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Documents

8-K	blga_8k.htm
	Current Report
EX-10.1	blga_ex101.htm
	Binding Letter of Intent Agreement
EX-10.2	blga_ex102.htm
	Settlement Agreement with Bushido Capital Master Fund, L.P.
EX-10.3	blga_ex103.htm
	Settlement Agreement with Pierce Diversified Strategy Master Fund LLC
EX-10.4	blga_ex104.htm
	Settlement Agreement with Mitch Silverman, TangoPoint Investments, LLC and BlastGard

Module and Segment References

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 2, 2011 (January 25, 2011)**

BlastGard International, Inc.

(Exact name of registrant as specified in its charter)

Colorado	**333-47294**	**84-1506325**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2451 McMullen Booth Road, Suite 242, Clearwater, Florida	**33759**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(727) 592-9400**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

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. 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. HighCom and BlastGard intend to negotiate a settlement arrangement for all liabilities, liens and encumbrances of HighCom after closing. This entire agreement is subject to the successful reinstatement of HighCom's export license by the U.S. State Department. Therefore, closing shall take place with the consideration from each side placed in escrow and released from escrow when the State Department reinstates the HighCom export license. In the event it is mutually determined that reinstatement of such export license is unlikely to occur or, in fact, it does not occur by May 1, 2011, then the Stock Purchase Agreement shall be rescinded and the consideration that is placed in escrow shall be returned to the party that placed such consideration in escrow. Further, in such event, all advances made by BlastGard to HighCom shall be repaid with interest within one year of the rescission date.

Under the LOI, BlastGard agrees to attempt to raise at least One Million Two Hundred Thousand Dollars ($1,200,000.00) for HighCom's operations, which includes retiring HighCom's bank debt. BlastGard also agreed, on a best efforts basis, to raise an additional amount of One Million Three Hundred Thousand Dollars ($1,300,000) within nine months of closing. Following the filing of BlastGard's 2010 Form 10-K and after receipt of the audited financial statements for HighCom and the appropriate pro form financial statements, BlastGard intends to file a proxy statement with the Securities and Exchange Commission to increase the authorized number of shares of Common Stock of BlastGard to 500,000,000 common shares so as to accommodate the anticipated issuance of the purchase and to have sufficient capital stock to provide for BlastGard's future needs. The terms of the Stock Payment shall be set such that all the shares and payments will be set aside and reserved and placed into escrow (or irrevocable trust at appropriate time) to be released for HighCom's shareholders as follows: (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.

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 has 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 noted below, 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.

On January 25, 2011, BlastGard settled for $130,000 on the 2006 debt (subordinated convertible promissory notes) 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 for the conversion of the new funds noted above. As reported in the Company's Form 10-Q for September 30, 2010, the Company had signed a settlement agreement in December 2010 on the 2006 debt (subordinated convertible promissory notes) to pay off the debt and the accrued interest at a discount, eliminate all claims to equity and warrants by the Lenders by December 20, 2010 or the lenders could void the settlement agreement. The Company failed to make the settlement payment on time in December and a demand payment in full estimated at $501,493 ($355,000 in principal and $146,493 in accrued interest) was delivered to the Company, prior to the final settlement achieved on January 25, 2011. The settlement agreement included the cancellation of warrants to purchase 3,175,120 shares of the Company's Common Stock.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

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. 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.

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS

On January 28, 2011, James F. Gordon resigned his position as President of the Company but remains on as Director of Blast Mitigated Receptacles. Mr. Gordon remains as a member on the board of directors.

ITEM 8.01 OTHER EVENTS

On January 28, 2011, Board approved sending written notice regarding existing Executive employment contracts of James F. Gordon and Michael J. Gordon that said contracts will not automatically be renewed for an additional year as noted in their employment contracts. However, James F. Gordon and Michael J. Gordon will continue to work "at will" on a month to month basis at the same present salary.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit	Description
10.1	Binding Letter of Intent Agreement by and between BlastGard International, Inc. and HighCom Security, Inc.*
10.2	Settlement Agreement with Bushido Capital Master Fund, L.P.*
10.3	Settlement Agreement with Pierce Diversified Strategy Master Fund LLC, Series Bus*
10.4	Settlement Agreement dated December 22, 2010 by and among Mitch Silverman, TangoPoint Investments, LLC and BlastGard*

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLASTGARD INTERNATIONAL, INC.

