agreements

Effective April 1, 2007, the Company entered into an employment agreement with Michael Gordon. This agreement terminated on March 31, 2011 and Mr. Gordon is currently serving as an "employee at will." Mr. Bundy Effective May 1, 2011, the Company entered into an employment agreement with Michael Bundy with base salary of $7,500 which increased to $9,583.33 in December 2011. During fiscal 2010 and 2009, Mr. Gordon's salary of $8,000 per month accrued. At December 31, 2010, the Company owed accrued salary of $160,000 to Michael J. Gordon. For fiscal year 2011, Michael Gordon was paid his salary. As of December 31, 2011, the accrued salary of 2010 and 2009 was converted into a note payable on demand, subject to the noteholders' right to convert the notes into Common Stock at a conversion price of $.05 per share. See "Item 13."

Review of Risks Arising from Compensation Policies and Practices

We have reviewed our compensation policies and practices for all employees and concluded that any risks arising from our policies and practices are not reasonably likely to have a material adverse effect on the Company.

DIRECTOR COMPENSATION

Compensation

Prior to May 2007, no cash compensation has been paid to our Directors for any service provided as a Director. Directors may be reimbursed for all reasonable expenses incurred by them in conducting our business. These expenses would include out-of-pocket expenses for such items as travel, telephone, and postage. On May 11, 2007, the non-employee directors were authorized by the Board to receive an annual cash fee of $11,000 and quarterly fees of $1,000 for 2007. No cash was paid to the directors during 2008, 2009, 2010 or 2011 as compensation. In January 2011, Andrew McKinnon and Paul Henry, both considered outside board members each received an option for 1,250,000 shares of restricted Common Stock as compensation for their services at an exercise price of $.03 per share. On December 20, 2010, Mr. McKinnon subscribed to purchase 16 shares of Series 1 Preferred Stock convertible into 1,666,667 shares of Common Stock at a purchase price of $50,000. Mr. McKinnon also received 34 shares of Series 1 Preferred Stock convertible into 3,333,333 shares of Common Stock for services rendered in connection with the Company's acquisition of HighCom Security. Subsequently, Mr. McKinnon received 5,000,000 shares of Common Stock in lieu of the preferred shares which he was entitled to receive.

Stock Options

Stock options and equity compensation awards to our non-employee / non-executive directors are at the discretion of our Board.

On February 10, 2010, the Board of Directors also approved $25,000 in annual compensation to the outside Board members for their service to the Company and that such compensation for the year 2010 is to be paid in restricted common stock at $.10 per share. As a result of the foregoing, the Company has authorized the issuance of 250,000 fully paid and non-assessable shares to Andrew McKinnon and Paul Henry.

On January 28, 2011, the Board of Directors approved a resolution to increase the 2005 Employee Benefit and Consulting Services Compensation Plan (the "Plan") from 5,000,000 shares to 10,000,000 shares; and granted all four directors and outside counsel an option on 1,250,000 shares exercisable at $.03 per share The options are for 5 years and are fully-vested, non statutory stock options. The Plan was originally adopted on November 30, 2005 by the Board of Directors. The Plan shall terminate at midnight on November 30, 2015, at which time no additional options may be granted under the Plan.

Restricted Stock

During 2009, the Company did not issue shares of Common Stock to its directors in consideration of their services as directors. However, the Board authorized the monthly issuance of 187,500 shares of our Common Stock to Andrew McKinnon in lieu of his monthly salary of $18,750 for the six months of January through June 2009. In February 2010, the Board approved the grant of 250,000 shares to Andrew McKinnon and Paul Henry for services rendered.

Summary of Director Compensation for 2011

The following table shows the overall compensation earned for the 2011 fiscal year with respect to each non-employee and non-executive director as of December 31, 2011.

Name and Principal Position	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compen-sation ($)	Nonqualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)	Total ($)
Paul Henry Director (1)	$ 0	0	$ 25,000.00	0	0	-0-	$ 25,000
Andrew McKinnon Director (1)	$ 0	0	$ 25,000.00	0	0	-0-	$ 25,000

(1) Includes an option for 1,250,000 shares of Common Stock with exercise price of $.03 and granted in January 2011 for serving on the Board of Directors.

(2) The options and restricted stock awards presented in this table reflects the full fair value as of the date of grant. However, the accompanying financial statements reflect the dollar amount expensed by the company during applicable fiscal year for financial statement reporting purposes pursuant to guidance issued by the FASB. Such guidance requires the company to determine the overall value of the stock awards and options as of the date of grant. The stock awards are valued based on the fair market value of such shares on the date of grant and are charged to compensation expense over the related vesting period. The options are valued at the date of grant based upon the Black-Scholes method of valuation, which is expensed over the service period over which the options become vested. As a general rule, for time-in-service-based options, the company will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option. For a description of the guidance issued by the FASB and the assumptions used in determining the value of the options under the Black-Scholes model of valuation, see the notes to the consolidated financial statements included with this Form 10-K.

(3) The table does not reflect that on December 20, 2010, Phoenix Alliance Corporation ("Phoenix"), owned by one of our board members Andrew McKinnon, subscribed to purchase 16 shares of Series 1 Preferred Stock convertible into 1,666,667 shares of Common Stock at a purchase price of $50,000. Phoenix also received 34 shares of Series 1 Preferred Stock convertible into 3,333,333 shares of Common Stock for services rendered in connection with the Company's acquisition of HighCom Security. Subsequently, Mr. McKinnon received 5,000,000 shares of Common Stock in lieu of the preferred shares which he was entitled to receive.

2005 Employee and Consulting Compensation Plan

On November 30, 2005, we established an Employee Benefit and Consulting Compensation Plan (the "2005 Plan") covering 5,000,000 shares. Since stockholder approval of the 2005 Plan will not be obtained by November 30, 2006, then no Incentive Stock Options may be granted after that date under the 2005 Plan. As of February 7, 2011, there were non-statutory stock options to purchase 2,850,000 shares outstanding under the 2005 Plan. On January 28, 2011, the board approved a resolution to increase the 2005 Employee Benefit and Consulting Services Compensation Plan (the "Plan") from 5,000,000 shares to 10,000,000 shares; and granted all four directors and outside counsel an option on 1,250,000 shares exercisable at $.03 per share. The options are for 5 years and are fully-vested, non statutory stock options.

Administration

Our Board of Directors, Compensation Committee or both, in the sole discretion of our Board, administer the 2005 Plan. The Board, subject to the provisions of the 2005 Plan, has the authority to determine and designate officers, employees, directors and consultants to whom awards shall be made and the terms, conditions and restrictions applicable to each award (including, but not limited to, the option price, any restriction or limitation, any vesting schedule or acceleration thereof, and any forfeiture restrictions). The Board may, in its sole discretion, accelerate the vesting of awards. The Board of Directors must approve all grants of Options and Stock Awards issued to our officers or directors.

Types of Awards

The 2005 Plan is designed to enable us to offer certain officers, employees, directors and consultants of us and our subsidiaries equity interests in us and other incentive awards in order to attract, retain and reward such individuals and to strengthen the mutuality of interests between such individuals and our stockholders. In furtherance of this purpose, the 2005 Plan contains provisions for granting non-statutory stock options (and originally incentive stock options which have now become non-statutory stock options) and Common Stock Awards.

Stock Options

A "stock option" is a contractual right to purchase a number of shares of Common Stock at a price determined on the date the option is granted. The option price per share of Common Stock purchasable upon exercise of a stock option and the time or times at which such options shall be exercisable shall be determined by the Board at the time of grant. Such option price shall not be less than 100% of the fair market value of the Common Stock on the date of grant. The option price must be paid in cash, money order, check or Common Stock of the Company. The Options may also contain at the time of grant, at the discretion of the Board, certain other cashless exercise provisions.

Options shall be exercisable at the times and subject to the conditions determined by the Board at the date of grant, but no option may be exercisable more than ten years after the date it is granted. If the Optionee ceases to be an employee of our company for any reason other than death, any option granted as an incentive stock option exercisable on the date of the termination of employment may be exercised for a period of thirty days or until the expiration of the stated term of the option, whichever period is shorter. In the event of the Optionee's death, any option originally granted as an incentive stock option exercisable at the date of death may be exercised by the legal heirs of the Optionee from the date of death until the expiration of the stated term of the option or six months from the date of death, whichever event first occurs. In the event of disability of the Optionee, any Options granted as an incentive stock option shall expire on the stated date that the Option would otherwise have expired or 12 months from the date of disability, whichever event first occurs. The termination and other provisions of a non-statutory stock option shall be fixed by the Board of Directors at the date of grant of each respective option.

Common Stock Award

"Common Stock Award" are shares of Common Stock that will be issued to a recipient at the end of a restriction period, if any, specified by the Board if he or she continues to be an employee, director or consultant of us. If the recipient remains an employee, director or consultant at the end of the restriction period, the applicable restrictions will lapse and we will issue a stock certificate representing such shares of Common Stock to the participant. If the recipient ceases to be an employee, director or consultant of us for any reason (including death, disability or retirement) before the end of the restriction period unless otherwise determined by the Board, the restricted stock award will be terminated.

Eligibility

Our officers, employees, directors and consultants of BlastGard® International and our subsidiaries are eligible to be granted stock options, and Common Stock Awards. Eligibility shall be determined by the Board; however, all Options and Stock Awards granted to officers and directors must be approved by the Board.

Termination or Amendment of the 2005 Plan

The Board may at any time amend, discontinue, or terminate all or any part of the 2005 Plan, provided, however, that unless otherwise required by law, the rights of a participant may not be impaired without his or her consent, and provided that we will seek the approval of our stockholders for any amendment if such approval is necessary to comply with any applicable federal or state securities laws or rules or regulations.

Awards

To date, no options to purchase common shares have been exercised under the 2005 Plan. Unless sooner terminated, the 2005 Plan will expire on November 30, 2015 and no awards may be granted after that date. It is not possible to predict the individuals who will receive future awards under the 2005 Plan or the number of shares of Common Stock covered by any future award because such awards are wholly within the discretion of the Board. The table below contains information as of December 31, 2011 on the known benefits provided to certain persons and group of persons under the 2005 Plan (exclusive of options that terminated on or before December 31, 2011).

	Number of Shares subject to Options	Average exercise price ($) per Share	Intrinsic value of unexercised options at December 31, 2011
Andrew R. McKinnon, Director	1,625,000	0.046	-0-
Solomon Mayer, Director	0	0.00	-0-
Michael J. Gordon, CEO, CFO, Director	1,450,000	0.04	-0-
Michael Bundy, COO	300,000	0.05	-0-
Paul W. Henry, Director	1,250,000	0.03	-0-
Keith Brill, Director	0	0.00	-0-
Executive Officers as a group	1,550,000	0.34	-0-
Consultants, Legal Counsel, Former Employees	2,500,000	0.03	-0-
Non-employee Directors (four persons)	2,500,000	0.03	-0-

(1) Intrinsic value is calculated by multiplying (a) the difference between the market value per share at December 31, 2011 (based upon a last sales price of $.01 per share) and the option exercise price by (b) the number of shares of Common Stock underlying the option.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 2, 2012 by our executive officers and directors, both individually and as a group. Unless otherwise indicated, all shares are directly beneficially owned and investing power is held by the persons named.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (1)	Percentage Outstanding (2)
Michael Bundy (3)	300,000	0.003%
Michael J. Gordon (4,9)	7,460,000	7.8%
Paul Henry (9)	1,815,000	2.0%
Andrew R. McKinnon (6,10)	11,562,500	12.6%
Solomon Mayer (5)	-0-	0.0%
Keith Brill (5)	-0-	0.0%
Includes all officers and directors as a group (6 persons)	21,137,500	22.2%
TangoPoint Partners, LLC (5)	9,666,667	10.7%
Robocheyne Consulting (7, 8)	10,950,419	12.1%
Alpha Capital Ansalt Pradafant 7 Furstentums 9490 Vaduz, Liechtenstein (11)	12,322,828	13.6%

(1)	Unless otherwise indicated, all shares are directly beneficially owned and investing power is held by the persons named. The address of each person is c/o BlastGard® International, Inc. at 2451 McMullen Booth Road, Ste., 242, Clearwater, FL 33759.
(2)	Based upon 90,386,036 shares of Common Stock outstanding as of March 2, 2012, plus the amount of shares each person or group has the right to acquire under options, warrants, rights, conversion privileges, or similar obligations.
(3)	Includes options to purchase 300,000 shares of common stock.
(4)	Includes 1,525,000 shares of our common, 285,000 shares beneficially owned by his children and 4,200,000 shares of common stock issuable upon conversion of a $210,000 demand note at $.05 per share.
(5)	No options or warrants outstanding
(6)	Includes options to purchase 1,625,000 shares.
(7)	Includes derivative securities to purchase 3,608,262 shares included in notes.
(8)	Includes 4,158,823 shares of Common Stock issuable upon exercise of Warrants.
(9)	Includes options to purchase 1,450,000 shares of our common stock.
(10)	Includes 5,000,000 shares beneficially owned by his Company.
(11)	Based upon a Schedule 13G filed with the SEC on February 15, 2012. Does not include warrants to purchase 104,333,335 shares of Common Stock and notes in the principal amount of $1,260,000 convertible at $.01 per share, which securities contractually cannot be exercised or converted if the investor would beneficially own more than 9.99% of the Company's Common Stock.

We do not know of any arrangement or pledge of its securities by persons now considered in control of us that might result in a change of control of us.

Equity Compensation Plan Information

The following summary information is as of March 2, 2012 and relates to our 2005 Stock Option Plan pursuant to which we have granted options to purchase our common stock:

Plan category	(a) Number of shares of common stock to be issued upon exercise of outstanding options	(b) Weighted average exercise price of outstanding options	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding shares reflected in column (a)
Equity compensation Plans (1)	9,100,000	$.03	900,000

(1) Our Plan has not been approved by stockholders.

