BOND LABORATORIES, INC.
Form 10-Q
August 14, 2013

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

FORM 10-Q

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

For the quarterly period ended June 30, 2013

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

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

Commission File No. 333-137170

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

Nevada (State or other jurisdiction of incorporation)	20-3464383 (IRS Employer Identification No.)

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

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

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

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

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non–Accelerated filer	[ ]	Small reporting company	[X]

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

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

Class	Outstanding at August 9, 2013
Common stock, $0.01 par value	77,753,482

BOND LABORATORIES, INC.
INDEX TO FORM 10-Q FILING
FOR THE QUARTER ENDED JUNE 30, 2013

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying reviewed interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three and six months ended June 30, 2013 are not necessarily indicative of the results that can be expected for the year ending December 31, 2013.

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BOND LABORATORIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS:		(Unaudited) June 30, 2013		December 31, 2012
CURRENT ASSETS				
Cash	$	2,364,244	$	936,911
Accounts receivable, net		1,803,019		969,111
Inventory		2,978,544		3,684,991
Deferred tax asset		689,000		689,000
Prepaid expenses and other current assets		115,307		117,059
Total current assets		7,950,114		6,397,072
PROPERTY AND EQUIPMENT, net		11,690		18,577
Intangibles assets, net		1,146,992		1,256,866
Long-term investments		100,000		-
Deposits		3,048		3,048
TOTAL ASSETS	$	9,211,844	$	7,675,563
LIABILITIES AND STOCKHOLDERS' EQUITY:				
CURRENT LIABILITIES:				
Accounts payable	$	1,317,348	$	1,209,380
Accrued expenses and other liabilities		202,805		191,787
Income tax payable		42,000		32,000
Line of Credit		437,089		437,089
Total current liabilities		1,999,242		1,870,256
TOTAL LIABILITIES		1,999,242		1,870,256
CONTINGENCIES AND COMMITMENTS		-		-
STOCKHOLDERS' EQUITY:				
Preferred stock series B, $.01 par value, 1,000 shares authorized; 103.3 and 103.3 issued and outstanding of its 10% Perpetual Preferred with a Stated Value of $10,000 per share with a cumulative dividend of $847,685 and $757,063 as of June 30, 2013 and December 31, 2012, respectively		847,686		757,064
Preferred stock series C, $.01 par value, 500 shares authorized; 125 and 125 issued and outstanding of its convertible preferred stock with a Stated Value of $10,000 per share with a $0.25 conversion price and a cumulative dividend of $76,900 and $50,755 as of June 30, 2013 and December 31, 2012, respectively		76,902		50,756
Common stock, $.01 par value, 150,000,000 shares authorized; 77,753,482 and 74,753,482 issued and outstanding as of June 30, 2013 and December 31, 2012, respectively		777,535		747,535

Additional paid-in capital		27,067,578		26,864,676
Accumulated deficit		(21,557,099)		(22,614,724)
Total stockholders' equity	$	7,212,602	$	5,805,307
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	9,211,844	$	7,675,563

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

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BOND LABORATORIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012

	(Unaudited) Three Months Ended June 30		(Unaudited) Six Months Ended June 30	
	2013	2012	2013	2012
Revenue	$5,055,035	$5,175,255	$11,116,176	$10,131,152
Total	5,055,034	5,175,255	11,116,176	10,131,152
Cost of Goods Sold	3,189,188	3,200,293	6,980,421	6,408,550
Gross Profit	1,865,847	1,974,962	4,135,755	3,722,602
OPERATING EXPENSES:				
General and administrative	668,234	597,831	1,665,977	1,119,137
Selling and marketing	624,762	539,101	1,234,851	982,526
Depreciation and amortization	57,971	60,740	116,762	123,271
Total operating expenses	1,350,967	1,197,672	3,017,590	2,224,934
OPERATING INCOME (LOSS)	514,880	777,290	1,118,165	1,497,668
OTHER (INCOME) AND EXPENSES				
Interest expense	3,669	4,340	8,040	9,312
Other income	-	-	-	(4,500)
Loss on the sale of assets	-	-	-	-
Total other (income) expense	3,669	4,340	8,040	4,812
INCOME TAXES (BENEFIT)	41,000	-	52,500	-
NET INCOME (LOSS)	$470,211	$772,950	$1,057,625	$1,492,856
NET INCOME (LOSS) PER SHARE:				
Basic	$0.01	$0.01	$0.01	$0.02
Diluted	$0.01	$0.01	$0.01	$0.02
Basic	77,753,482	74,439,559	77,136,816	74,366,459
Diluted	90,547,399	95,557,030	90,329,066	95,184,485