February 2, 2011

By: /s/ Michael J. Gordon
Michael J. Gordon,
Chief Executive Officer

EXHIBIT 10.1

Binding Letter of Intent Agreement by and between BlastGard International, Inc. and HighCom Security, Inc.

Re: **BINDING LETTER OF INTENT**

Dear Mr. Cohen:

Please let this Letter of Intent ("LOI") confirm our understanding of the mutual present intentions of BlastGard International Inc., a publicly traded company incorporated under the laws of the State of Colorado, ("BlastGard"); and HighCom Security, Inc. ("HighCom") and its shareholders with respect to the principal terms and conditions under which BlastGard will acquire 100% of the common stock of HighCom hereinafter referred to as the "The Stock Purchase Agreement". The obligations of the parties hereto is to consummate the Stock Purchase Agreement, subject to the approval of all necessary parties, agencies or regulatory organizations so long as the parties meet their obligations as provided herein. It is the intention of both parties that upon said approval, BlastGard will own 100% of HighCom, and that in the interim HighCom and BlastGard jointly shall negotiate a settlement arrangement for all liabilities, liens and encumbrances after closing. This entire agreement is subject to the successful reinstatement of HighCom's export license by the U.S. State Department. Therefore, closing shall take place with the consideration from each side placed in escrow and released from escrow when the State Department reinstates the HighCom export license. In the event it is mutually determined that reinstatement of such export license is unlikely to occur or, in fact, it does not occur by May 1, 2011, then the Stock Purchase Agreement shall be rescinded and the consideration that is placed in escrow shall be returned to the party that placed such consideration in escrow. Further, in such event, all advances made by BlastGard to HighCom shall be repaid with interest within one year of the rescission date.

1. **Purchase**. At the closing (the "Closing"), BlastGard will purchase One Hundred Percent (100%) of the common stock of HighCom, it being understood that HighCom has no outstanding shares of Preferred stock. Closing shall take place immediately after the execution of this Letter of Intent, at which time a funding shall commence to raise at least One Million Two Hundred Thousand Dollars ($1,200,000.00)("Funding") for HighCom's operations, which includes retiring HighCom's bank debt under terms and conditions and the principal amount as they presently exist as of the date hereof. HighCom has provided BlastGard with its cash flow requirements, which have been approved by BlastGard. Blastgard will on a best efforts basis raise an additional amount of 1 million three hundred thousand dollars within nine months of closing. Based upon these cash flow requirements, BlastGard understands and agrees to make available up to $100,000 per month to meet any anticipated deficiency in HighCom's cash flow requirements and to pay down HighCom 's outstanding bank loans on a preferred basis. If BlastGard fails to raise the Funding as contemplated herein, any money advanced shall convert into a one year loan.

2. **Interim Financing**. Independent of the Funding, BlastGard, following the execution of this LOI, shall arrange for a loan of $150,000.00 to fund the immediate cash needs for the operations of HighCom and to repay50% of an outstanding $30,000 loan to Michael Brenner that was given to HighCom. The balance of the $30,000 loan shall be repaid out of the $1.2 million funding.

3. **Purchase Consideration.** BlastGard currently has 1,000 Preferred Shares authorized, none of which are outstanding. BlastGard's board has the right to determine the rights and preferences of any Preferred Shares to be issued. BlastGard has also authorized 100,000,000 shares of Common Stock, with 56,086,142 shares issued and outstanding and 42,099,283 shares reserved for issuance upon the exercise or conversion, as the case may be, of outstanding options, warrants and promissory notes. Following the filing of BlastGard's 2010 Form 10-K and after receipt of the audited financial statements for HighCom and the appropriate pro form financial statements, BlastGard intends to file a proxy statement with the Securities and Exchange Commission to increase the authorized number of shares of Common Stock of BlastGard to 500,000,000 common shares so as to accommodate the anticipated issuance of the purchase consideration described below and to have sufficient capital stock to provide for BlastGard's future needs ("Stockholder Approval"). It is anticipated that stockholder approval for the increase will occur within one year from the date hereof.