Item 13. Certain Relationships, Related Transactions and Director Independence

During the last two fiscal years ended December 31, 2011, we entered into the following transactions in which our current officers and directors had a material interest, exclusive of employment contacts described under Item 11 of Form 10-K for the fiscal year ended December 31, 2010, which are incorporated herein by reference.

(i) During the year ended December 31, 2011, the Company paid approximately $6,500 on its $100,000 credit line, which was secured by a personal guarantee of its Chief Financial Officer. As of December 31, 2011, approximately $89,000 is owed pursuant to the line of credit.

(ii) On December 20, 2010, the Board approved the following transactions which occurred in the first quarter of 2011: Mr. McKinnon subscribed to purchase 16 shares of Series 1 Preferred Stock convertible into 1,666,667 shares of Common Stock at a purchase price of $50,000. Mr. McKinnon also received 34 shares of Series 1 Preferred Stock convertible into 3,333,333 shares of Common Stock for services rendered in connection with the Company's acquisition of HighCom Security. The Preferred Stock was replaced with 5,000,000 shares of Common Stock.

(iii) On March 8, 2011, BlastGard's Board of Directors ratified, adopted and approved that James F. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); Michael J. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); and Morse & Morse, PLLC's accrued legal bill of $67,025.30 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Noteholder(s) discretion.

(iv) Phoenix Alliance Corporation ("Phoenix"), owned by one of our board members Andrew McKinnon, was engaged in April 2011 by BlastGard to operate as an independent contractor for all HighCom sales. Phoenix has set up a sales operation complete with CRM, telephone sales system and will cover all associated costs from daily operating expenses i.e. payroll costs, health costs, advertising and marketing costs, tradeshow costs etc. BlastGard's COO Michael Bundy provided initial training to all independent contractors, including an overview process for regulatory compliance. BlastGard has agreed to assist Phoenix with initial start-up costs of $7,500 per month for 3 months and an implementation fee of $5,000 for an additional 3 months. At the completion of the first six months, the relationship with Phoenix was terminated and Mr. Bundy set up sales operations within the Company.

Other Transactions

December 2004 Debt

In December 2004, we raised $1,420,000 from five investors in a convertible debt financing, and issued to the investors, secured convertible notes and common stock purchase warrants. The notes each bear an interest rate of 8% per annum and are currently payable upon demand. The notes are secured by all of the Company's assets until the notes have been fully paid or fully converted into common stock. As of December 31, 2011, $159,179 of principal and accrued interest is owed under these notes and $234,377 of principal and accrued interest thereon were converted into common stock during fiscal 2011.

The following table sets forth, with respect to each holder of December 2004 debt, the amount due under the convertible promissory note including interest as of December 31, 2011:

INVESTOR	2004 CONVERTIBLENOTES	
AlphaCapital Aktiengesellschaft	$	0
Steven Gold	$	21,945
Asher Brand	$	0
TRW Holdings PTY Limited	$	19,309
Robocheyne Consulting Ltd.	$	117,925
TOTAL	$	159,179

The December 2004 Note holders agreed in March 2009 to extend the expiration date of their Notes to November 30, 2009 in consideration of Class G Warrants to purchase 1,800,000 shares exercisable at $.03 per share through June 22, 2011. In the same agreement, the Note holders assigned their 1,800,000 warrants plus 50% of the principal of their Notes in equal amounts to Robocheyne Consulting Ltd. and Stan Bharti.

June 2006 Debt

On June 22, 2006, we entered into a series of simultaneous transactions with two investors, whereby we borrowed an aggregate principal amount of $1,200,000 due June 22, 2008 and issued to the investors subordinated convertible 8% notes (secured by the assets of our company and subsidiary) and we issued warrants with the notes.

The aforementioned notes and warrants were protected against dilution in the event of certain events including, without limitation, the sale of common stock below the applicable conversion or exercise price as the case may be. The terms of the notes and the warrants have been adjusted over the years.

Previously, $795,000 of the $1,200,000 had been converted into our Common Stock at $.30 per share and $50,000 in principal was paid back. As of December 31, 2010 the amount owed under the 2006 notes was $355,000 in principal and $146,493 in accrued interest. On January 25, 2011, BlastGard settled the 2006 debt (subordinated convertible promissory notes) for $130,000 to pay off the debt and the accrued interest at a discount, eliminate all claims to equity and warrants by the Lenders and free up the unissued shares.

In connection with the 2006 Debt, the Company issued warrants to purchase an aggregate of 4,663,335 shares of Common Stock originally at various exercise prices. A total of 1,330,000 warrants expired unexercised on June 21, 2011 and 3,333,335 warrants expired unexercised on August 5, 2011.

2011 Debt

Alpha Capital Aktiengesellschaft, a holder of 2004 Debt, loaned us $160,000 in February 2010, an additional $300,000 in March 2011, an additional $300,000 in June 2011 and an additional $500,000 in November 2011 pursuant to secured convertible promissory notes convertible.

At December 31, 2011, we had convertible secured debt of $1,430,692. The secured debt has mandatory redemption provisions. A large portion of the secured debt provides that in the event (i) the Company is prohibited from issuing Conversion Shares, (ii) upon the occurrence of any other Event of Default (as defined in the Transaction Documents), that continues beyond any applicable cure period, (iii) a Change in Control (as defined below) occurs, or (iv) upon the liquidation, dissolution or winding up of the Company or any Subsidiary, then at the Secured Debt Holder's election, the Company must pay to the Secured Debt Holder not later than ten (10) days after request by such Secured Debt Holder, a sum of money determined by multiplying up to the outstanding principal amount of the Note designated by the Secured Debt Holder, at the Secured Debt Holder's election, the greater of (i) 120%, or (ii) a fraction the numerator of which is the highest closing price of the Common Stock for the thirty days preceding the date demand is made by Secured Debt Holder and the denominator of which is the lowest applicable conversion price during such thirty (30) day period, plus accrued but unpaid interest and any other amounts due under the Transaction Documents ("**Mandatory Redemption Payment**"). The Mandatory Redemption Payment must be received by the Secured Debt Holder on the same date as the Conversion Shares otherwise deliverable or within ten (10) days after request, whichever is sooner ("**Mandatory Redemption Payment Date**"). Upon receipt of the Mandatory Redemption Payment, the corresponding Note principal, interest and other amounts will be deemed paid and no longer outstanding. The Secured Debt Holder may rescind the election to receive a Mandatory Redemption Payment at any time until such payment is actually received. Liquidated damages calculated that have been paid or accrued for the ten day period prior to the actual receipt of the Mandatory Redemption Payment by such Secured Debt Holder shall be credited against the Mandatory Redemption Payment provided the balance of the Mandatory Redemption Payment is timely paid. "**Change in Control**" is defined as (i) the Company becoming a Subsidiary of another entity (other than a corporation formed by the Company for purposes of reincorporation in another U.S. jurisdiction), (ii) the sale, lease or transfer of substantially all the assets of the Company or any Subsidiary, (iii) a majority of the members of the Company's board of directors as of the Closing Date no longer serving as directors of the Company, except as a result of natural causes or as a result of hiring additional outside directors in order to meet appropriate stock exchange requirements, or (iv) Michael Gordon, the Chief Executive Officer of the Company is no longer serving as Chief Executive Officer unless prior written consent of the Secured Debt Holder had been obtained by the Company. The foregoing notwithstanding, the Secured Debt Holder may demand and receive from the Company the amount stated above or any other greater amount which the Secured Debt Holder is entitled to receive or demand pursuant to the Transaction Documents.

In connection with the aforementioned loan transactions, we also issued to our Secured Debt Holder, warrants to purchase 104,333,335 shares of the Company's Common Stockwhich warrants are currently exercisable at an exercise price of $.01 per share, which exercise price is subject to adjustment pursuant to the provisions of the warrant. In the event a fundamental transaction occurs as defined in the warrants, which includes without limitation any person or group acquiring 50% of the aggregate Common Stock of the Company, then the holder of the warrants may have the right to have the warrants redeemed at a price equal to the Black-Scholes value of said warrants.

The most recent subscription agreement dated in November 2011 pursuant to which the Secured Debt Holder advanced financing to the Company included a 12-months right of first refusal, a most favored nations provision which may result in additional securities being issued to the Secured Debt Holder and prohibitions against filing a registration statement with the Securities and Exchange Commission without the Secured Debt Holder's consent. The aforementioned provisions that have been agreed to with our Secured Debt Holder may make it very difficult or impossible in the future to obtain additional financing for the Company to support its operations and remaining a going concern. See "Risk Factors."

Purchase of HighCom Security, Inc.

As previously reported, on January 25, 2011, BlastGard International, Inc. ("BlastGard") entered into a binding Letter of Intent ("LOI") with HighCom Security, Inc. ("HighCom") under which BlastGard will acquire 100% of the common stock of HighCom from the stockholders of HighCom, none of whom are affiliates of BlastGard. HighCom is a worldwide security equipment provider based in San Francisco, California. HighCom designs, manufactures and distributes a unique range of security products and personal protective gear. BlastGard and HighCom have agreed to consummate a Stock Purchase Agreement, subject to the approval of all necessary parties, agencies or regulatory organizations. As of the signing of the agreement, BlastGard immediately assumed the operations of HighCom and started to provide financing for the operations while a definitive agreement is drawn up over the next 90 days.

As stated above, the LOI contemplated several closing conditions and the closing in escrow with a possible of rescission if the State Department does not reinstate HighCom's export license. On March 4, 2011, among other changes the LOI was amended as follows: 1) the LOI constitutes the definitive stock purchase agreement; 2) BlastGard issued 9,820,666 shares of its Common Stock and promissory notes totaling $196,400 to Robert Rimberg as trustee for an Irrevocable Trust FBO and Yochi Cohen and his wife, Yocheved Cohen–Charash (the "Trust") in exchange for 1,150 shares of the outstanding 1,171 shares of HighCom Common Stock, equivalent to 98.2% of the outstanding shares; 3) the parties agree to waive all closing conditions, escrow provisions and right of rescission; and 4) BGI agreed for a period of 30 days to offer to purchase Ron Peled 21 shares of HighCom from him or his transferee at a cost of 179,934 shares of BGI Common Stock and in exchange for promissory notes totalling $3,600, with terms identical to those received by the Trust plus 1.8% of the Earnout provisions contained in the LOI.

BlastGard also agreed to an earnout consisting of up to $100,000 in cash and up to 35,000,000 shares of common stock based on a pro-rata basis if revenue reaches certain goals. BlastGard management believes that the revenues goals are very achievable and have valued the contingent consideration at 68% of the market price at the time of the agreement.

TangoPoint Group

As reported in our Form 10-Q for the quarter ended September 30, 2010, we received $165,000 in the aggregate from the TangoPoint Group in the fourth quarter of 2010 and an additional $125,000 in January 2011. In exchange for this consideration, we issued our Common Stock at a purchase price of $.03 per share.

Board Members Who Are Deemed Independent

Our board of directors has determined that Paul Henry, Keith Brill, and Solomon Mayer are each an "independent director." See "Audit Committee" under" Item 10" regarding the definition of an "independent director."

Item 14. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Reorganization dated January 31, 2004, by and among the Registrant, BlastGard Technologies, Inc., ("BTI") and the shareholders of BTI. (Incorporated by reference to Exhibit 2.4 to the Company's current report on Form 8-K dated January 31, 2004.)
3.1	The Company's Articles of Incorporation, as amended and currently in effect. (Incorporated by reference to Exhibit 3.7 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
3.1(A)	Amendment to Articles of Incorporation (Incorporated by reference to Form 8-K dated August 2, 2011).
3.2	The Company's Bylaws, as amended and currently in effect. (Incorporated by reference to Exhibit 3.8 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
4.1	Subscription Agreement between the Company and the named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.01 of the current report on Form 8-K filed December 3, 2004.)
4.2	Form of Secured Convertible Note issued to the named investors. (Incorporated by reference to exhibit 4.02 of the current report on Form 8-K filed December 3, 2004.)
4.4	Security and Pledge Agreement between the Company and Barbara Mittman as collateral agent for the named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.06 of the current report on Form 8-K filed December 3, 2004.)
4.5	Security and Pledge Agreement between BlastGard Technologies, Inc. and Barbara Mittman as collateral agent for named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.07 of the current report on Form 8-K filed December 3, 2004.)
4.6	Collateral Agent Agreement among the Company, Barbara Mittman (the collateral agent) and the named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.08 of the current report on Form 8-K filed December 3, 2004.)
4.7	Guaranty Agreement between BlastGard Technologies, Inc. and Barbara Mittman as collateral agent for named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.09 of the current report on Form 8-K filed December 3, 2004.)
4.8	Form of Subscription Agreement between the Company and the named investor dated February 3, 2011. (Incorporated by reference to Exhibit 4.01 of our Form 8-K filed with the SEC on February 4, 2011.)
4.9	Form of Secured Convertible Promissory Note issued to the named investor. (Incorporated by reference to Exhibit 4.02 of our Form 8-K filed with the SEC on February 4, 2011.)
4.10	Form of Class A Common Stock Purchase Warrant. (Incorporated by reference to Exhibit 4.03 of our Form 8-K filed with the SEC on February 4, 2011.)
4.11	Form of Subscription Agreement between the Company and the named investor dated March 10, 2011. (Incorporated by reference to Exhibit 4.01 of our Form 8-K filed with the SEC on March 10, 2011.)