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

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BOND LABORATORIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012
(Unaudited)

	2013	2012
Net income	$ 1,057,625	$ 1,492,856
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	116,762	123,271
Common stock and options issued for services	349,670	50,053
Changes in operating assets and liabilities:		
Accounts receivables	(833,908)	(1,061,411)
Inventory	706,447	(962,119)
Prepaid expenses	1,752	(26,718)
Deposits	-	3,783
Accounts payable	107,968	614,421
Accrued liabilities	11,018	16,230
Income tax payable	10,000	-
Net cash provided by / (used in) operating activities	1,527,334	250,366
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	-
Long-term investment	(100,000)	-
Proceeds from sale of assets	-	-
Net cash provided by / (used in) investing activities	(100,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of note payable	-	-
Net cash provided by / (used in) financing activities	-	-
INCREASE (DECREASE) IN CASH	1,427,334	250,366
CASH, BEGINNING OF PERIOD	936,911	354,929
CASH, END OF PERIOD	$ 2,364,244	$ 605,295
Supplemental disclosure for operating activities		
Cash paid for interest	$ 8,040	$ 9,312
Cash paid for income tax	$ 16,000	$ -
Supplemental disclosure for non cash investing and financing activities		
Common shares and options issued for services	$ 349,670	$ 50,053
Common shares issued for debt	$ -	$ -

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

BOND LABORATORIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012

NOTE 1 - DESCRIPTION OF BUSINESS

Summary

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

The Company was incorporated in the State of Nevada on July 26, 2005. In October 2008, the Company acquired the assets of NDS Nutritional Products, Inc., a Nebraska corporation, and moved those assets into its wholly owned subsidiary, NDS.

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

NOTE 2 - BASIS OF PRESENTATION

Interim Financial Statements

The accompanying interim condensed unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation are included. Operating results for the three and six-month period ended June 30, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. While management of the Company believes the disclosures presented herein are adequate and not misleading, these interim condensed consolidated financial statements should be read in conjunction with the audited condensed consolidated financial statements and the footnotes thereto for the fiscal year ended December 31, 2012 as filed with the Securities and Exchange Commission as an exhibit to our Annual Report on Form 10-K.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Principle of Consolidation

The consolidated financial statements include the accounts of Bond Laboratories, Inc. and NDS Nutrition Products, Inc. Intercompany accounts and transactions have been eliminated in the consolidated condensed financial statements.

Use of Estimates

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

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

Revenue Recognition

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

Accounts Receivable

All of the Company’s accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts, estimating losses resulting from the inability of its customers to make required payments for products. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped in categories by the amount of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. The Company recorded $228 related to bad debt and doubtful accounts during the quarter ended June 30, 2013.

Allowance for Doubtful Accounts

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

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At June 30, 2013, cash and cash equivalents include cash on hand and cash in the bank.

Inventory

The Company’s inventory is carried at the lower of cost or net realizable value using the first-in, first-out (“FIFO”) method. The Company evaluates the need to record adjustments for inventory on a regular basis. Company policy is to evaluate all inventories including raw material and finished goods for all of its product offerings across all of the Company’s operating subsidiaries. At June 30, 2013 and December 31, 2012, the value of the Company’s inventory was $2,978,544 and $3,684,991, respectively.

Property and Equipment

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

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

Asset Category	Depreciation/ Amortization Period
Furniture and fixtures	3 Years
Office equipment	3 Years
Leasehold improvements	5 Years

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

Impairment of Long-Lived Assets

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

Income Taxes

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

The Company adopted the provisions of FASB Interpretation No. 48 – "Accounting For Uncertainty In Income Taxes"–an interpretation of ASC Topic 740 ("FIN 48"). FIN 48 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At June 30, 2013, the Company did not record any liabilities for uncertain tax positions.