   The purchase consideration will consist of a payment of cash, Preferred Stock and common stock of BlastGard (the "Stock Payment"). The assets and current outstanding obligations of HighCom are to be itemized in the formal Stock Purchase Agreement referred to herein and made a part hereto by this reference. It being understood that the earn-out shares as referenced in Items (b), (c), and (d) below in this paragraph will be reserved once Blastgard has Increased its authorized common stock by stockholder approval. The terms of the Stock Payment shall be set such that all the shares and payments will be set aside and reserved and placed into escrow (or irrevocable trust at appropriate time) to be released for HighCom’s shareholders as follows: (a) 10,000,000 shares of common stock upon execution of the definitive 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. It is understood that HighCom's shareholders shall be entitled to a *pro rata* delivery of earn-out shares (as described below) 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, the Highcom shareholders shall be entitled to the same pro rata delivery of shares. At Closing, BGI shall deliver its promissory notes representing its promise to pay $200,000 to HighCom shareholders at the earlier of ninety day 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. Upon signing of this Letter of Intent, Mr. Cohen will place 100% of his HighCom shares into an irrevocable trust; the terms of the sale of those shares to be negotiated with the Trustee upon closing. All sales mentioned above refer to sales from products presently marketed by HighCom. In addition BlasGard will use its all commercially reasonable efforts to cause Yochi Cohen to be removed from personal guarantee on the bank loans.

4. **Definitive Agreement.** BlastGard and HighCom and its shareholders hereby agree to finalize and execute the formal Stock Purchase Agreement and to close as soon as practicable after the execution of this LOI. The terms of the Stock Purchase Agreement shall be in line with the intent specified herein. Should there be any dispute involving the execution of the Stock Purchase Agreement, the parties agree to settle same with binding arbitration pursuant to paragraph 12 herein.

5. **Stock Purchase Agreement, Provisions, Representations and Warranties.** The Stock Purchase Agreement will contain (i) mutual representations and warranties customary to transactions of this type including, without limitation, representations and warranties as to the completeness and accuracy of information provided; (ii) Take-Along rights; Bring-Along rights; Due On Sale for the Consideration of the items listed in Paragraph 3 of this Agreement; and (iv) the exclusion from the assets of HighCom of any third party stock held by HighCom and for the immediate transfer of the Same as directed by Yochi Cohen.
.

6. **Access to Companies.** HighCom will give BlastGard and its representative's full access to any personnel and all properties, documents, contracts, books, records and operations relating to its assets. HighCom will furnish BlastGard with copies of documents and with such other information as BlastGard may request. BlastGard will give HighCom and its representative's full access to any personnel and all properties, documents, contracts, books, records and operations relating to its assets. BlastGard will furnish HighCom with copies of documents and with such other information as HighCom may request. Blastgard agrees to provide full access of the existing and future books and records as they are required by Mr. Cohen or his legal representatives.

7. **No Other Offers.** HighCom acknowledges that BlastGard will incur significant expense in connection with its preparation of the Stock Purchase Agreement. As a result, upon execution of this Letter of Intent, HighCom shall terminate any existing discussions or negotiations with, and shall cease to provide information to or otherwise cooperate with, any party other than BlastGard and its shareholders, subsidiaries or affiliates, or any of Blastgard's officers, directors, employees, members, managers, representatives or agents with respect to a Stock Purchase Agreement. In addition, from and after the date hereof, neither HighCom nor any of its shareholders, subsidiaries or affiliates, or any of their respective officers, directors, employees, members, managers, representatives or agents, will directly or indirectly encourage, solicit, initiate, have or continue any discussions or negotiations with or participate in any discussions or negotiations with or provide any information to or otherwise cooperate in any other way with, or enter into any agreement, letter of intent or agreement in principle with, or facilitate or encourage any effort or attempt by any corporation, partnership, company, person or other entity or group concerning any merger, joint venture, recapitalization, reorganization, sale of substantial assets, sale of any assets or capital assets, investment or similar transaction involving HighCom or any subsidiary or division of HighCom (each, an "Asset Agreement Transaction"). HighCom shall notify BlastGard promptly of any inquiries, proposals or offers made by third parties to HighCom or any of its shareholders, subsidiaries or affiliates, or any of their respective officers, directors, employees, members, managers, representatives or agents with respect to an Asset Agreement Transaction and furnish BlastGard the terms thereof; including, without limitation, the type of consideration offered and the Identity of the third party. HighCom shall deal exclusively with BlastGard with respect to any possible purchase agreement. In consideration of this Blastgard shall pay Mr. Cohen the sum of $25,000 upon signing of this Letter of Intent and Mr. Cohen shall agree to sign a non-compete**..**

8. **Conduct of** Business. Upon execution of this Agreement BlastGard shall take over the operations of HighCom and shall use its reasonable best efforts to preserve and keep intact the assets, business organization and employees and other business relationships of HighCom and meet all the milestones as provided in this Letter of Intent.