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4.12	Form of Secured Convertible Promissory Note issued to the named investor. (Incorporated by reference to Exhibit 4.02 of our Form 8-K filed with the SEC on March 10, 2011.)
4.13	Form of Class A Common Stock Purchase Warrant. (Incorporated by reference to Exhibit 4.03 of our Form 8-K filed with the SEC on March 10, 2010.)
4.14	Form of Subscription Agreement between the Company and the named investor dated June 17, 2011. (Incorporated by reference to form 8-K filed June 23, 2011.)
4.15	Form of Secured Convertible Promissory Note issued to the named investor. (Incorporated by reference to form 8-K filed June 23, 2011.)
4.16	Form of Class A Common Stock Purchase Warrant. (Incorporated by reference to Form 8-K filed June 23, 2011.)
4.17	Form of Subscription Agreement between the Company and the named investor dated November 8, 2011. (Incorporated by reference to Form 10-Q for the quarter ended September 30, 2011.)
4.18	Form of Secured Convertible Promissory Note issued to the named investor dated November 8, 2011. (Incorporated by reference to Form 10-Q for the quarter ended September 30, 2011.)
4.19	Form of Class A Common Stock Purchase Warrant dated November 8, 2011. (Incorporated by reference to Form 10-Q for the quarter ended September 30, 2011.)
10.1	Employment Agreement with James F. Gordon dated January 31, 2004. (Incorporated by reference to Exhibit 10.13 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
10.2	Employment Agreement with Michael J. Gordon dated January 31, 2004. (Incorporated by reference to Exhibit 10.14 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
10.3	Left blank intentionally.
10.4	Left blank intentionally.
10.5	Alliance Agreement with Centerpoint Manufacturing, Inc. dated October 25, 2004. (Incorporated by reference to Exhibit 10.17 to the Company's registration statement on Form SB-2, pre-effective amendment no. 4 (File No. 333-121455.)
10.6	Advisory Agreement with The November Group, Ltd., dated June 29, 2005. (Incorporated by reference to Exhibit 10.18 of the current report on Form 8-K filed July 6, 2005.)
10.7	Modification and Waiver Agreement (Incorporated by reference to Exhibit 10.1 in our Form 8-K filed December 8, 2006).
10.8	Form of Amended and Restated Second Modification and Waiver Agreement (Incorporated by reference to the Registrant's Exhibit 99.7 contained in our Form 8-K filed June 23, 2006.)
10.9	Form of Modification and Warrant Agreement (Incorporated by reference to the Registrant's Exhibit 99.14 contained in our Form 8-K filed June 23, 2006.)
10.13	Form of Third Modification and Waiver Agreement (Incorporated by reference to the Registrant's Exhibit 10.25 contained in our Registration Statement, file no. 333-135815.)
10.14	Amendment Agreement dated September 15, 2006 to Exhibit 4.11 (Incorporated by reference to Exhibit 10.18 contained in our Form 10-QSB for the quarter ended September 30, 2006).

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10.15	Waiver Agreement, dated April 18, 2007. (Incorporated by reference to Exhibit 10.1 of our Form 8-K filed with the SEC on April 25, 2007.)
10.16	Fourth Waiver and Modification Agreement, dated March 20, 2007. (Incorporated by reference to Exhibit 10.2 of our Form 8-K filed with the SEC on April 25, 2007.)
10.17	Management Committee Charter, dated March 23, 2007. (Incorporated by reference to Exhibit 10.3 of our Form 8-K filed with the SEC on April 25, 2007.)
10.18	Left blank intentionally.
10.19	Employment Agreement for James F. Gordon dated April 1, 2007. (Incorporated by reference to Exhibit 10.5 of our Form 8-K filed with the SEC on April 25, 2007.)
10.20	Employment Agreement for Andrew McKinnon dated April 1, 2007. (Incorporated by reference to Exhibit 10.32 contained in our Form 10-QSB for the quarter ended March 31, 2007.)
10.21	Left blank intentionally.
10.22	Employment Agreement for Michael J. Gordon dated April 1, 2007. (Incorporated by reference to Exhibit 10.9 of our Form 8-K filed with the SEC on April 25, 2007.)
10.23	Source Capital March 9, 2007 and April 12, 2007 Waiver Agreements (Incorporated by reference to Exhibit 10.10 of our Form 8-K filed with the SEC on April 25, 2007.)
10.24	Employee Benefit and Consulting Services Compensation Plan (Incorporated by reference to Exhibit 99.1to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005).
10.25	Fifth Waiver and Modification Agreement with Senior Lenders dated March 20, 2008 Plan (Incorporated by reference to Exhibit 99.1to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008).
10.26	Waiver Agreement with 2006 Lenders dated as of March 20, 2008 Plan (Incorporated by reference to Exhibit 99.1to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008).
10.27	TangoPoint Agreement, dated December 1, 2010 (Incorporated by reference to Exhibit 10.1 as contained in our Form 10-Q for the quarter ended September 30, 2010.)
10.28	Binding Letter of Intent Agreement by and between BlastGard International, Inc. and HighCom Security, Inc. (Incorporated by reference to Exhibit 10.1 of our Form 8-K filed with the SEC on February 2, 2010.)
10.29	Settlement Agreement with Bushido Capital Master Fund, L.P. (Incorporated by reference to Exhibit 10.2 of our Form 8-K filed with the SEC on February 2, 2010.)
10.30	Settlement Agreement with Pierce Diversified Strategy Master Fund LLC, Series Bus. (Incorporated by reference to Exhibit 10.3 of our Form 8-K filed with the SEC on February 2, 2010.)
10.31	Settlement Agreement dated December 22, 2010 by and among Mitch Silverman, TangoPoint Investments, LLC and BlastGard. (Incorporated by reference to Exhibit 10.4 of our Form 8-K filed with the SEC on February 2, 2010.)
10.32	Amendment to Letter of Intent by and between the Issuer and HighCom Security Inc. (Incorporated by reference to Form 8-K filed March 10, 2011.)
21.1	Subsidiaries of Registrant*
31(a)	Rule 13a-14(a) Certification – Principal Executive and Principal Financial Officer *

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32(a)	Section 1350 Certification – Principal Executive and Principal Financial Officer *
99.1	Employee Benefit and Consulting Services Compensation Plan (Incorporated by reference to Exhibit 99.1to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005).
101.SCH	Document, XBRL Taxonomy Extension *
101.CAL	Calculation Linkbase, XBRL Taxonomy Extension Definition *
101.DEF	Linkbase, XBRL Taxonomy Extension Labels *
101.LAB	Linkbase, XBRL Taxonomy Extension *
101.PRE	Presentation Linkbase *

* Filed herewith.

Item 15. Principal Accountant Fees and Services

Audit and quarterly review fees.

On February 8, 2010, the Company dismissed our independent registered auditor, Cordovano and Honeck LLP of Englewood Colorado ("C & H"), based on their notification to us of their partner service limitation. We engaged Peter Messineo, CPA of Palm Harbor Florida, as our new independent registered auditor on February 10, 2010. Mr. Messineo billed $10,000 and $8,000 for audit services in 2011 and 2010, respectively. Review services, associated with the Company's quarterly filings were $6,000 and $6,000 for 2011 and 2010, respectively.

There were no other fees billed by Peter Messineo during the last two fiscal years for related services that were reasonably related to the performance of the audit or review of the Company's financial statements and not reported under "Audit Fees" above.

Tax Fees

There were no tax related fees billed by Peter Messineo during 2010 or 2009.

All Other Fees

In association with the audit of HighCom acquisition, fees totaled $12,000 by Peter Messineo in 2011.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLASTGARD® INTERNATIONAL, INC.

Dated: March 30, 2012

By: /s/ Michael J. Gordon
Michael J. Gordon
Principal Executive and Principal Financial Officer

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

Dated: March 30, 2012 By: /s/ Andrew R. McKinnon
Andrew R. McKinnon
Director

Dated: March 30, 2012 By:
Solomon Mayer
Director

Dated: March 30, 2012 By: /s/ Michael J. Gordon
Michael J. Gordon
Director, Principal Executive and Principal Financial Officer and Principal Accounting Officer

Dated: March 30, 2012 By: /s/ Paul Henry
Paul Henry
Director

Dated: March 30, 2012 By
Keith Brill
Director

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

BlastGard Technologies, Inc. – Florida (state of incorporation)

HighCom Security, Inc. – California (state of incorporation)

Exhibit 31.1
CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Michael J. Gordon, as Principal Executive and Principal Financial Officer of BlastGard International, Inc., certifies that:

1. I have reviewed this annual report on Form 10-K of BlastGard International, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

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

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

Date: March 30, 2012

/s/ Michael J. Gordon
Michael J. Gordon
Principal Executive and Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the BlastGard International, Inc. (the "registrant") on Form 10-K for the year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Michael J. Gordon, Principal Executive and Principal Financial Officer of the registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

March 30, 2012

/s/ Michael J. Gordon
Michael J. Gordon
Principal Executive and Principal Financial Officer

XBRL File

Document - Document and Entity Information

Document - Document and Entity Information (USD $) (DocumentAndEntityInformationAbstract [Extension])	12 Months Ended	
	Dec. 31, 2011	Mar. 2, 2012
Entity Registrant Name (EntityRegistrantName)	BLASTGARD INTERNATIONAL INC	
Entity Central Index Key (EntityCentralIndexKey)	0001102358	
Document Type (DocumentType)	10-K	
Document Period End Date (DocumentPeriodEndDate)	2011-12-31	
Amendment Flag (AmendmentFlag)	false	
Current Fiscal Year End Date (CurrentFiscalYearEndDate)	--12-31	
Is Entity a Well-known Seasoned Issuer? (EntityWellKnownSeasonedIssuer)	No	
Is Entity a Voluntary Filer? (EntityVoluntaryFilers)	No	
Is Entity's Reporting Status Current? (EntityCurrentReportingStatus)	Yes	
Entity Filer Category (EntityFilerCategory)	Smaller Reporting Company	
Entity Public Float (EntityPublicFloat)		4,199,600
Entity Common Stock, Shares Outstanding (EntityCommonStockSharesOutstanding)		90,386,036
Document Fiscal Period Focus (DocumentFiscalPeriodFocus)	FY	
Document Fiscal Year Focus (DocumentFiscalYearFocus)	2011	

(End Document - Document and Entity Information)

Statement - Consolidated Balance Sheets

Statement - Consolidated Balance Sheets (USD $)
(StatementOfFinancialPositionAbstract)

	Dec. 31, 2011	Dec. 31, 2010
Assets (AssetsAbstract)		
Current assets (AssetsCurrentAbstract)		
Cash (Cash)	253,221	46,382
Accounts receivable, net (AccountsReceivableNet)	26,178	342
Inventory (Inventory1 [Extension])	523,557	51,290
Prepaid and other current assets (PrepaidExpenseAndOtherAssetsCurrent)	1,897	—
Net related party loans receivable from acquisition (NetRelatedPartyLoansReceivableFromAcquisition [Extension])	181,138	—
Prepaid expenses (PrepaidExpense)	—	—
Total current assets (AssetsCurrent)	985,991	98,014
Property & equipment, net of accumulated depreciation of $236,533 and $75,700, respectively (PropertyPlantAndEquipmentNet)	100,462	64
Intangible property, net of accumulated amortization of $500,000 and $4,642, respectively (FiniteLivedIntangibleAssetsNet)	476,524	24,344
Deferred patent costs (DeferredTaxLiabilitiesDeferredExpenseCapitalizedPatentCosts)	209,896	203,535
Investments (Investments)	112,832	—
Goodwill (Goodwill)	2,061,649	—
Deposits (DepositAssets)	6,544	300
Total Assets (Assets)	3,953,898	326,257
Liabilities and Stockholders' Equity		

(LiabilitiesAndStockholdersEquityAbstract)		
Current liabilities		
(LiabilitiesCurrentAbstract)		
Accounts payable	1,034,237	249,087
(AccountsPayableCurrent)		
Accrued expenses	444,979	385,094
(AccruedLiabilitiesCurrent)		
Current portion notes payable	1,820,485	729,652
(NotesPayableCurrent)		
Loans and notes payable, related parties	—	14,421
(NotesPayableRelatedPartiesCurrent)		
Total current liabilities	3,299,701	1,378,254
(LiabilitiesCurrent)		
Contingent liability	1,238,781	—
(GuarantyLiabilities)		
Derivative liability, net	1,709,955	—
(DerivativeAssetsLiabilitiesAtFairValueNet)		
Notes payable, net of current portion	500,000	—
(OtherNotesPayableCurrent)		
Total liabilities	6,748,437	1,378,254
(Liabilities)		
Stockholders' Equity		
(EquityAbstract)		
Preferred Stock:		
(PreferredStockAbstract [Extension])		
Preferred Stock, 1,000,000 shares authorized; $100 par value; 0 and 0 issued and outstanding	—	—
(PreferredStockAdditionalSeriesParOrStatedValuePerShare)		
Common Stock, $.001 par value, 100,000,000 shares authorized; 90,386,036 and 56,086,142 shares issued and outstanding, respectively	90,386	56,086
(CommonStockValueOutstanding)		
Additional paid-in capital	14,694,710	12,560,249
(AdditionalPaidInCapital)		
Minority interest	(39,118)	—
(MinorityInterest)		
Accumulated deficit	(17,540,517)	(13,668,332)
(AccumulatedOtherComprehensiveIncomeLossNetOfTax)		
Total stockholders' deficit	(2,794,539)	(1,051,997)
(StockholdersEquity)		
Total Liabilities and Stockholders' Equity	3,953,898	326,257
(LiabilitiesAndStockholdersEquity)		

(End Statement - Consolidated Balance Sheets)

Statement - Consolidated Balance Sheets (Parenthetical)

Statement - Consolidated Balance Sheets (Parenthetical) (USD $)
(StatementOfFinancialPositionAbstract)

	Dec. 31, 2011	Dec. 31, 2010
Preferred Stock, shares authorized (PreferredStockSharesAuthorized)	1,000,000	1,000,000
Preferred Stock, par value (PreferredStockParValue [Extension])	100	100
Preferred Stock, issued and outstanding (PreferredStockIssuedAndOutstanding [Extension])	0	0
Common Stock, par value (CommonStockParValue [Extension])	0.001	0.001
Common Stock, shares authorized (CommonStockSharesAuthorized)	100,000,000	100,000,000
Common Stock, shares issued and outstanding (CommonStockSharesIssuedAndOutstanding [Extension])	90,386,036	56,086,142