Concentration of Credit Risk

The Company maintains its operating cash balances at a large, commercial bank offices across the country. The Federal Depository Insurance Corporation (“FDIC”) insures accounts up to $250,000.

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Earnings Per Share

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

Fair Value of Financial Instruments

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

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

Recent Accounting Pronouncements

None.

NOTE 4 – INVENTORIES

The Company's inventories as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013	December 31, 2012
Finished goods	$2,140,771	$ 2,669,358
Components	837,773	1,015,633
Total	$2,978,544	$ 3,684,991

NOTE 5 - PROPERTY AND EQUIPMENT

The Company's fixed assets as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013	December 31, 2012
Equipment	$285,753	$ 285,753
Accumulated depreciation	(274,063)	(267,176)
Total	$11,690	$ 18,577

Depreciation and amortization expense for the six months ended June 30, 2013 was $116,762 as compared to $123,271 for the six month period ended June 30, 2012.

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NOTE 6 – NOTE PAYABLES

Notes payable consist of the following as of June 30, 2013 and December 31, 2012:

	June 30, 2013	December 31, 2012
Revolving line of credit of $3,000,000 from US Bank, dated April 9, 2009, as amended July 15, 2010, May 25, 2011, August 22, 2012, and April 29, 2013 at an interest rate of 3.0% plus the one-month LIBOR quoted by US Bank from Reuters Screen LIBOR. The line of credit matures May 15, 2014 and is secured by 80% of the eligible receivables and 50% of the eligible inventory (such inventory amount not to exceed 50% of the borrowing base) of NDS Nutrition Products, Inc. The Company pays interest only on this line of credit.	$ 437,089	$ 437,089
Total of notes payable and advances	437,089	437,089
Less current portion	(437,089)	(437,089)
Long-term portion	$ -	$ -

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Company does not have a commitment and contingency liability associated with any third party consulting agreements.

Effective August 3, 2012, without admitting any wrongdoing or liability, the Company settled all pending litigation with Eric Schick, the Company's former President, related to allegations that the Company had committed certain unlawful employment practices (the "Schick Litigation"). The settlement provided for certain payments to Mr. Schick totaling $360,000, of which $180,000 was paid as a lump sum and $180,000 was paid over a twelve-month period in equal monthly installments of $15,000 each, which payments ended in July 2013. As a result of the settlement of the Schick Litigation, all claims by Mr. Schick were dismissed, with prejudice. The Company had previously established a reserve of $250,000 in anticipation of the costs and expenses associated with defending the Schick Litigation, and believes that the settlement allows the Company to focus on the execution of its business plan without the costs, expenses and uncertainty of continued litigation.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Company paid Burnham Hill Advisors LLC ("BHA") $39,500 during the quarter ended June 30, 2013 for advisory and consulting fees pursuant to a Consulting Agreement for Services ("Agreement") by and between the Company and BHA, dated August 25, 2012, which agreement was terminated on May 1, 2013 in accordance with its terms. Mr. Abrams, the Company's Chief Financial Officer, is a partner in Burnham Hill Capital Group LLC ("BHCG"), of which BHA is a 100% wholly owned entity. In addition, Mr. Adelman, a shareholder that beneficially owns in excess of 5% of the Company's common stock, is a partner is BHCG. The fees paid to BHA under the terms of the Agreement, which were $13,500 per month up to the date of Mr. Abrams became the Company's full-time Chief Financial Officer, included the services provided by Mr. Abrams to the Company in his capacity as its Interim Chief Financial Officer. Additionally, during the period in which the Agreement was in effect, Mr. Abrams received $1,500 per month directly from the Company in consideration for his services provided to the Company.