9. **Expenses.** Each of the parties shall pay its entire expenses incident to this letter, the Stock Purchase Agreement and consummation of the transactions contemplated hereby. BlastGard and HighCom each represent and warrant that there are no advisory, brokerage or finder's fees, except for costs and fees generally expected to be incurred in like arrangements which are or will be payable in cash, stock or options in from each party for its own arrangements. HighCom and its affiliates, officers and directors specifically acknowledge that BlastGard will not be responsible for paying any finders, brokers or advisory fees for which there is not a contract signed by the officers of BlastGard.

10. **Confidentiality.** BlastGard and HighCom have executed or will execute a Confidentiality Agreement, which agreement shall survive the execution and delivery of this letter and shall be appended to this Agreement.

11. **Disclosure.** Without the prior written consent of BlastGard, HighCom will, and each party hereto will cause its directors, officers, shareholders, employees, agents, other representatives and affiliates not to, disclose to any person the fact that discussions or negotiations are taking place concerning the transactions contemplated hereby, the status thereof, or the existence of this Letter of Intent and the terms thereof, unless in the opinion of such party disclosure is required to be made by applicable law, regulation or court order, and such disclosure is made after prior consultation and approval with BlastGard.

12. **Dispute Resolution.** In the event of any dispute arising out of or relating to this letter such dispute shall be resolved exclusively by confidential binding arbitration with an arbitrator selected within the JAMS roster of arbitrators.

13. **Right to Complete Due Diligence and Asset Purchase Agreement.** For valuable consideration, the receipt of which is hereby acknowledged, HighCom and BlastGard shall have the right to complete their due diligence and to consummate the Stock Purchase Agreement pursuant to the terms outlined herein, and the parties agree to cooperate fully and in good faith to complete the transaction as expeditiously as possible after the parties have confirmed their due diligence investigations to their satisfaction.

14. **Counterparts.** This Letter of Intent may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

15. **Governing Law.** This Letter of Intent shall be governed by the laws of the State of New York, without regard to such state's principles of conflicts of laws.

If the foregoing correctly sets forth our mutual understanding, please so indicate by signing two copies of this letter in the spaces provided below and returning one copy to us no later than 5:00 p.m. on January 25, 2011. This letter will expire you have not returned to us an executed copy of this letter by said time.

BLASTGARD INTERNATIONAL, INC.

Michael Gordon, Chief Executive Officer and Chief Financial Officer

Agreed to and Accepted by:

HIGHCOM SECURITY INC.

By:

Yochi Cohen, Chief Executive Officer

Principal Stockholder:

Yochi Cohen

EXHIBIT 10.2

Settlement Agreement with Bushido Capital Master Fund, L.P

Gentlemen:

As you are aware, BlastGard International, Inc. ("BGI") is attempting to raise financing and to make a full settlement of the June 2006 Loan. Terms not defined herein shall have the meaning ascribed to them on Exhibit A.

The parties agree to and acknowledge the following:

1. As of the date of this Settlement Agreement, BGI agrees that it owes $177,500 of principal to its June 2006 Lender Bushido Capital Master Fund, L.P.. The June 2006 Lender agrees that BGI owes $177,500 in principal and that the June 2006 Lender agrees to waive all prior interest, penalties and events of defaults that have occurred under the Transaction Documents through the date hereof, so long as the Settlement Amount (as defined herein) is paid in full as specified in paragraph 2, it being understood that time is of the essence.

2. BGI agrees to pay $71,000 to Bushido Capital Master Fund, L.P. and Bushido Capital Master Fund, L.P. agrees to accept $71,000 in full satisfaction and payment of all principal (and accrued interest thereon) due under the June 2006 Loan. It is agreed that payment of said $71,000 (the "Settlement Amount") in total shall be made on January 25, 2011. Under no circumstances shall the June 2006 Lender be paid any later than January 26, 2011 or this agreement may be terminated at the sole election of the June 2006 Lender, upon written notice to BGI via fax.