(End Statement - Consolidated Balance Sheets (Parenthetical))

Statement - Consolidated Statement of Operations

Statement - Consolidated Statement of Operations (USD $) (IncomeStatementAbstract)	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Revenues (Revenues)	334,209	87,994
Direct costs (DirectOperatingCosts)	262,049	64,961
Gross Profit (GrossProfit)	72,160	23,033
Operating expenses: (OperatingExpensesAbstract)		
General and administrative (GeneralAndAdministrativeExpense)	1,492,887	397,210
Research and Development (ResearchAndDevelopmentExpense)	40,737	945
Amortization and depreciation (DepreciationAndAmortization)	257,180	2,189
Total operating expenses (OperatingExpenses)	1,790,804	400,344
Operating loss (OperatingIncomeLoss)	(1,718,644)	(377,311)
Non-operating activity (NonoperatingActivityAbstract [Extension])		
Other income (expense) (OtherIncome)	(36,073)	(671)
Gains (losses) on settlement of debt (GainLossOnSaleOfDebtInvestments)	248,754	—
Gain (loss) on derivative liability (GainLossOnSaleOfDerivatives)	(634,467)	—
Gain (loss) on settlement of assets (GainLossRelatedToLitigationSettlement)	(34,676)	
Interest expenses (InterestExpense)	(1,712,241)	(85,631)
Total other income (expense) (InterestIncomeExpenseNet)	(2,168,703)	(86,302)
Loss before income taxes and minority interests (IncomeLossFromDiscontinuedOperationsNetOfTaxAttributableToNoncontrollingInterest)	(3,887,347)	(463,613)
Minority interest loss, net of tax	(15,162)	

(ExtraordinaryItemNetOfTax)		
Provision for income taxes	—	—
(ProvisionForIncomeTaxes [Extension])		
Net loss	(3,872,185)	(463,613)
(NetLoss [Extension])		
Earnings (loss) per share:		
(EarningsPerShareAbstract)		
Basic	(0.05)	(0.01)
(BasicEarningsPerShareProForma)		
Dilutive	(0.05)	(0.01)
(EarningsPerShareDiluted)		
Weighted average shares outstanding		
(WeightedAverageNumberOfSharesOutstandingAbstract)		
Basic	78,243,689	50,983,402
(DilutiveSecuritiesEffectOnBasicEarningsPerShareOther)		
Dilutive	78,243,689	50,983,402
(AntidilutiveSharesOutstanding)		

(End Statement - Consolidated Statement of Operations)

Statement - Consolidated Statement of Stockholders' Deficit

Statement - Consolidated Statement of Stockholders' Deficit (USD $)
(StatementOfStockholdersEquityAbstract)

(StatementEquityComponentsAxis)	Common shares	Common Par	Additional Paid in Capital	Minority Interest	Accumulated Deficit	Stock- Holders' Deficit
(EquityComponentDomain)						
From Dec. 30, 2009 to Dec. 31, 2011						
Balance at December 31, 2009 (SharesIssued)	50,086,142	50,086	12,351,249	—	(13,204,719)	(803,384)
Board member compensation (BoardMemberCompensation [Extension])	500,000	500	49,500			50,000
Sale of stock (SaleOfStock [Extension])	5,500,000	5,500	159,500			165,000
Net loss (NetLosses [Extension])					(463,613)	(463,613)
Balance at December 31, 2010 (BalanceAtDecember312010 [Extension])	56,086,142	56,086	12,560,249	—	(13,668,332)	(1,051,997)
Sale of stock (SaleOfStockes [Extension])	5,833,334	5,833	169,167			175,000
Stock issued for acquisition of HighCom Security (StockIssuedForAcquisitionOfHighcomSecurity [Extension])	9,820,666	9,821	481,179			491,000
Stock issued for conversion of debt (StockIssuedForConversionOfDebt [Extension])	7,812,561	7,813	226,564			234,377
Stock issued for consulting (StockIssuedForConsulting [Extension])	10,333,333	10,333	239,667			250,000
Stock issued for Acer payable (StockIssuedForAcerPayable [Extension])	500,000	500	24,500			25,000
Options issued for compensation (OptionsIssuedForCompensation [Extension])			327,944			327,944
Record discount on new loans (RecordDiscountOnNewLoans [Extension])			665,440			665,440
Reclassify minority interest (ReclassifyMinorityInterest [Extension])				(23,956)		(23,956)
Net loss (NetLosses1 [Extension])			(15,162)		(3,872,185)	(3,887,347)
Balance at December 31, 2011	90,386,036	90,386	14,694,710	(39,118)	(17,540,517)	(2,794,539)

(SharesIssued)

(End Statement - Consolidated Statement of Stockholders' Deficit)

Statement - Consolidated Statement of Cash Flows

Statement - Consolidated Statement of Cash Flows (USD $) (StatementOfCashFlowsAbstract)	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Cash Flows from Operating Activities: (NetCashProvidedByUsedInOperatingActivitiesAbstract)		
Net loss (NetLoss [Extension])	(3,872,185)	(463,613)
Adjustment to reconcile Net Income to net cash provided by operations: (AdjustmentsToReconcileIncomeLossToNetCashProvidedByUsedInContinuingOperationsAbstract)		
Minority interest loss (MinorityInterestLoss [Extension])	(15,162)	
Depreciation and amortization (Depreciation)	257,180	2,189
Amortization of debt discount (InvestmentIncomeAmortizationOfDiscount)	1,558,942	
Discount on debt Stock given for interest (DiscountOnDebtStockGivenForInterest [Extension])	250,000	
Other stock comp (OtherStockComp [Extension])	327,994	50,000
Gain on conversion of debt (AmortizationOfFinancingCostsAndDiscounts)		(248,754)
Gain on disposal of equipment (GainOnDisposalOfEquipment [Extension])		34,676
gain on derivative (GainOnDerivative [Extension])		634,467
Changes in assets and liabilities: (ChangesInAssetsAndLiabilities [Extension])		
Accounts receivable (AccountsReceivable [Extension])	59,273	(342)
Note receivable (NoteReceivable [Extension])	229,416	—
Inventory's (Inventory [Extension])	(29,548)	15,836
Other operating assets (OtherOperatingAssets [Extension])	80,285	517
Accounts payable and accruals (AccountsPayableAndAccruals [Extension])	(273,365)	307,622

Related party loans (RelatedPartyLoans [Extension])	(27,921)	(12,123)
Net Cash Used in Operating Activities (CashProvidedByUsedInOperatingActivitiesDiscontinuedOperations)	(1,034,752)	(99,914)
Cash Flows from Investing Activities: (AdditionalCashFlowElementsInvestingActivitiesAbstract)		
Purchase of property and equipment (PropertyPlantAndEquipmentAdditions)	(7,175)	—
Payments for deferred costs (PaymentsOfFinancingCosts)	(6,429)	(24,423)
Proceeds from sales of assets and intangibles (ProceedsFromSaleOfIntangibleAssets)	3,900	—
Cash purchased (CashPurchased [Extension])	834	—
Net Cash Used in Investing Activities (NetCashProvidedByUsedInInvestingActivities)	(8,870)	(24,423)
Cash Flows from Financing Activities: (AdditionalCashFlowElementsFinancingActivitiesAbstract)		
Proceeds from issuance of stock (ProceedsFromStockPlans)	175,000	165,000
Proceeds from issuance of note payable (ProceedsFromNotesPayable)	1,260,000	—
Net proceeds from line of credit (ProceedsFromRepaymentsOfLinesOfCredit)	—	3,980
Repayments of notes payable (RepaymentsOfNotesPayable)	(184,539)	—
Net Cash Provided by Financing Activities (NetCashProvidedByUsedInFinancingActivities)	1,250,461	168,980
Net increase in Cash (IncreaseDecreaseInRestrictedCash)	206,839	44,643
Cash at beginning of period (CashAtBeginningOfPeriod [Extension])	46,382	1,739
Cash at end of period (CashAtEndOfPeriod [Extension])	253,221	46,382
Supplemental cash flow information: (SupplementalCashFlowInformationAbstract)		
Interest paid (InterestPaids [Extension])	76,233	22,960
Taxes paid (TaxesPaid [Extension])	—	—

(End Statement - Consolidated Statement of Cash Flows)

Disclosure - Summary of Significant Accounting Policies

Disclosure - Summary of Significant Accounting Policies (USD $) (NotesToFinancialStatementsAbstract [Extension])	12 Months Ended
	Dec. 31, 2011
Summary of Significant Accounting Policies	(1) Organization, Basis of Presentation, and Summary of Significant Accounting Policies

Organization and Basis of Presentation

BlastGard International, Inc. (the "Company") was incorporated on September 26, 2003 as BlastGard Technologies, Inc. ("BTI") in the State of Florida, to design and market proprietary blast mitigation materials. The Company created, designs, develops and markets proprietary blast mitigation materials. The Company's patent-pending BlastWrap® technology effectively mitigates blast effects and suppresses post-blast fires. The Company sub-contracts the manufacturing of products to licensed and qualified production facilities.

The Company went public through a shell merger on January 31, 2004. On March 31, 2004, the Company changed its name to BlastGard International, Inc.

Principles of Consolidation

These consolidated financial statements include the assets and liabilities of BlastGard International, Inc. and its subsidiaries, HighCom Security Inc. and BlastGard Technologies, Inc. as of December 31, 2011 and 2010, after the date of acquisition. All material intercompany transactions have been eliminated.

BlastGard Technologies Inc. was formed in 2003 as a Florida Corporation. The Company has been inactive during 2011 and 2010.

HighCom Security, Inc. ("HighCom") was organized as a California corporation in 1997 and designs, manufactures and distributes a unique range of security products and personal protective gear, personal protective gear to distributors, local governments, military units and international organizations. The Company has a sales office in Colorado, a manufacturing facility in Ohio and administrative offices in Clearwater Florida. The company was purchased on January 25, 2011. Activity of HighCom is included as the date of the acquisition.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of

business. As shown in the accompanying financial statements, the Company has incurred recurring losses and has used significant cash in support of its operating activities. These factors, among others, may indicate that the Company may be unable to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitability. The Company plans to generate the necessary cash flows with increased sales revenue over the next 12 months. However, should the Company's sales not provide sufficient cash flow; the Company has plans to raise additional working capital through debt and/or equity financings. There is no assurance the Company will be successful in producing increased sales revenues or obtaining additional funding through debt and equity financings.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles required management to make estimates and assumptions that affected the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considered all highly liquid debt instruments with original maturities of three months or less when acquired to be cash equivalents. The Company had no cash equivalents at December 31, 2011.

Financial Instruments

The carrying amounts of cash, receivables and current liabilities approximated fair value due to the short-term maturity of the instruments. Debt obligations were carried at cost, which approximated fair value due to the prevailing market rate for similar instruments.

Fair Value Measurement

All financial and nonfinancial assets and liabilities were recognized or disclosed at fair value in the financial statements. This value was evaluated on a recurring basis (at least annually). Generally accepted accounting principles in the United States define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The accounting principles also established a fair value hierarchy which required an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs were used to measure fair value.

Level 1: Quotes market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that were corroborated by market data.
Level 3: Unobservable inputs that were not corroborated by market data.

Accounts Receivable

Accounts receivable consisted of amounts due from customers (mostly government agencies) based in the United States and abroad. The Company considered accounts more than 30 days old to be past due. The Company uses the allowance method for recognizing bad debts. When an account was deemed uncollectible, it was written off against the allowance. The Company generally does not require collateral for its accounts receivable. As of December 31, 2011 and 2010, management believes an allowance for uncollectible accounts in the amount of $28,228 and $3,873 was adequate, respectively.

Inventory

Inventory was stated at the lower of cost (first-in, first-out) or market. Market was generally considered to be net realizable value. Inventory consisted of materials used to manufacture the Company's BlastWrap® product and finished goods ready for sale. The breakdown of inventory at December 31, 2011 and 2010 was as follows:

	2011	2010
Finished goods	$ 33,824	$ 33,920
Materials and supplies	489,733	17,370
Total inventory	$ 523,557	$ 51,290

Property and Equipment

Property and equipment were stated at cost. Depreciation was calculated using the straight-line method over the estimated useful lives of the related assets, ranging from three to seven years. Expenditures for additions and improvements were capitalized, while repairs and maintenance costs were expensed as incurred. The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of were removed from the accounts and any gain or loss was recorded in the year of disposal.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of its long-lived assets at least annually. Impairment losses were recorded on long-lived assets used in operations when indicators of impairment were present and the undiscounted future cash flows estimated to be generated by those assets were less

than the assets' carrying amount. If such assets were impaired, the impairment to be recognized was measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of were reported at the lower of the carrying value or fair value, less costs to sell.

Debt Issue Costs

The costs related to the issuance of debt were capitalized and amortized to interest expense using the straight-line method over the lives of the related debt. The straight-line method results in amortization that was not materially different from that calculated under the effective interest method.

Deferred Costs

Patent and trademark application costs were capitalized as deferred costs. If a patent or trademark application was denied or expires, the costs incurred were charged to operations in the year the application was denied or expires. Amortization commences once a patent or trademark was granted.

Revenue Recognition

Sales revenue was recognized upon the shipment of product to customers. Allowances for sales returns, rebates and discounts were recorded as a component of net sales in the period the allowances were recognized.

Research and Development

Research and development costs were expensed as incurred.

Advertising

Advertising costs were expensed as incurred. Advertising costs of $29 and $0 were incurred during the years ended December 31, 2011 and 2010, respectively.

Income Taxes

Income taxes were provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and the tax basis of assets and liabilities for financial and income tax reporting. Deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities were recovered or settled. Deferred tax assets were also recognized for operating losses that were available to offset future taxable income and tax credits that were available to offset future federal income taxes, less the effect of any allowances considered necessary. The company use guidance

provided by *FIN 48, Accounting for Uncertainty in Income Taxes*, for reporting uncertain tax provisions.