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NOTE 9 - NET INCOME / (LOSS) PER SHARE

Basic net income per share is calculated by dividing the net income attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share also includes the weighted average number of outstanding warrants and options in the denominator, as well as the weighted average number of shares of Series C Convertible Preferred Stock on an as converted basis. In the event of a loss, the diluted loss per share is the same as basic loss per share. The weighted average number of diluted shares of common stock outstanding for the three months ended June 30,2013 included 77,753,482 shares of common stock, 5,000,000 shares of common stock issuable upon the conversion of the Series C Convertible Preferred Stock at $0.25 per share, 5,993,917 shares of common stock issuable upon the exercise of outstanding common stock purchase warrants, and 1,800,000 shares of common stock issuable upon the exercise of outstanding options to purchase common stock. The following table represents the computation of basic and diluted income and (losses) per share for the three months ended June 30, 2013 and 2012.

	June 30, 2013	June 30, 2012
Income / (Losses) available for common shareholders	$470,211	$772,950
Basic weighted average common shares outstanding	77,753,482	74,439,559
Basic income / (loss) per share	$0.01	$0.01
Diluted weighted average common shares outstanding	90,547,399	95,557,030
Diluted income / (loss) per share	$0.01	$0.01

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

NOTE 10 - EQUITY

Common and Preferred Stock

The Company is authorized to issue 150,000,000 shares of common stock, $0.01 par value, of which 77,753,482 common shares were issued and outstanding as of June 30, 2013. The Company is authorized to issue 10,000,000 shares of Series A Convertible Preferred Stock, $0.01 par value, none of which were issued and outstanding as of June 30, 2013. The Company is authorized to issue 1,000 shares of its 10% Cumulative Perpetual Series B Preferred Stock, $0.01 par value, of which 103.3 were issued and outstanding as of June 30, 2013. The Company recorded an accumulated dividend of $847,686 as of June 30, 2013, which was recorded against the par value of the 10% Cumulative Perpetual Series B Preferred Stock and Additional Paid in Capital. The outstanding 10% Cumulative Perpetual Series B Preferred Stock has a liquidation preference of $10,000 per share. The Company is authorized to issue 500 shares of its Series C Convertible Preferred Stock, par value $0.01, of which 125 shares were issued and outstanding as of June 30, 2013. The Company recorded an accumulated dividend of $76,900 as of June 30, 2013, which was recorded against the par value of the Series C Convertible Preferred Stock and Additional Paid in Capital. The Series C Convertible Preferred Stock is convertible at $0.25 per share and has a liquidation preference of $10,000 per share.

Options

As of June 30, 2013, 1,800,000 options to purchase common stock of the Company were issued and outstanding, 600,000 of which had an exercise price equal to $0.10 per share, and 1,200,000 of which had an exercise price equal to $0.09 per share.

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Warrants

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

As of June 30, 2013, 5,993,917 warrants to purchase common stock of the Company were issued and outstanding, additional information about which is included in the following table:

Issued	Exercise Price		Issuance Date	Expiration Date	Vesting
175,864	$	0.770	12/31/09	12/31/14	No
100,000	$	0.700	12/31/09	12/31/14	No
375,000	$	0.500	08/20/09	08/20/14	No
500,000	$	0.375	12/31/08	12/31/13	No
142,593	$	0.360	05/14/10	05/14/15	Yes
175,000	$	0.350	08/20/09	08/20/14	No
100,000	$	0.350	12/31/09	12/31/14	No
2,500,000	$	0.300	11/15/10	11/15/15	No
20,833	$	0.300	04/01/09	04/01/14	Yes
206,400	$	0.200	06/29/10	06/29/15	No
212,400	$	0.200	07/21/10	07/21/15	No
90,000	$	0.200	09/03/10	09/03/15	No
1,395,827	$	0.150	12/31/08	12/31/13	Yes
5,993,917					

Expected Dividend Yield	0.0%
Volatility	40.0%
Weighted average risk free interest rate	0.2%
Weighted average expected life (in years)	1.6

Private Placements, Other Issuances and Cancellations

The Company periodically issues shares of its common stock, as well as options and warrants to purchase shares of common stock to investors in connection with private placement transactions, and to advisors, consultants and employees for the fair value of services rendered. Absent an arm's length transaction with an independent third-party, the value of any such issued shares is based on the trading value of the stock at the date on which such transactions or agreements are consummated. The Company expenses the fair value of all such issuances in the period incurred. During the quarter ended June 30, 2013, the Company issued zero shares of common stock for services and recorded an expense of $0 for the fair value of services rendered. In addition to the above, during the quarter ended June 30, 2013 the Company issued zero common stock purchase options to employees and directors for services and recorded an expense of $0 for the fair value of services rendered.