3. Upon payment of the Settlement Amount to the June 2006 Lender, the June 2006 Lender acknowledges that the Security Agreement, the guarantees of the Guarantors and the security interest of the June 2006 Lenders in the Collateral and all other transaction documents executed between the June 2006 Lenders and BlastGard and its subsidiaries are hereby terminated. The June 2006 Lenders will execute all necessary UCC filings in order to withdraw all recorded security interests that the June 2006 Lenders filed in connection with the original transaction documents.

4. The June 2006 Lender also agrees to cancel and terminate their BGI Lender Warrants upon receipt of the Settlement Amount and to return the original warrants to BGI for cancellation together with the original subordinated convertible promissory notes, which shall also be cancelled. In the event that the original Notes and Warrants cannot be located, then BlastGard will accept a lost affidavit.

5. BGI Acknowledges that in the event the Settlement Amount is not paid within the time frame specified herein and the June 2006 Lender terminates this Agreement, then this Agreement shall be void ab initio, except that BGI acknowledges that it owe Bushido Capital Master Fund, L.P. $177,500 of principal plus interest from this date forward at the rate of 8% per annum that is set forth under the Transaction Documents.

6. Except as may be expressly set forth herein, nothing herein shall be deemed (i) to waive or cure any future default under the June 2006 Loan Documents or any guaranty executed in connection therewith or (ii) a waiver of, or to otherwise prejudice any of the June 2006 Lenders' rights or remedies at law, in equity or otherwise, all of which are expressly reserved.

7. All parties acknowledge that they have executed this Settlement Agreement after negotiation and deliberation and that they have not relied on any representation or statement made by any other party to this Settlement Agreement or any of such party's agents with regard to the subject matter hereof. No party to this Settlement Agreement has exerted any undue influence on any other party hereto. All parties to this Settlement Agreement have had the opportunity to obtain legal counsel in connection with the execution of this Settlement Agreement.

8. This Settlement Agreement (a) sets forth the entire understanding and agreement of the parties hereto and such Agreement amends and modifies the Transaction Documents to the extent necessary to implement the provisions and intentions of this Settlement Agreement, (b) shall be binding upon and inure to the benefit of the respective heirs, successors, assigns and legal representatives of the parties hereto, and (c) shall not be modified unless such modification is in writing and signed by the parties hereto.

9. This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed in the State of New York, without regard to conflicts of law principles.

10. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. This Settlement Agreement shall become binding and enforceable upon a party at such time as a counterpart has been signed and either deposited in the mail, or transmitted via facsimile to the other party. Photostatic or facsimile signatures of the original signatures of this Settlement Agreement, and photostatic or facsimile copies of this Settlement Agreement fully executed, shall be deemed originals for all purposes, and the parties hereto and/or beneficiaries hereof waive the "best evidence" rule or any similar law or rule in any proceeding in which this Settlement Agreement shall be presented as evidence or for enforcement.

11. All notices under this Settlement Agreement shall be sent by fax to the other party.

By signing below, BGI expressly acknowledges and agrees to all of the terms contained herein.

BlastGard International, Inc.

By: ______________________________
Name: Michael J. Gordon
Title: CFO
Fax no. ______________________________

By signing below, the June 2006 Lender indicates its agreement and acceptance of the terms of this Settlement Agreement.

Bushido Capital Master Fund, L.P.

By: ______________________________
Name: ______________________________
Title: ______________________________
Fax no. ______________________________

Exhibit A
The June 2006 Financing

Convertible debt

On June 22, 2006, we borrowed the principal amount of $600,000 (the “June 2006 Financing” or "June 2006 Loans") from each of Pierce Diversified Strategy Master Fund LLC, Series Bus and Bushido Capital Master Fund, L.P. (the “June 2006 Lenders”) due June 22, 2008. The holders of this June 2006 Debt were issued subordinated convertible promissory notes and common stock purchase warrants in various classes. Documents executed included, without limitation, the form of Securities Purchase Agreement, form of Registration Rights Agreement, form of Security Agreement, form of Subsidiary Guarantee, form of Debenture and form of Warrant which are collectively referred to as the "Transaction Documents." In June 2006, loans were secured by certain property of BGI described in the aforementioned loan documents (the "Collateral"), The June 2006 Lenders currently own an aggregate of 3,175,120 warrants to purchase a substantially higher number of shares of BGI Common Stock at an exercise price of $.10 per share (the "BGI Lender Warrants").