Stock-based Compensation

We use the Black-Scholes option pricing model to estimate the fair value of stock-based awards on the date of grant, using assumptions for volatility, expected term, risk-free interest rate and dividend yield. We have used one grouping for the assumptions as our option grants were primarily basic with similar characteristics. The expected term of options granted has been derived based upon our history of actual exercise behavior and represents the period of time that options granted were expected to be outstanding. Historical data was also used to estimate option exercises and employee terminations. Estimated volatility was based upon our historical market price at consistent points in a period equal to the expected life of the options. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of grant and the dividend yield was based on the historical dividend yield. Compensation expense for stock based compensation is recognized over the vesting period.

Loss per Common Share

Basic net loss per share excludes the impact of common stock equivalents. Diluted net loss per share utilizes the average market price per share when applying the treasury stock method in determining common stock equivalents. As of December 31, 2011, there were 8,550,000 vested common stock options outstanding, which were excluded from the calculation of net loss per share-diluted because they were anti-dilutive. In addition, at December 31, 2011 the Company had 104,333,335 warrants outstanding issued in connection with convertible promissory notes and stock sales that were also excluded because they were anti-dilutive.

Recent Accounting Pronouncements

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration. Reference is made to these recent accounting pronouncements as if they are set forth therein in their entirety.

(SignificantAccountingPoliciesTextBlock)

(End Disclosure - Summary of Significant Accounting Policies)

Disclosure - Property and Equipment

Disclosure - Property and Equipment (USD $)
(NotesToFinancialStatementsAbstract [Extension])

12 Months Ended

Dec. 31, 2011

Property and Equipment

(2) Property and Equipment

Property and equipment consisted of the following at December 31:

	2011	2010
Equipment	$ 124,398	$ 60,707
Furniture	15,057	15,057
Moulds	45,060	
Test	79,665	
Gross property	359,730	75,764
Less accumulated depreciation	(259,268)	(75,700)
	$ 100,462	$ 64

Depreciation expense totaled $74,360 and $256, respectively, for the years ended December 31, 2011 and 2010.

(PropertyPlantAndEquipmentDisclosureTextBlock)

(End Disclosure - Property and Equipment)

Disclosure - Notes Payable

Disclosure - Notes Payable (USD $)
(NotesToFinancialStatementsAbstract [Extension])

12 Months Ended

Dec. 31, 2011

Notes Payable

(3) Notes Payable

Convertible Promissory Notes

On December 2, 2004, the Company entered into agreements to borrow an aggregate principal amount of $1,420,000 and to issue to the investors secured convertible notes and common stock purchase warrants. The Company's convertible promissory notes payable consisted of the following at December 31, 2011 and 2010:

At December 31, 2011, all warrants associated with the above debt had expired.

	December 31, 2011	December 31, 2010
$500,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	$ —	$ 150,166
$93,097 convertible promissory note (1/4 of previous outstanding notes) issued December 2, 2004, due November 30, 2009, 8% interest Net of unamortized discount of $0	108,338	93,096
$50,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	17,325	17,325
$50,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized discount of $0	—	15,241
$10,000 convertible promissory note issued December 2, 2004, due on November 30, 2009, 8% annual interest rate, net of unamortized		

discount of $0	—	3,464
$500,000 convertible promissory note issued November 10, 2011, due on February 10, 2013 12% annual interest rate, net of unamortized discount $0	500,000	—
	125,663	279,292
Less: current maturities	(125,663)	(279,292)
	$ 500,000	$ —

New Financing

Alpha Capital Aktiengesellschaft ("Alpha"), a holder of 2004 Debt, loaned the Company $160,000 on February 2011, $300,000 in March 2011 and an additional $300,000 in June 2011 pursuant to secured notes convertible at the lesser of the applicable conversion price or eighty percent of the conversion price of any convertible note issued by the Company to anyone prior to or on the one year anniversary of the Issue Date of the Note, subject to adjustment as described therein. The February 2011 notes had a conversion price of $.03 per share and the March 2011 notes had a conversion price of $.05 per share. The Notes are accompanied by the issuance of five year warrants to purchase 8,000,000 shares at an exercise price of $0.03 per share, five year warrants to purchase 9,000,000 shares at an exercise price of $0.08 per share and five year warrants to purchase 12,333,335 shares at an exercise price of $0.06 per share, respectively.

Conversion of Accrued Expenses.

On March 8, 2011, BlastGard's Board of Directors ratified, adopted and approved that James F. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); Michael J. Gordon's accrued salary of $160,000 (20 months at $8,000 per month covering May-December 2009, January-October 2010 and January-February 2011); and Morse & Morse, PLLC's accrued legal bill of $67,025.30 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Note holder(s) discretion. On May 3, 2011, BlastGard's Board of Directors ratified, adopted and approved $100,000 in additional compensation to Michael J. Gordon as CEO, of which $50,000 be converted into a Convertible Non-Interest Bearing Demand Note, convertible into Common Shares of BlastGard at $.05 per share at the Noteholder (s) discretion and $50,000 issued in Common Stock at $.05 per share.

The 2011 convertible promissory notes consisted of the following at September 30, 2011 and December 31, 2010:

	December	December

	31, 2011	31, 2010
$160,000 convertible promissory note issued February 3, 2011, due on August 3, 2011, 6% annual interest rate, net of unamortized Discount of $30,055	$ 79,945	$ —
$300,000 convertible promissory note issued March 3, 2011, due on March 3, 2012, 6% interest, net of unamortized discount of $80,984	219,016	—
$300,000 convertible promissory note issued June 16, 2011, due on June 17, 2012, 6% annual interest rate, net of unamortized Discount of $28,934	271,066	—
$210,000 convertible promissory note issued January 31, 2011, due on September 30, 2011, 6% annual interest rate, net of unamortized Discount of $24,331	185,669	—
$160,000 convertible promissory note issued January 31, 2011, due on 1/31/2012, 6% annual interest rate, net of unamortized Discount of $37,699	122,301	—
$67,025 convertible promissory note issued January 31, 2011, due on September 30, 2011, 6% annual interest rate, net of unamortized Discount of $10,192	56,833	—
	934,830	—
Less: current maturities	(934,830)	—
	$ —	$ —

The Company has a line of credit with a local bank. The Company also acquired various revolving credit facilities in the acquisition of HighCom Security, Inc. HighCom had been paying interest only on the loans. Two of these loans are not transferable and all have been called by the lenders. The revolving credit facilities consist of the following at December 31, 2011 and December 31, 2010:

	December 31, 2011	December 31, 2010

$100,000 line of credit from Regions Bank, interest only at 8% annually, due on demand	$ 88,968	$ — 95,360
$450,000 line of credit from Fifth Third Bank, interest only at prime + % annually, due on demand	434,011	—
$150,000 revolving credit card facility with Wells Fargo Bank, interest only at prime + % annually, due on demand	148,376	—
$50,000 revolving credit card facility with California Bank & Trust (non-assumable), interest only, due on demand	49,750	—
Three credit card accounts with major financial institutions varying monthly minimum payments including interest due on demand	38,887	—
	759,992	95,360
Less: current maturities	(759,992)	(95,360)
	$ —	$ —

Acquisition note

The Company issued a note in the amount of $196,400 as part of the acquisition of HighCom Security, Inc. to the former majority shareholder. As of June 30, 2011, the Company has stopped making payments on this note and has applied the unpaid balance of $156,400 against receivables due from the former shareholder that were also acquired in the purchase transaction.

(MortgageNotesPayableDisclosureTextBlock)

(End Disclosure - Notes Payable)

Disclosure - Subordinated Convertible Notes Payable

Disclosure - Subordinated Convertible Notes Payable (USD $)
(NotesToFinancialStatementsAbstract [Extension])

12 Months Ended

Dec. 31, 2011

Subordinated Convertible Notes Payable

(5) Detachable common stock warrants issued with convertible and subordinated convertible promissory notes

The company has issued warrants with convertible promissory notes, the sale of stock and consulting agreements throughout the years. For the year ended December 31, 2010 there was approximately 16,750,000 warrants, valued at approximately $485,000, outstanding. During the year ended December 31, 2011 all outstanding warrants from the December 31, 2010 expired and approximately 104,333,000 warrants, valued at approximately $3,016,000, were issued as part of promissory notes made during the year ended December 31, 2011.

To value the warrants issued the Company used the Black-Scholes model. The assumptions used to value the warrants in the Black-Scholes model for the year ended December 31, 2011 are shown in the table below.

Risk-free interest rate	1.450%
Dividend yield	0.00%
Volatility factor	336.1%
Weighted average expected life	4.0 years

(DebtDisclosureTextBlock)

(End Disclosure - Subordinated Convertible Notes Payable)

Disclosure - Promissory notes

Disclosure - Promissory notes (USD $)
(NotesToFinancialStatementsAbstract [Extension])

12 Months Ended

Dec. 31, 2011

Promissory notes

(5) Detachable common stock warrants issued with convertible and subordinated convertible promissory notes

The company has issued warrants with convertible promissory notes, the sale of stock and consulting agreements throughout the years. For the year ended December 31, 2010 there was approximately 16,750,000 warrants, valued at approximately $485,000, outstanding. During the year ended December 31, 2011 all outstanding warrants from the December 31, 2010 expired and approximately 104,333,000 warrants, valued at approximately $3,016,000, were issued as part of promissory notes made during the year ended December 31, 2011.

To value the warrants issued the Company used the Black-Scholes model. The assumptions used to value the warrants in the Black-Scholes model for the year ended December 31, 2011 are shown in the table below.

Risk-free interest rate	1.450%
Dividend yield	0.00%
Volatility factor	336.1%
Weighted average expected life	4.0 years

(DebtDisclosureTextBlock)

(End Disclosure - Promissory notes)

Disclosure - Shareholders' Equity

Disclosure - Shareholders' Equity (USD $) (NotesToFinancialStatementsAbstract [Extension])	12 Months Ended Dec. 31, 2011
Shareholders' Equity	(6) Shareholders' Equity

Preferred stock

The Company was authorized to issue 1,000,000 shares of $.001 par value preferred stock. The Company may divide and issue the Preferred Shares in series. Each Series, when issued, shall be designated to distinguish them from the shares of all other series. The relative rights and preferences of these series include preference of dividends, redemption terms and conditions, amount payable upon shares of voluntary or involuntary liquidation, terms and condition of conversion as well as voting powers.

Common stock issuances

In February, 2010, the two non-officer directors received 250,000 shares of common stock each in exchange for $25,000 each in services to the board.

In December 2010, an unrelated party received 5,500,000 shares of common stock in exchange for an investment of $165,000.

In January 2011, an unrelated party received 4,166,667 shares of common stock in exchange for an investment of $125,000.

In March 2011 BlastGuard issued 9,820,666 shares of common stock valued at $491,000 to Rimberg Trust in exchange for the acquisition of HighCom Security.

In 2011 Phoenix Alliance Corp., a related party received 1,666,667 shares of common stock in exchange for an investment of $50,000.

A total of 10,333,333 shares of common stock valued at $250,000 were issued during 2011 for services.

In June 2011, BlastGuard converted $234,377 of convertible notes and interest into 7,812,561 shares of common stock.

In August 2011 BlastGuard issued 500,000 shares of common stock valued at $25,000 to the holders of Acer Defense as in exchange for the acquisition of Acer Defense products.

Stock Compensation

The Company periodically offered options to purchase stock in the company to vendors and emplo

Options were granted at the fair market value of the stock on the date of grant. Options gen become fully vested after one year from the date of grant and expire five years from the date of During the years ended December 31, 2011 and 2010 6,550,000 and zero options were grant options expired or expired when sales goals were not met.

There were no net cash proceeds from the exercise of stock options for the twelve months ended December 31, 2011 or 2010. At December 31, 2011, there was no unrecognized compensation cost related to share-based payments which was expected to be recognized in the future.

The following table represents stock option activity as of and for the twelve months ended Decemb 31, 2011:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregat Intrinsic Value
Options Outstanding - January 1, 2011	2,850,000	$ 0.10	1.0 years	
Granted	6,550,000	$ 0.03	5.0 years	
Exercised	-	-		
Forfeited/expired/cancelled	(900,000)	0.10		
Options Outstanding – December 31, 2011	8,500,000	$ 0.048	4.8 years	$
Outstanding Exercisable – January 1, 2011	2,850,000	$ 0.10	1.0 years	$
Outstanding Exercisable – December 31, 2011	8,500,000	$ 0.048	4.8 years	$

The total grant date fair value of options vested during the twelve months ended December 31, 2011 and 2(was $327,944 and $0, respectively.

The following table represents our non-vested stock option activity for the twelve months ended December 2010:

	Number of Shares		Weighted Average Grant Date Fair Value
Nonvested options - January 1, 2011	-		$ -
Granted	-		-
Vested			
Forfeited/expired/cancelled	-		-
		1,120,000	
Nonvested Options – December 31, 2011	-		$ -

(6) Related Party Transactions

During the twelve months ended December 31, 2011, the Company repaid approximately $6,500 against its $100,000 credit line, which was secured by a personal guarantee of its Chief Financial Officer. As of December 31, 2011 approximately $89,000 was owed pursuant to the line of credit, inclusive of interest.