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NOTE 11 - INCOME TAXES

The provision (benefit) for income taxes from continued operations for the quarter ended June 30, 2013 consisted of the following:

		June 30, 2013
Current:		
Federal	$	34,478
State		29,500
		63,978
Deferred:		
Federal	$	384,250
State		40,000
		428,250
Change in valuation allowance		(428,250)
Provision benefit for income taxes, net	$	63,978

Deferred income taxes result from temporary differences in the recognition of income and expenses for the financial reporting purposes and for tax purposes. The components of deferred tax assets consist principally from the following:

		June 30, 2013
Net operating loss carryforwards		7,300,000
Valuation allowance		(6,611,000)
Deferred income tax asset	$	689,000

The Company has a net operating loss carryforwards of approximately $21,500,000 for federal purposes available to offset future taxable income through 2031, which expire in various years through 2031, The Company has provided a valuation reserve against the full amount of the net operating loss benefit, because in the opinion of management the benefits from net operating losses carried forward may be impaired or limited on certain circumstances. Events which may cause limitations in the amount of net operating losses that the Company may utilize in any one year include, but are not limited to, limitations imposed under Section 382 of the Internal Revenue Code, as amended, from change of more than 50% over a three-year period. The impact of any limitations that may be imposed for future issuances of equity securities, including issuances with respect to acquisitions have not been determined.

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ASC 740 requires the consideration of a valuation allowance to reflect the likelihood of realization of deferred tax assets. Significant management judgment is required in determining any valuation allowance recorded against deferred tax assets. In evaluating the ability to recover deferred tax assets, the Company considered available positive and negative evidence, giving greater weight to its recent cumulative losses and its ability to carry-back losses against prior taxable income and lesser weight to its projected financial results due to the challenges of forecasting future periods. The Company also considered, commensurate with its objective verifiability, the forecast of future taxable income including the reversal of temporary differences. At that time the Company continued to have sufficient positive evidence, including recent cumulative profits, a reduction in operating expenses, the ability to carry-back losses against prior taxable income and an expectation of improving operating results, showing a valuation allowance was not required. At the end of the year ended December 31, 2012, changes in previously anticipated expectations and continued operating losses necessitated a valuation allowance against the tax benefits recognized in this quarter and prior quarters since they are no longer “more-likely-than-not” realizable. Under current tax laws, this valuation allowance will not limit the Company’s ability to utilize U.S. federal and state deferred tax assets provided it can generate sufficient future taxable income in the U.S.

NOTE 12 – SUBSEQUENT EVENTS

On July 17, 2013, the Company held its 2013 annual meeting of shareholders. At the meeting, the shareholders approved, among other proposals, (i) a proposal to reverse split the Company’s common stock at a ratio of not less than 1-for-10 and not greater than 1-for-40, with the exact ratio to be determined by the Board of Directors in connection with a potential uplisting to a national exchange; and (ii) an amendment to the Company’s Articles of Incorporation to change our name from Bond Laboratories, Inc. to FitLife Brands, Inc. Acting on authority provided by shareholders, the Company currently intends to amend the Articles to change the name of the Company, and consummate the reverse split based on a ratio to be determined by the Board of Directors, following compliance with Rule 10b-17 under the Securities Exchange Act of 1934, as amended, which requires notice to FINRA regarding the proposed name change and reverse split.

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

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

Forward-Looking Statements

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

Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include those identified in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.

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

Overview

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

The Company was incorporated in the State of Nevada on July 26, 2005. In October 2008, the Company acquired the assets of NDS Nutritional Products, Inc., a Nebraska corporation, and moved those assets into its wholly owned subsidiary NDS.