EXHIBIT 10.3

Settlement Agreement with Pierce Diversified Strategy Master Fund LLC, Series Bus

Gentlemen:

As you are aware, BlastGard International, Inc. ("BGI") is attempting to raise financing and to make a full settlement of the June 2006 Loan. Terms not defined herein shall have the meaning ascribed to them on Exhibit A.

The parties agree to and acknowledge the following:

1. As of the date of this Settlement Agreement, BGI agrees that it owes $177,500 of principal to its June 2006 Lender Pierce Diversified Strategy Master Fund LLC, Series Bus. The June 2006 Lender agrees that BGI owes $177,500 in principal and that the June 2006 Lender agrees to waive all prior interest, penalties and events of defaults that have occurred under the Transaction Documents through the date hereof, so long as the Settlement Amount (as defined herein) is paid in full as specified in paragraph 2, it being understood that time is of the essence.

2. BGI agrees to pay $59,000 to Pierce Diversified Strategy Master Fund LLC, Series Bus and Pierce Diversified Strategy Master Fund LLC, Series Bus agrees to accept $59,000 in full satisfaction and payment of all principal (and accrued interest thereon) due under the June 2006 Loan. It is agreed that payment of said $59,000 (the "Settlement Amount") in total shall be made on January 25, 2011. Under no circumstances shall the June 2006 Lender be paid any later than January 26, 2011 or this agreement may be terminated at the sole election of the June 2006 Lender, upon written notice to BGI via fax.

3. Upon payment of the Settlement Amount to the June 2006 Lender, the June 2006 Lender acknowledges that the Security Agreement, the guarantees of the Guarantors and the security interest of the June 2006 Lenders in the Collateral and all other transaction documents executed between the June 2006 Lenders and BlastGard and its subsidiaries are hereby terminated. The June 2006 Lenders will execute all necessary UCC filings in order to withdraw all recorded security interests that the June 2006 Lenders filed in connection with the original transaction documents.

4. The June 2006 Lender also agrees to cancel and terminate their BGI Lender Warrants upon receipt of the Settlement Amount and to return the original warrants to BGI for cancellation together with the original subordinated convertible promissory notes, which shall also be cancelled. In the event that the original Notes and Warrants cannot be located, then BlastGard will accept a lost affidavit.

5. BGI Acknowledges that in the event the Settlement Amount is not paid within the time frame specified herein and the June 2006 Lender terminates this Agreement, then this Agreement shall be void ab initio, except that BGI acknowledges that it owe Pierce Diversified Strategy Master Fund LLC, Series Bus $177,500 of principal plus interest from this date forward at the rate of 8% per annum that is set forth under the Transaction Documents.

6. Except as may be expressly set forth herein, nothing herein shall be deemed (i) to waive or cure any future default under the June 2006 Loan Documents or any guaranty executed in connection therewith or (ii) a waiver of, or to otherwise prejudice any of the June 2006 Lenders' rights or remedies at law, in equity or otherwise, all of which are expressly reserved.

7. All parties acknowledge that they have executed this Settlement Agreement after negotiation and deliberation and that they have not relied on any representation or statement made by any other party to this Settlement Agreement or any of such party's agents with regard to the subject matter hereof. No party to this Settlement Agreement has exerted any undue influence on any other party hereto. All parties to this Settlement Agreement have had the opportunity to obtain legal counsel in connection with the execution of this Settlement Agreement.

8. This Settlement Agreement (a) sets forth the entire understanding and agreement of the parties hereto and such Agreement amends and modifies the Transaction Documents to the extent necessary to implement the provisions and intentions of this Settlement Agreement, (b) shall be binding upon and inure to the benefit of the respective heirs, successors, assigns and legal representatives of the parties hereto, and (c) shall not be modified unless such modification is in writing and signed by the parties hereto.

9. This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed in the State of New York, without regard to conflicts of law principles.

10. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. This Settlement Agreement shall become binding and enforceable upon a party at such time as a counterpart has been signed and either deposited in the mail, or transmitted via facsimile to the other party. Photostatic or facsimile signatures of the original signatures of this Settlement Agreement, and photostatic or facsimile copies of this Settlement Agreement fully executed, shall be deemed originals for all purposes, and the parties hereto and/or beneficiaries hereof waive the "best evidence" rule or any similar law or rule in any proceeding in which this Settlement Agreement shall be presented as evidence or for enforcement.

11. All notices under this Settlement Agreement shall be sent by fax to the other party.

By signing below, BGI expressly acknowledges and agrees to all of the terms contained herein.

BlastGard International, Inc.

By: ________________________
Name: Michael J. Gordon
Title: CFO
Fax no. ________________________

By signing below, the June 2006 Lender indicates its agreement and acceptance of the terms of this Settlement Agreement.

Pierce Diversified Strategy Master Fund LLC, Series Bus

By: ________________________
Name: ________________________
Title: ________________________
Fax no. ________________________

Exhibit A
The June 2006 Financing

Convertible debt

On June 22, 2006, we borrowed the principal amount of $600,000 (the “June 2006 Financing” or "June 2006 Loans") from each of Pierce Diversified Strategy Master Fund LLC, Series Bus and Pierce Diversified Strategy Master Fund LLC, Series Bus (the “June 2006 Lenders”) due June 22, 2008. The holders of this June 2006 Debt were issued subordinated convertible promissory notes and common stock purchase warrants in various classes. Documents executed included, without limitation, the form of Securities Purchase Agreement, form of Registration Rights Agreement, form of Security Agreement, form of Subsidiary Guarantee, form of Debenture and form of Warrant which are collectively referred to as the "Transaction Documents." In June 2006, loans were secured by certain property of BGI described in the aforementioned loan documents (the "Collateral"), The June 2006 Lenders currently own an aggregate of 3,175,120 warrants to purchase a substantially higher number of shares of BGI Common Stock at an exercise price of $.10 per share (the "BGI Lender Warrants").

EXHIBIT 10.4

Settlement Agreement dated December 22, 2010 by and among Mitch Silverman, TangoPoint Investments, LLC and BlastGard

I believe all parties involved would agree that it would be beneficial for both BlastGard International Inc. ("BGI") and me to tie up certain loose ends regarding prior dealings between us.

In connection with foregoing, BGI, TangoPoint Investments LLC ("TPI") and Mitch Silverman ("Silverman") acknowledge and agree as follows:

1. Silverman formed TPI in Florida on April 12, 2010 for the sole purpose of entering into the TPI-BGI Letter Agreement (defined below).

2. TPI and BGI entered into an agreement regarding a possible transaction between the parties dated July 9, 2010, as modified by a letter from BGI dated July 13, 2010 (together, the "TPI-BGI Letter Agreement"). The TPI-BGI Letter Agreement expired and the contemplated transaction was not consummated.

3. Silverman intends to take necessary steps to dissolve TPI.

4. Silverman, the Silverman Affiliates and TPI are not involved in BGI's business in any manner and have no business relationship with BGI whatsoever. As used herein, the "Silverman Affiliates" shall mean Silverman's partners, advisors, attorneys and affiliates.

5. Silverman and TPI have no financial or other obligations or liabilities to BGI; and BGI has no financial or other obligations or liabilities to Silverman, the Silverman Affiliates or TPI.

6. Each of the parties hereto (the "Releasing Party") hereby releases, acquits and forever discharges the other party and any of its shareholders, partners, members, principals, directors, officers, employees, attorneys, agents, representatives, joint venture partners, subsidiaries and affiliates (all of the foregoing, the "Released Parties"), from any and all claims, suits, actions, causes of action, costs, expenses, debts, sums of money, promises, damages, and/or demands, known or unknown, that the Releasing Party ever had, now has or may have in the future against the Released Parties in connection with any issue, matter, reason or thing, including without limitation the TPI-BGI Letter Agreement and any other dealings between Silverman, TPI and BGI. In addition, each of the parties hereto shall not disparage the other party.

Please call me (561 214 4443) or e-mail me (silvermitch@yahoo.com) if you have any questions or need any additional information.

Sincerely,

Mitch Silverman,
Personally and as Manager of
TangoPoint Investments LLC ("TPI")

Agreed and accepted by:

BlastGard International Inc.

By: ____________________
Name: ____________________
Title: ____________________
Date: ____________________

cc: Tony Fineman, Esq.