(StockholdersEquityNoteDisclosureTextBlock)

(End Disclosure - Shareholders' Equity)

Disclosure - Income Taxes

Disclosure - Income Taxes (USD $)
(NotesToFinancialStatementsAbstract [Extension])

12 Months Ended

Dec. 31, 2011

Income Taxes

(7) Income Taxes

A reconciliation of U.S. statutory federal income tax rate to the effective rate follows:

	December 31, 2011	December 31, 2010
U.S. statutory federal rate, graduated	34.00%	34.00%
State income tax rate, net of Federal	3.6%	3.6%
Permanent book-tax differences	0%	(0.03%)
Net operating loss (NOL) for which no tax benefit was available.	-37.6%	-37.57%
Net tax rate	0.00%	0.00%

At December 31, 2011, deferred tax assets consisted of a net tax asset of approximately $6,485,000, due to operating loss carryforwards of approximately $17,233,000, which was fully allowed for, in the valuation allowance of $6,485,000. The valuation allowance offsets the net deferred tax asset for which it was more likely than not that the deferred tax assets will not be realized. The change in the valuation allowance for the years ended December 31, 2011 and 2010 totaled approximately $1,334,000 and $176,000 respectively. The current tax benefit also totaled $1,334,000 and $176,000 for the years ended December 31, 2011 and 2010, respectively. The net operating loss carryforwards expire through the year 2031.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets was no longer impaired and the allowance was no longer required.

Should the Company undergo an ownership change as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of these losses.

(IncomeTaxDisclosureTextBlock)

(End Disclosure - Income Taxes)

Disclosure - Concentration of Credit Risk for Cash

Disclosure - Concentration of Credit Risk for Cash (USD $) (NotesToFinancialStatementsAbstract [Extension])	12 Months Ended
	Dec. 31, 2011
Concentration of Credit Risk for Cash (CashAndCashEquivalentsPolicyTextBlock)	(8) Concentration of Credit Risk for Cash The Company has concentrated its credit risk for cash by maintaining deposits in a financial institution, which may at times exceed the amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (“FDIC”). At December 31, 2011, the Company had no funds in excess of the FDIC insurance limits.

(End Disclosure - Concentration of Credit Risk for Cash)

Disclosure - Commitments and Contingencies

Disclosure - Commitments and Contingencies (USD $) (NotesToFinancialStatementsAbstract [Extension])	12 Months Ended Dec. 31, 2011
Commitments and Contingencies	(9) Commitments and Contingencies

From time to time the Company may be a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

Office Lease

The Company entered into a lease agreement in January 1, 2009 for office space in Clearwater Florida. Rental payments under the lease were $300 per month on a month to month basis. Rent expense for 2011 and 2010 was approximately $3,600 and $3,600 respectively.

Prior Litigation Matter

Verde Partners Family Limited Partnership

The Company was served with a lawsuit that was filed on September 12, 2005 in the Second Judicial District Court in Washoe County, Nevada as case number CV-05-02072. The plaintiff in the lawsuit was Verde Partners Family Limited Partnership ("Verde"). The lawsuit makes a variety of claims and contends that the Company and certain officers of the Company misappropriated certain technology, including two patents, and seeks damages "in excess of $10,000". The action was removed to federal court in Nevada. A motion was pending to have the case dismissed as to BlastGard International, Inc., and all other defendants, for lack of personal jurisdiction. There was also a motion pending for a more definite statement in that three of the claims by Verde were conclusory, vague and ambiguous.

On July 14, 2006, the United States District Court rendered its decision in this case. It was ordered and adjudged that the motion to dismiss the individual defendants and the motion to dismiss the BlastGard defendants was granted. Defendants' motion for a more definite statement was moot. The Court entered judgment on July 17, 2007 in favor of all Defendants and against the Plaintiff. The Plaintiff had 30 days from the date of the judgment (July 17) to file a notice of appeal. No notice was filed.

On July 19, 2006, the Company filed a lawsuit in the Circuit Court of the Sixth Judicial Circuit in Pinellas County, Florida. The Defendants in the lawsuit were Sam Gettle, Guy Gettle and Verde

Partners Family Limited Partnership ("Verde"). The lawsuit contends that the Defendants have committed defamatory acts against BlastGard International and its products. The lawsuit also asks for a declaration that BlastGard International was not liable for the acts complained of in the Nevada action. On BlastGard's affirmative claims for defamation, the Florida action seeks injunctive relief and damages in excess of $15,000, exclusive of attorney's fees and costs. Sam Gettle, Guy Gettle, and Verde counter claimed in the lawsuit alleging the same bad acts complained of in the Nevada action. The counterclaim seeks an award of unspecified damages and injunctive relief.

On April 2, 2009, the Company entered into a Settlement Agreement to settle our outstanding civil litigation. The Company will pay the sum of $125,000 over 18 months. The first monthly payment was paid within 30 days after the Defendants deliver to the Company's counsel an original executed version of the Agreement and a promissory note in the amount of the remaining principal balance to bear interest in the amount of 6% per annum. Upon Verde's receipt of the payment and promissory note, the parties shall jointly dismiss with prejudice all litigation between them, including the Pinellas County action and the Federal action. The company and Verde also entered into a license agreement whereby BlastGard obtains a fully paid up non-exclusive license for the 2 Verde patents for the remaining life of those patents in exchange for the Company paying Verde a 2% royalty for the life of the patents, on the sales price received by BlastGard for BlastGard's portion of all blast mitigation products sold by the company (the royalty was **not** on any third-party's portion of any product containing blast mitigation products sold by BlastGard). The parties also agreed not to file any complaints with any state, federal or international agency or disciplinary body regarding any of the other parties or any person affiliated with any of the other parties or otherwise makes negative statements about them (in other words, a broad non-disparagement clause). The company and Verde also signed mutual general releases (excepting the obligations above) and a covenant not to sue. At December 31, 2010, the Company was in arrears on the final twelve monthly payments on the settlement.

(CommitmentsAndContingenciesDisclosureTextBlock)

(End Disclosure - Commitments and Contingencies)

Disclosure - Acquisition of HighCom Security, Inc.

Disclosure - Acquisition of HighCom Security, Inc. (USD $)
(NotesToFinancialStatementsAbstract [Extension])

12 Months Ended

Dec. 31, 2011

Acquisition of HighCom Security, Inc.

(10) Acquisition of HighCom Security, Inc.

On January 25, 2011, the Company purchased 98.2% of the outstanding stock in HighCom Security, Inc. (HighCom) from an unrelated party for cash, stock common and preferred stock to be paid out at certain milestones. As of the signing of the agreement, BlastGard International, Inc. immediately assumed the operations of HighCom and started to provide financing for the operations while a definitive agreement is drawn up over the next 90 days.

HighCom is a worldwide security equipment provider based in San Francisco, California. HighCom designs, manufactures and distributes a unique range of security products and personal protective gear. BlastGard issued a note payable in the amount of $196,400 and 9,820,000 shares of common stock as initial consideration and promised up to another $98,200 in cash and 34,370,000 shares of common stock based on a pro-rata basis if revenue reaches certain goals. BlastGard management believes that the revenues goals are very achievable and have valued the contingent consideration at 68% of the market price at the time of the agreement. On March 4, 2011, the transaction closed.

BlastGard International, Inc. accounted for the assets, liabilities and ownership interests in accordance with the provisions of ASC 805, Business Combinations for acquisitions occurring in years beginning after December 15, 2008 (formerly SFAS No. 141R, Business Combinations). As such, the recorded assets and liabilities acquired were recorded at fair value and any difference in the net asset values and the consideration given was recorded as a gain on acquisition or as goodwill. The actual values as of the date of agreement are as follows:

Cash	$	278
Accounts receivable		85,109
Contract performance bonds		50,500
Refundable taxes		—
Inventory		229,132
Prepaid expenses		6,035
Fixed assets		206,159
Investments		112,764
Deposits		31,891
Due from seller		303,356
Related party loans		107,198
Customer lists		500,000

Website	80,000
Goodwill	2,653,118
	$ 4,365,540
Accounts payable	$ 1,282,234
Accrued expenses	382,819
Short-term loans	45,209
Bank line of credit	454,835
Credit card line 1	150,726
Credit card line 2	49,750
Credit card line 3	24,922
Credit card line 4	9,514
Credit card line 5	47,910
Credit card line 6	1,896
Due to BlastGard	3,500
Loan from related party	10,000
Minority interest	(23,956)
Acquisition note	196,400
Contingent liability	1,238,781
Stock given at closing	491,000
Total liabilities assumed and consideration given	$ 4,365,540

Goodwill was subsequently reduced for changes in the valuation of inventory and liabilities acquired.

Pro forma results of operations for the years ended December 31, 2011 and 2010 as though this acquisition had taken place at January 1, 2010 are as follows:

	Years ended December 31, 2011	2010
Revenues	$ 576,613	$ 5,512,174
Net loss	$ (3,872,185)	$ (999,172)
EPS	$ (0.05)	$ (0.02)

The unaudited pro forma results disclosed in the table above are based on various assumptions and are not necessarily indicative of the results of operations that would have occurred had the Company completed this acquisition on January 1, 2010.

(AssetRetirementObligationsPolicy)

(End Disclosure - Acquisition of HighCom Security, Inc.)

Contexts

ID	Period	CIK	Dimensions
From2011-01-01to2011-12-31	2011-01-01 - 2011-12-31	0001102358	
AsOf2012-03-02	2012-03-02	0001102358	
AsOf2011-12-31	2011-12-31	0001102358	
AsOf2010-12-31	2010-12-31	0001102358	
From2010-01-01to2010-12-31	2010-01-01 - 2010-12-31	0001102358	
AsOf2009-12-31	2009-12-31	0001102358	
From2009-12-30to2011-12-31_CommonStockMember	2009-12-30 - 2011-12-31	0001102358	StatementEquityComponentsAxis: CommonStockMember
AsOf2009-12-29_CommonStockMember	2009-12-29	0001102358	StatementEquityComponentsAxis: CommonStockMember
AsOf2011-12-31_CommonStockMember	2011-12-31	0001102358	StatementEquityComponentsAxis: CommonStockMember
From2009-12-30to2011-12-31_TreasuryStockMember	2009-12-30 - 2011-12-31	0001102358	StatementEquityComponentsAxis: TreasuryStockMember
AsOf2009-12-29_TreasuryStockMember	2009-12-29	0001102358	StatementEquityComponentsAxis: TreasuryStockMember
AsOf2011-12-31_TreasuryStockMember	2011-12-31	0001102358	StatementEquityComponentsAxis: TreasuryStockMember
From2009-12-30to2011-12-31_AdditionalPaidInCapitalMember	2009-12-30 - 2011-12-31	0001102358	StatementEquityComponentsAxis: AdditionalPaidInCapitalMember
AsOf2009-12-29_AdditionalPaidInCapitalMember	2009-12-29	0001102358	StatementEquityComponentsAxis: AdditionalPaidInCapitalMember
AsOf2011-12-31_AdditionalPaidInCapitalMember	2011-12-31	0001102358	StatementEquityComponentsAxis: AdditionalPaidInCapitalMember
From2009-12-30to2011-12-31_AccumulatedOtherComprehensiveIncomeMember	2009-12-30 - 2011-12-31	0001102358	StatementEquityComponentsAxis: AccumulatedOtherComprehensiveIncomeMember
AsOf2009-12-29_AccumulatedOtherComprehensiveIncomeMember	2009-12-29	0001102358	StatementEquityComponentsAxis: AccumulatedOtherComprehensiveIncomeMember
AsOf2011-12-31_AccumulatedOtherComprehensiveIncomeMember	2011-12-31	0001102358	StatementEquityComponentsAxis: AccumulatedOtherComprehensiveIncomeMember
From2009-12-30to2011-12-31_RetainedEarningsMember	2009-12-30 - 2011-12-31	0001102358	StatementEquityComponentsAxis: RetainedEarningsMember
AsOf2009-12-29_RetainedEarningsMember	2009-12-29	0001102358	StatementEquityComponentsAxis: RetainedEarningsMember
AsOf2011-12-31_RetainedEarningsMember	2011-12-31	0001102358	StatementEquityComponentsAxis: RetainedEarningsMember
From2009-12-30to2011-12-31_NoncontrollingInterestMember	2009-12-30 - 2011-12-31	0001102358	StatementEquityComponentsAxis: NoncontrollingInterestMember
AsOf2009-12-29_NoncontrollingInterestMember	2009-12-29	0001102358	StatementEquityComponentsAxis: NoncontrollingInterestMember
AsOf2011-12-31_NoncontrollingInterestMember	2011-12-31	0001102358	StatementEquityComponentsAxis: NoncontrollingInterestMember

(End Contexts)