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

Results of Operations

Net Sales. Revenue for the three months ended June 30, 2013 decreased to $5,055,035 as compared to $5,175,255 for the three months ended June 30, 2012. The 2.3% decrease in revenue during the three month period ended June 30, 2013 compared to the same period in 2012 is primarily due to the impact of non-recurring revenue recognized during the quarter ended June 30, 2012 from the sale of certain products sold by the Company during the period that contained DMAA, an established and widely used ingredient experiencing increased recent scrutiny from the FDA. The Company voluntarily elected to reformulate all of its products to exclude DMAA and has not manufactured any products containing DMAA since June 2012. Adjusting for the approximately $759,000 of non-recurring revenue from the three months ended June 30, 2012 related to the formula change, revenue for the three month period ended June 30, 2013 increased 14.5% as compared to the comparable period ended June 30, 2012, as adjusted. Revenue for the six months ended June 30, 2013 increased to $11,116,176 as compared to $10,131,152 for the six months ended June 30, 2012. This 9.7% increase was driven by continued strong sales growth in our established distribution channels and was partially offset by the impact of non-recurring DMAA revenue from the six month period ended June 30, 2012. Adjusting for the approximately $1,623,000 of non-recurring revenue from the six months ended June 30, 2012 related to the formula change, revenue for the six month period ended June 30, 2013 increased 30.7% as compared to the comparable period ended June 30, 2012, as adjusted.

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We currently market approximately 50 products to over 800 GNC franchise locations nationwide, as well as to eight other countries. The Company continually seeks to increase both the number of stores and number of approved products that comprise its domestic and international distribution footprint and, while no assurances can be given, anticipates that such efforts will continue to drive future revenue growth. While currently not a material component of revenue, management anticipates that continued international expansion will be a major driver of future growth.

Cost of Goods Sold. Cost of goods sold for the three months ended June 30, 2013 decreased to $3,189,188 as compared to $3,200,293 for the three months ended June 30, 2012. Cost of goods sold for the six months ended June 30, 2013 increased to $6,980,421 as compared to $6,408,550 for the six months ended June 30, 2012. The increase during the six-month period was primarily attributable to increased sales volume during the period.

General and Administrative Expense. General and administrative expense for the three months ended June 30, 2013 increased to $668,234 as compared to $597,831 for the three months ended June 30, 2012. General and administrative expense for the six months ended June 30, 2013 increased to $1,665,977 as compared to $1,119,137 for the six months ended June 30, 2012. The increase in general and administrative expense is primarily attributable to the expense recognized in connection with the Company's issuance of equity to certain employees and advisors for the fair value of services rendered during the six months ended June 30, 2013. Absent non-cash charges related to stock issued for services, general and administrative expense for the six months ended June 30, 2013 would have increased to $1,316,306 as compared to $1,069,084 for the prior comparable period. This increase is primarily attributable to higher personnel costs, increased insurance premiums tied to revenue growth and professional service and other fees incurred in connection with continued international expansion.

Selling and Marketing Expense. Selling and marketing expense for the three months ended June 30, 2013 increased to $624,762 as compared to $539,101 for the three months ended June 30, 2012. Selling and marketing expense for the six months ended June 30, 2013 increased to $1,234,851 as compared to $982,526 for the six months ended June 30, 2012. The increase in selling and marketing expense is principally attributable to increased sampling activity to promote new and existing products. As net sales increase, selling and marketing expense is anticipated to simultaneously increase, although management anticipates that selling and marketing expense will increase at a lower rate.

Depreciation and Amortization. Depreciation and amortization for the three months ended June 30, 2013 decreased to $57,971 as compared to $60,740 for the three months ended June 30, 2012. Depreciation and amortization for the six months ended June 30, 2013 decreased to $116,762 as compared to $123,271 for the six months ended June 30, 2012.