Elements

Element	Data Type	Period Type	Balance Type	Custom
EntityRegistrantName The exact name of the entity filing the report as specified in its charter, which is required by forms filed with the SEC.	xbrli:normalizedStringItemType	Duration	—	
EntityCentralIndexKey A unique 10-digit SEC-issued value to identify entities that have filed disclosures with the SEC. It is commonly abbreviated as CIK.	dei:centralIndexKeyItemType	Duration	—	
DocumentType The type of document being provided (such as 10-K, 10-Q, N-1A, etc). The document type is limited to the same value as the supporting SEC submission type, minus any "/A" suffix. The acceptable values are as follows: S-1, S-3, S-4, S-11, F-1, F-3, F-4, F-9, F-10, 6-K, 8-K, 10, 10-K, 10-Q, 20-F, 40-F, N-1A, 485BPOS, 497, NCSR, N-CSR, N-CSRS, N-Q, 10-KT, 10-QT, 20-FT, POS AM and Other.	dei:submissionTypeItemType	Duration	—	
DocumentPeriodEndDate The end date of the period reflected on the cover page if a periodic report. For all other reports and registration statements containing historical data, it is the date up through which that historical data is presented. If there is no historical data in the report, use the filing date. The format of the date is CCYY-MM-DD.	xbrli:dateItemType	Duration	—	
AmendmentFlag If the value is true, then the document as an amendment to previously-filed/accepted document.	xbrli:booleanItemType	Duration	—	
CurrentFiscalYearEndDate End date of current fiscal year in the format --MM-DD.	xbrli:gMonthDayItemType	Duration	—	
EntityWellKnownSeasonedIssuer Indicate "Yes" or "No" if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Is used on Form Type: 10-K, 10-Q, 8-K, 20-F, 6-K, 10-K/A, 10-Q/A, 20-F/A, 6-K/A, N-CSR, N-Q, N-1A.	dei:yesNoItemType	Duration	—	
EntityVoluntaryFilers Indicate "Yes" or "No" if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	dei:yesNoItemType	Duration	—	
EntityCurrentReportingStatus Indicate "Yes" or "No" whether registrants (1) have 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 registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. This information should be based on the registrant's current or most recent filing containing the related disclosure.	dei:yesNoItemType	Duration	—	
EntityFilerCategory Indicate whether the registrant is one of the following: (1) Large Accelerated Filer, (2) Accelerated Filer, (3) Non-accelerated Filer, or (4) Smaller Reporting Company. Definitions of these categories are stated in Rule 12b-2 of the Exchange Act. This information should be based on the registrant's current or most recent filing containing the related disclosure.	dei:filerCategoryItemType	Duration	—	
DocumentFiscalPeriodFocus This is focus fiscal period of the document report. For a first quarter 2006 quarterly report, which may also provide financial information from prior periods, the first fiscal quarter should be given as the fiscal period focus. Values: FY, Q1, Q2, Q3, Q4, H1, H2, M9, T1, T2, T3, M8, CY.	dei:fiscalPeriodItemType	Duration	—	
DocumentFiscalYearFocus This is focus fiscal year of the document report in CCYY format. For a 2006 annual report, which may also provide financial information from prior periods, fiscal 2006 should be given as the fiscal year focus. Example: 2006.	xbrli:gYearItemType	Duration	—	
EntityPublicFloat State aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to price at which the common equity was last sold, or average bid and asked price of such common equity, as of the last business day of registrant's most recently completed second fiscal quarter. The public float should be reported on the cover page of the registrants form 10K.	xbrli:monetaryItemType	Instant	Credit	
EntityCommonStockSharesOutstanding Indicate number of shares outstanding of each of registrant's classes of common stock, as of latest practicable	xbrli:sharesItemType	Instant	—	

date. Where multiple classes exist define each class by adding class of stock items such as Common Class A [Member], Common Class B [Member] onto the Instrument [Domain] of the Entity Listings, Instrument				
Cash Unrestricted cash available for day-to-day operating needs, for an entity that has cash equivalents, but does not aggregate cash equivalents with cash on the balance sheet.	xbrli:monetaryItemType	Instant	Debit	
AccountsReceivableNet For an unclassified balance sheet, the amount due from customers or clients for goods or services that have been delivered or sold in the normal course of business, reduced to their estimated net realizable fair value by an allowance established by the entity of the amount it deems uncertain of collection.	xbrli:monetaryItemType	Instant	Debit	
PrepaidExpenseAndOtherAssetsCurrent The total of the amounts paid in advance for capitalized costs that will be expensed with the passage of time or the occurrence of a triggering event, and will be charged against earnings within one year or the normal operating cycle, if longer, and the aggregate carrying amount of current assets, as of the balance sheet date, not separately presented elsewhere in the balance sheet. Current assets are expected to be realized or consumed within one year (or the normal operating cycle, if longer).	xbrli:monetaryItemType	Instant	Debit	
NetRelatedPartyLoansReceivableFromAcquisition	xbrli:monetaryItemType	Instant	—	Yes
PrepaidExpense Carrying amount for a unclassified balance sheet date of expenditures made in advance of when the economic benefit of the cost will be realized, and which will be expensed in future periods with the passage of time or when a triggering event occurs. For a classified balance sheet, represents the noncurrent portion of prepaid expenses (the current portion has a separate concept).	xbrli:monetaryItemType	Instant	Debit	
AssetsCurrent Sum of the carrying amounts as of the balance sheet date of all assets that are expected to be realized in cash, sold, or consumed within one year (or the normal operating cycle, if longer). Assets are probable future economic benefits obtained or controlled by an entity as a result of past transactions or events.	xbrli:monetaryItemType	Instant	Debit	
PropertyPlantAndEquipmentNet Tangible assets that are held by an entity for use in the production or supply of goods and services, for rental to others, or for administrative purposes and that are expected to provide economic benefit for more than one year; net of accumulated depreciation. Examples include land, buildings, machinery and equipment, and other types of furniture and equipment including, but not limited to, office equipment, furniture and fixtures, and computer equipment and software.	xbrli:monetaryItemType	Instant	Debit	
FiniteLivedIntangibleAssetsNet The aggregate sum of gross carrying value of a major finite-lived intangible asset class, less accumulated amortization and any impairment charges. A major class is composed of intangible assets that can be grouped together because they are similar, either by their nature or by their use in the operations of a company.	xbrli:monetaryItemType	Instant	Debit	
DeferredTaxLiabilitiesDeferredExpenseCapitalizedPatentCosts The amount as of the balance sheet date of the estimated future tax effects attributable to the difference between the methods used to account for capitalized patent costs for tax purposes and under generally accepted accounting principles.	xbrli:monetaryItemType	Instant	Credit	
Investments Sum of the carrying amounts as of the balance sheet date of all investments.	xbrli:monetaryItemType	Instant	Debit	
Goodwill Carrying amount as of the balance sheet date, which is the cumulative amount paid and (if applicable) the fair value of any noncontrolling interest in the acquiree, adjusted for any amortization recognized prior to the adoption of any changes in generally accepted accounting principles (as applicable) and for any impairment charges, in excess of the fair value of net assets acquired in one or more business combination transactions.	xbrli:monetaryItemType	Instant	Debit	
DepositAssets The carrying amount of the asset transferred to a third party to serve as a deposit, which typically serves as security against failure by the transferor to perform under terms of an agreement.	xbrli:monetaryItemType	Instant	Debit	
Assets Sum of the carrying amounts as of the balance sheet date of all assets that are recognized. Assets are probable future economic benefits obtained or controlled by an entity as a result of past transactions or events.	xbrli:monetaryItemType	Instant	Debit	
AccountsPayableCurrent Carrying value as of the balance sheet date of liabilities incurred (and for which invoices have typically been received) and payable to vendors for goods and services received that are used in an entity's business. Used to	xbrli:monetaryItemType	Instant	Credit	

reflect the current portion of the liabilities (due within one year or within the normal operating cycle if longer).			
AccruedLiabilitiesCurrent Carrying value as of the balance sheet date of obligations incurred and payable, pertaining to costs that are statutory in nature, are incurred on contractual obligations, or accumulate over time and for which invoices have not yet been received or will not be rendered. Examples include taxes, interest, rent and utilities. Used to reflect the current portion of the liabilities (due within one year or within the normal operating cycle if longer).	xbrli:monetaryItemType	Instant	Credit
NotesPayableCurrent Sum of the carrying values as of the balance sheet date of the portions of long-term notes payable due within one year or the operating cycle if longer.	xbrli:monetaryItemType	Instant	Credit
NotesPayableRelatedPartiesCurrent The amount for notes payable (written promise to pay), due to related parties. For classified balance sheets, used to reflect the current portion of the liabilities (due within one year or within the normal operating cycle if longer); for unclassified balance sheets, used to reflect the total liabilities (regardless of due date).	xbrli:monetaryItemType	Instant	Credit
LiabilitiesCurrent Total obligations incurred as part of normal operations that are expected to be paid during the following twelve months or within one business cycle, if longer.	xbrli:monetaryItemType	Instant	Credit
GuarantyLiabilities This item represents a non-contingent liability for the fair value of an obligation to stand ready to perform over the term of a guaranty issued in the event that specified triggering events or conditions occur.	xbrli:monetaryItemType	Instant	Credit
DerivativeAssetsLiabilitiesAtFairValueNet Fair values as of the balance sheet date of the net amount of all assets and liabilities resulting from contracts that meet the criteria of being accounted for as derivative instruments.	xbrli:monetaryItemType	Instant	Debit
OtherNotesPayableCurrent Carrying value of the current portion of notes payable which were initially due after one year or beyond the normal operating cycle, if longer, and which are not otherwise defined in the taxonomy.	xbrli:monetaryItemType	Instant	Credit
Liabilities Sum of the carrying amounts as of the balance sheet date of all liabilities that are recognized. Liabilities are probable future sacrifices of economic benefits arising from present obligations of an entity to transfer assets or provide services to other entities in the future.	xbrli:monetaryItemType	Instant	Credit
PreferredStockAdditionalSeriesParOrStatedValuePerShare Face amount or stated value per share of additional series of nonredeemable preferred stock (or preferred stock redeemable solely at the option of the issuer); generally not indicative of the fair market value per share.	num:perShareItemType	Instant	—
CommonStockValueOutstanding Value of all classes of common stock held by shareholders. May be all or portion of the number of common shares authorized. These shares exclude common shares repurchased by the entity and held as treasury shares.	xbrli:monetaryItemType	Instant	Credit
AdditionalPaidInCapital Excess of issue price over par or stated value of the entity's capital stock and amounts received from other transactions involving the entity's stock or stockholders. Includes adjustments to additional paid in capital. Some examples of such adjustments include recording the issuance of debt with a beneficial conversion feature and certain tax consequences of equity instruments awarded to employees. Use this element for the aggregate amount of additional paid-in capital associated with common and preferred stock. For additional paid-in capital associated with only common stock, use the element additional paid in capital, common stock. For additional paid-in capital associated with only preferred stock, use the element additional paid in capital, preferred stock.	xbrli:monetaryItemType	Instant	Credit
MinorityInterest Total of all stockholders' equity (deficit) items, net of receivables from officers, directors, owners, and affiliates of the entity which is directly or indirectly attributable to that ownership interest in subsidiary equity which is not attributable to the parent (noncontrolling interest, minority interest).	xbrli:monetaryItemType	Instant	Credit
AccumulatedOtherComprehensiveIncomeLossNetOfTax Accumulated change in equity from transactions and other events and circumstances from non-owner sources, net of tax effect, at period end. Excludes Net Income (Loss), and accumulated changes in equity from transactions resulting from investments by owners and distributions to owners. Includes foreign currency translation items, certain pension adjustments, unrealized gains and losses on certain investments in debt and equity securities, other than temporary impairment (OTTI) losses related to factors other than credit losses on available-for-sale and held-to-maturity debt securities that an entity does not intend to sell and it is not more likely than not that the entity will be required to sell before recovery of the amortized cost basis, as well as changes in the fair value of derivatives related to the effective portion of a designated cash flow hedge.	xbrli:monetaryItemType	Instant	Credit

StockholdersEquity Total of all stockholders' equity (deficit) items, net of receivables from officers, directors, owners, and affiliates of the entity which are attributable to the parent. The amount of the economic entity's stockholders' equity attributable to the parent excludes the amount of stockholders' equity which is allocable to that ownership interest in subsidiary equity which is not attributable to the parent (noncontrolling interest, minority interest). This excludes temporary equity and is sometimes called permanent equity.	xbrli:monetaryItemType	Instant	Credit	
LiabilitiesAndStockholdersEquity Total of all Liabilities and Stockholders' Equity items (or Partners' Capital, as applicable), including the portion of equity attributable to noncontrolling interests, if any.	xbrli:monetaryItemType	Instant	Credit	
PreferredStockSharesAuthorized The maximum number of nonredeemable preferred shares (or preferred stock redeemable solely at the option of the issuer) permitted to be issued by an entity's charter and bylaws.	xbrli:sharesItemType	Instant	—	
PreferredStockParValue	num:perShareItemType	Instant	—	Yes
PreferredStockIssuedAndOutstanding	xbrli:sharesItemType	Instant	—	Yes
CommonStockParValue	num:perShareItemType	Instant	—	Yes
CommonStockSharesAuthorized The maximum number of common shares permitted to be issued by an entity's charter and bylaws.	xbrli:sharesItemType	Instant	—	
CommonStockSharesIssuedAndOutstanding	xbrli:sharesItemType	Instant	—	Yes
Revenues Aggregate revenue recognized during the period (derived from goods sold, services rendered, insurance premiums, or other activities that constitute an entity's earning process). For financial services companies, also includes investment and interest income, and sales and trading gains.	xbrli:monetaryItemType	Duration	Credit	
DirectOperatingCosts The aggregate direct operating costs incurred during the reporting period.	xbrli:monetaryItemType	Duration	Debit	
GrossProfit Aggregate revenue less cost of goods and services sold or operating expenses directly attributable to the revenue generation activity.	xbrli:monetaryItemType	Duration	Credit	
GeneralAndAdministrativeExpense The aggregate total of expenses of managing and administering the affairs of an entity, including affiliates of the reporting entity, which are not directly or indirectly associated with the manufacture, sale or creation of a product or product line.	xbrli:monetaryItemType	Duration	Debit	
ResearchAndDevelopmentExpense The aggregate costs incurred (1) in a planned search or critical investigation aimed at discovery of new knowledge with the hope that such knowledge will be useful in developing a new product or service, a new process or technique, or in bringing about a significant improvement to an existing product or process; or (2) to translate research findings or other knowledge into a plan or design for a new product or process or for a significant improvement to an existing product or process whether intended for sale or the entity's use, during the reporting period charged to research and development projects, including the costs of developing computer software up to the point in time of achieving technological feasibility, and costs allocated in accounting for a business combination to in-process projects deemed to have no alternative future use.	xbrli:monetaryItemType	Duration	Debit	
DepreciationAndAmortization The current period expense charged against earnings on long-lived, physical assets not used in production, and which are not intended for resale, to allocate or recognize the cost of such assets over their useful lives; or to record the reduction in book value of an intangible asset over the benefit period of such asset; or to reflect consumption during the period of an asset that is not used in production.	xbrli:monetaryItemType	Duration	Debit	
OperatingExpenses Generally recurring costs associated with normal operations except for the portion of these expenses which can be clearly related to production and included in cost of sales or services. Includes selling, general and administrative expense.	xbrli:monetaryItemType	Duration	Debit	

OperatingIncomeLoss The net result for the period of deducting operating expenses from operating revenues.	xbrli:monetaryItemType	Duration	Credit	
OtherIncome Reflects the sum of all other revenue and income recognized by the entity in the period not otherwise specified in the income statement.	xbrli:monetaryItemType	Duration	Credit	
GainLossOnSaleOfDebtInvestments The difference between the carrying value and the sale price of debt securities, not separately or otherwise categorized as trading, available-for-sale, or held-to-maturity. This element refers to the gain (loss) included in earnings and not to the cash proceeds of the sale.	xbrli:monetaryItemType	Duration	Credit	
GainLossOnSaleOfDerivatives The difference between the book value and the sale price of options, swaps, futures, forward contracts, and other derivative instruments. This element refers to the gain (loss) included in earnings.	xbrli:monetaryItemType	Duration	Credit	
GainLossRelatedToLitigationSettlement The net proceeds or assets obtained in excess of (less than) the net carrying amount of assets recorded, or assets distributed and liabilities assumed less than (in excess of) estimated litigation liability extinguished, in settlement of a litigation matter. Represents (for other than an insurance entity in its normal claims settlement process), the amount of income (expense) recognized in the period to settle pending or threatened litigation and insurance claims.	xbrli:monetaryItemType	Duration	Credit	
InterestExpense The cost of borrowed funds accounted for as interest that was charged against earnings during the period.	xbrli:monetaryItemType	Duration	Debit	
InterestIncomeExpenseNet The net amount of operating interest income (expense).	xbrli:monetaryItemType	Duration	Credit	
IncomeLossFromDiscontinuedOperationsNetOfTaxAttributableToNoncontrollingInterest This element represents the overall income (loss) from a disposal group that is classified as a component of the entity, net of income tax, reported as a separate component of income before extraordinary items, which is apportioned to that ownership interest in subsidiary equity which is not attributable to the parent (noncontrolling interest, minority interest). This item includes the following (net of tax): income (loss) from operations during the phase-out period, gain (loss) on disposal, provision (or any reversals of earlier provisions) for loss on disposal, and adjustments of a prior period gain (loss) on disposal.	xbrli:monetaryItemType	Duration	Debit	
ExtraordinaryItemNetOfTax Description of the gains (losses), after tax, arising from an event or transaction that is both unusual in nature and infrequent in occurrence when considered in relation to the environment in which the entity operates and which represents the portion assigned to noncontrolling interest, if any. This amount is the income statement amount which is allocable to that ownership interest in subsidiary equity which is not attributable to the parent (noncontrolling interest, minority interest).	xbrli:monetaryItemType	Duration	Credit	
ProvisionForIncomeTaxes	xbrli:monetaryItemType	Duration	—	Yes
NetLoss	xbrli:monetaryItemType	Duration	—	Yes
MinorityInterestLoss	xbrli:monetaryItemType	Duration	—	Yes
Depreciation The amount of expense recognized in the current period that reflects the allocation of the cost of tangible assets over the assets' useful lives. Includes production and non-production related depreciation.	xbrli:monetaryItemType	Duration	Debit	
InvestmentIncomeAmortizationOfDiscount This item represents the amount of amortization of purchase discount related to an investment in debt securities. The purchase discount is amortized to income over the life (holding period) of the security to arrive at an amount of periodic interest income which results in a constant effective yield on the investment.	xbrli:monetaryItemType	Duration	Credit	
DiscountOnDebtStockGivenForInterest	xbrli:monetaryItemType	Duration	—	Yes
OtherStockComp	xbrli:monetaryItemType	Duration	—	Yes

AmortizationOfFinancingCostsAndDiscounts The component of interest expense representing the noncash expenses charged against earnings in the period to allocate debt discount and premium, and the costs to issue debt and obtain financing over the related debt instruments. Alternate captions include Noncash Interest Expense.	xbrli:monetaryItemType	Duration	Debit	
GainOnDisposalOfEquipment	xbrli:monetaryItemType	Duration	—	Yes
GainOnDerivative	xbrli:monetaryItemType	Duration	—	Yes
AccountsReceivable	xbrli:monetaryItemType	Duration	—	Yes
NoteReceivable	xbrli:monetaryItemType	Duration	—	Yes
Inventory	xbrli:monetaryItemType	Duration	—	Yes
OtherOperatingAssets	xbrli:monetaryItemType	Duration	—	Yes
AccountsPayableAndAccruals	xbrli:monetaryItemType	Duration	—	Yes
RelatedPartyLoans	xbrli:monetaryItemType	Duration	—	Yes
CashProvidedByUsedInOperatingActivitiesDiscontinuedOperations This element represents cash provided by or used in the operating activities of the entity's discontinued operations during the period. This element is only used by those entities that separately report cash flows attributable to discontinued operations. If using this element, it is an indication that the cash flows of the entity which are detailed in reconciling to cash provided by or used in operating activities reflect only cash flows attributable to continuing operations.	xbrli:monetaryItemType	Duration	Debit	
PropertyPlantAndEquipmentAdditions Current year acquisitions of long-lived, physical assets used in the normal conduct of business and not intended for resale. Examples include land, buildings, machinery and equipment, and other types of furniture and equipment including, but not limited to, office equipment, furniture and fixtures, and computer equipment and software.	xbrli:monetaryItemType	Duration	Debit	
PaymentsOfFinancingCosts The cash outflow for loan and debt issuance costs.	xbrli:monetaryItemType	Duration	Credit	
ProceedsFromSaleOfIntangibleAssets The cash inflow from disposal of asset without physical form usually arising from contractual or other legal rights, excluding goodwill.	xbrli:monetaryItemType	Duration	Debit	
CashPurchased	xbrli:monetaryItemType	Duration	—	Yes
NetCashProvidedByUsedInInvestingActivities The net cash inflow or outflow from investing activity.	xbrli:monetaryItemType	Duration	Debit	
ProceedsFromStockPlans The cash inflow associated with the amount received from the stock plan during the period.	xbrli:monetaryItemType	Duration	Debit	
ProceedsFromNotesPayable The cash inflow from a borrowing supported by a written promise to pay an obligation.	xbrli:monetaryItemType	Duration	Debit	
ProceedsFromRepaymentsOfLinesOfCredit The net cash inflow or cash outflow from a contractual arrangement with the lender, including letter of credit, standby letter of credit and revolving credit arrangements, under which borrowings can be made up to a specific amount at any point in time with either short term or long term maturity that is collateralized (backed by pledge, mortgage or other lien in the entity's assets).	xbrli:monetaryItemType	Duration	Debit	

RepaymentsOfNotesPayable The cash outflow for a borrowing supported by a written promise to pay an obligation.	xbrli:monetaryItemType	Duration	Credit	
NetCashProvidedByUsedInFinancingActivities The net cash inflow or outflow from financing activity for the period.	xbrli:monetaryItemType	Duration	Debit	
IncreaseDecreaseInRestrictedCash The net cash inflow or outflow for the increase (decrease) associated with funds that are not available for withdrawal or use (such as funds held in escrow) and are associated with underlying transactions that are classified as investing activities.	xbrli:monetaryItemType	Duration	Credit	
CashAtBeginningOfPeriod	xbrli:monetaryItemType	Duration	—	Yes
CashAtEndOfPeriod	xbrli:monetaryItemType	Duration	—	Yes
InterestPaids	xbrli:monetaryItemType	Duration	Credit	Yes
TaxesPaid	xbrli:monetaryItemType	Duration	—	Yes
Inventory1	xbrli:monetaryItemType	Instant	—	Yes
BasicEarningsPerShareProForma Pro forma basic earnings per share or earnings per unit, which is commonly presented in initial public offerings based on the terms of the offering.	num:perShareItemType	Duration	—	
EarningsPerShareDiluted The amount of net income (loss) for the period available to each share of common stock or common unit outstanding during the reporting period and to each share or unit that would have been outstanding assuming the issuance of common shares or units for all dilutive potential common shares or units outstanding during the reporting period.	num:perShareItemType	Duration	—	
DilutiveSecuritiesEffectOnBasicEarningsPerShareOther The amount of adjustments to net income (loss) resulting from the assumption that dilutive convertible securities were converted. This amount excludes adjustments related to ESOP convertible preferred stock, stock options, and restrictive stock units.	xbrli:monetaryItemType	Duration	Credit	
AntidilutiveSharesOutstanding An antidilutive element, in the calculation of fully diluted EPS, is a security or option that would have the effect of increasing positive earnings per share or decreasing loss per share if converted; such instruments are excluded from the calculation of fully diluted EPS.	xbrli:sharesItemType	Duration	—	
SharesIssued Number of shares of stock issued as of the balance sheet date, including shares that had been issued and were previously outstanding but which are now held in the treasury.	xbrli:sharesItemType	Instant	—	
BoardMemberCompensation	xbrli:monetaryItemType	Duration	—	Yes
SaleOfStock	xbrli:monetaryItemType	Duration	—	Yes
NetLosses	xbrli:monetaryItemType	Duration	—	Yes
BalanceAtDecember312010	xbrli:monetaryItemType	Duration	—	Yes
SaleOfStockes	xbrli:monetaryItemType	Duration	—	Yes
StockIssuedForAcquisitionOfHighcomSecurity	xbrli:monetaryItemType	Duration	—	Yes

StockIssuedForConversionOfDebt	xbrli:monetaryItemType	Duration	—	Yes
StockIssuedForConsulting	xbrli:monetaryItemType	Duration	—	Yes
StockIssuedForAcerPayable	xbrli:monetaryItemType	Duration	—	Yes
OptionsIssuedForCompensation	xbrli:monetaryItemType	Duration	—	Yes
RecordDiscountOnNewLoans	xbrli:monetaryItemType	Duration	—	Yes
ReclassifyMinorityInterest	xbrli:monetaryItemType	Duration	—	Yes
NetLosses1	xbrli:monetaryItemType	Duration	—	Yes
SignificantAccountingPoliciesTextBlock The entire disclosure for all significant accounting policies of the reporting entity.	nonnum:textBlockItemType	Duration	—	
PropertyPlantAndEquipmentDisclosureTextBlock The entire disclosure for long-lived, physical assets that are used in the normal conduct of business to produce goods and services and not intended for resale. Examples include land, buildings, machinery and equipment, and other types of furniture and equipment including, but not limited to, office equipment, furniture and fixtures, and computer equipment and software. This disclosure may include property plant and equipment accounting policies and methodology, a schedule of property, plant and equipment gross, additions, deletions, transfers and other changes, depreciation, depletion and amortization expense, net, accumulated depreciation, depletion and amortization expense and useful lives, income statement disclosures, assets held for sale and public utility disclosures.	nonnum:textBlockItemType	Duration	—	
MortgageNotesPayableDisclosureTextBlock The entire disclosure for mortgage notes payable.	nonnum:textBlockItemType	Duration	—	
DebtDisclosureTextBlock The entire disclosure for information about short-term and long-term debt arrangements, which includes amounts of borrowings under each line of credit, note payable, commercial paper issue, bonds indenture, debenture issue, own-share lending arrangements and any other contractual agreement to repay funds, and about the underlying arrangements, rationale for a classification as long-term, including repayment terms, interest rates, collateral provided, restrictions on use of assets and activities, whether or not in compliance with debt covenants, and other matters important to users of the financial statements, such as the effects of refinancing and noncompliance with debt covenants.	nonnum:textBlockItemType	Duration	—	
StockholdersEquityNoteDisclosureTextBlock The entire disclosure for shareholders' equity, comprised of portions attributable to the parent entity and noncontrolling interest, if any, including other comprehensive income (as applicable). Including, but not limited to: (1) balances of common stock, preferred stock, additional paid-in capital, other capital and retained earnings; (2) accumulated balance for each classification of other comprehensive income and total amount of comprehensive income; (3) amount and nature of changes in separate accounts, including the number of shares authorized and outstanding, number of shares issued upon exercise and conversion, and for other comprehensive income, the adjustments for reclassifications to net income; (4) rights and privileges of each class of stock authorized; (5) basis of treasury stock, if other than cost, and amounts paid and accounting treatment for treasury stock purchased significantly in excess of market; (6) dividends paid or payable per share and in the aggregate for each class of stock for ea	nonnum:textBlockItemType	Duration	—	
IncomeTaxDisclosureTextBlock The entire disclosure for income taxes. Disclosures may include net deferred tax liability or asset recognized in an enterprise's statement of financial position, net change during the year in the total valuation allowance, approximate tax effect of each type of temporary difference and carryforward that gives rise to a significant portion of deferred tax liabilities and deferred tax assets, utilization of a tax carryback, and tax uncertainties information.	nonnum:textBlockItemType	Duration	—	

CashAndCashEquivalentsPolicyTextBlock Disclosure of accounting policy for cash and cash equivalents, including the policy for determining which items are treated as cash equivalents. Other information that may be disclosed includes (1) the nature of any restrictions on the entity's use of its cash and cash equivalents, (2) whether the entity's cash and cash equivalents are insured or expose the entity to credit risk, (3) the classification of any negative balance accounts (overdrafts), and (4) the carrying basis of cash equivalents (for example, at cost) and whether the carrying amount of cash equivalents approximates fair value.	nonnum:textBlockItemType	Duration	—
CommitmentsAndContingenciesDisclosureTextBlock The entire disclosure for commitments and contingencies.	nonnum:textBlockItemType	Duration	—
AssetRetirementObligationsPolicy Disclosure of accounting policy for determining amounts to accrue and charge against earnings so as to satisfy legal obligations associated with the retirement (through sale, abandonment, recycling, or disposal in some other manner) of a tangible long-lived asset that result from the acquisition, construction, or development and (or) the normal operation of a long-lived asset. This accounting policy disclosure excludes obligations arising 1) in connection with leased property, whether imposed by a lease agreement or by a party other than the lessor, that meet the definition of either minimum lease payments or contingent rentals; 2) solely from a plan to sell or otherwise dispose of a long-lived asset and 3) from certain environmental remediation liabilities.	nonnum:textBlockItemType	Duration	—

(End Elements)