Net Income/(Loss). We generated a profit of $470,211 for the three months ended June 30, 2013 as compared to a profit of $772,950 for the three months ended June 30, 2012. We generated a profit of $1,057,625 for the six months ended June 30, 2013 as compared to a profit of $1,492,856 for the six months ended June 30, 2012. The decrease was principally attributable to charges related to the fair value of stock issued for services during the six months ended June 30, 2013, increased sampling activity during the six months ended June 30, 2013, as well as the aforementioned impact on the results of operations for the six months ended June 30, 2012 related to the voluntary DMAA formula change. Excluding just non-cash charges related to the issuance of equity, net income for the six months ended June 30, 2013 decreased $135,614 to $1,407,295 for the six month period ended June 30, 2013 from $1,542,909 for the six month period ended June 30, 2012. The impact of certain non-recurring items from the six month period ended June 30, 2012 in conjunction with slightly higher operating expenses for the six month period ended June 30, 2013, were mitigated by higher sales volume and improved gross margin for the six month period ended June 30, 2013 as compared to the same period in 2012.

Liquidity and Capital Resources

The Company has historically financed its operations primarily through equity and debt financings, and more recently, cash flow from operations. The Company has also provided for its cash needs by issuing common stock, options and warrants for certain operating costs, including consulting and professional fees. The Company did not engage in any financing activities during the year ended December 31, 2012 or the six month period ended June 30, 2013. Together with anticipated cash derived from operations, our existing cash resources are expected to provide for the Company's liquidity for the next 12 months.

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Cash Provided by/(Used in) Operations. Our cash provided by operating activities for the six months ended June 30, 2013 was $1,527,334 as compared to cash provided by operating activities of $250,366 for the six months ended June 30, 2012. The increase is attributable to fluctuations in working capital accounts and non-cash expenses related to the issuance of common stock and options. Notwithstanding the foregoing, net working capital increased to $5,950,872 as of the quarter ended June 30, 2013 from $3,349,955 as of June 30, 2012.

Cash Provided by/(Used in) Investing Activities. Cash used in investing activities for the six months ended June 30, 2013 was $100,000 as compared to $0 for the six months ended June 30, 2012.

Cash Provided by/(Used in) Financing Activities. Our cash used in financing activities for the six months ended June 30, 2013 was $0 as compared to cash used in financing activities of $0 for the six months ended June 30, 2012. While no assurances can be given, we remain cash flow positive and have not needed to seek or secure additional working capital to operate and grow the business since the fourth quarter of 2010.

WHERE YOU CAN FIND MORE INFORMATION

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

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

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

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

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Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has used the framework set forth in the report entitled Internal Control-Integrated Framework published by the COSO to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, our Chief Executive Officer and Chief Financial Officer have concluded that our internal control over financial reporting was effective as of June 30, 2013. This Quarterly Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our internal control over financial reporting was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management’s report in this Quarterly Report. There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

(b) Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal controls over financial reporting or in other factors that could materially affect, or are reasonably likely to affect, our internal controls over financial reporting during the quarter ended June 30, 2013. There have not been any significant changes in the Company's critical accounting policies identified since the Company filed its Annual Report on Form 10-K as of December 31, 2012.

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PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

CycloBolan Matter

On October 7, 2010, Infinite Labs LLC ("Infinite Labs") was served with a complaint filed in the State of New York, Supreme Court, County of Onondaga, alleging numerous physical and psychological injuries by an individual in connection with his ingestion of CycloBolan, a supplement manufactured by NDS. Infinite Labs was a product line previously marketed by NDS, which was sold by the company in September 2009. The plaintiff is seeking damages currently believed to be in excess of $500,000. The lawsuit was tendered to the Company's insurance carrier, which has assumed the defense of the case at no cost to the Company. Management currently believes the overall risk to the Company in connection with this matter is minimal. The Company received notice in July 2013 that the parties had reached a settlement in principle, pending final documentation. The terms of such potential settlement have not been disclosed to the Company.

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

ITEM 1A. RISK FACTORS

There are no risk factors identified by the Company in addition to the risk factors previously disclosed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There were no defaults upon senior securities during the period ended June 30, 2013.

ITEM 5. OTHER INFORMATION

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

ITEM 6. EXHIBITS

31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

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

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

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant	Bond Laboratories, Inc.
Date: August 14, 2013	By: /s/ John Wilson John Wilson Chief Executive Officer (Principal Executive Officer)
Registrant	Bond Laboratories, Inc.
Date: August 14, 2013	By: /s/ Michael Abrams Michael Abrams Chief Financial Officer (Principal Financial Officer)