

Company: **BLASTGARD**

Submission Type: **10QSB**

Job: **10-QSB- Nov 9 VER 1**

Date: **11/9/2007 9:36 PM**

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

Form 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2007

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

For the transition period from _____ to _____

BLASTGARD INTERNATIONAL, INC.

(Exact name of registrant as specified in charter)

Colorado

(State or other jurisdiction
of incorporation)

333-47924

(Commission File Number)

84-1506325

(IRS Employer
Identification No.)

2451 McMullen Booth Road, Suite 207, Clearwater, Florida 33759

(Address of principal executive offices)

(727) 592-9400

(Registrant's Telephone Number, including Area Code)

12900 Automobile Blvd., Suite D, Clearwater, Florida 33762

(Former name, former address and former fiscal year, if changed since last report)

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

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the issuer filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of November 5, 2007, the issuer had 39,136,553 shares of \$.001 par value common stock outstanding.

Transitional Small Business Disclosure Format (Check one): Yes No

INDEX

	Page
PART 1 – FINANCIAL INFORMATION	
Item 1. Financial Statements	
Condensed balance sheet, September 30, 2007 (unaudited)	3
Condensed statements of operations, three and nine months ended September 30, 2007 and 2006 (unaudited)	4
Condensed statements of cash flows, nine months ended September 30, 2007 and 2006 (unaudited)	5
Notes to condensed financial statements (unaudited)	6
Item 2. Management’s Plan of Operation.	15
Item 3. Controls and Procedures	24
PART 2 – OTHER INFORMATION	
Item 1. Legal Proceedings	25
Item 2. Changes in Securities and Use of Proceeds	25
Item 3. Defaults upon Senior Securities	26
Item 4. Submission of Matters to a Vote of Security Holders	26
Item 5. Other Information	26
Item 6. Exhibits	26
Signatures	31

Condensed Balance Sheet
(Unaudited)
September 30, 2007

Assets			
Current assets:			
Cash		\$	1,721,353
Receivables:			
Trade, net			243,002
Other			10,278
Inventory			103,583
Prepaid expenses			79,041
Total current assets			2,157,257
Property and equipment, net (Note 2)			11,824
Other assets:			
Unamortized debt issue costs (Notes 4 and 5)			89,796
Deferred costs			89,914
Deposits			772
		\$	2,349,563
Liabilities and Shareholders' Deficit			
Current liabilities:			
Current maturities on convertible notes payable, net of unamortized discount of \$505,676 (Note 2 & 3)		\$	1,093,291
Accounts payable			26,123
Total current liabilities			1,119,414
Derivative liability (Note 3)			142,000
Total liabilities			1,261,414
Shareholders' equity (Note 4):			
Preferred stock, \$.001 par value; 1,000 shares authorized, -0- shares issued and outstanding			—
Common stock, \$.001 par value; 100,000,000 shares authorized, 37,813,616 shares issued and outstanding			37,814
Prepaid services for stock			(22,394)
Additional paid-in capital			11,120,137
Retained deficit			(10,047,408)
Total shareholder's equity			1,088,149
		\$	2,349,563

Condensed Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Sales	\$ 258,264	\$ 4,406	\$ 375,700	\$ 867,741
Cost of goods sold	222,099	7,453	321,718	670,706
Gross profit	36,165	(3,047)	53,982	197,035
Operating expenses:				
General and administrative	554,510	586,647	1,796,876	1,334,359
Research and development	25,149	74,514	41,335	102,965
Depreciation and amortization	6,378	6,901	20,125	20,872
Total operating expenses	586,037	668,062	1,858,336	1,458,196
Operating loss	(549,872)	(671,109)	(1,804,354)	(1,261,161)
Non-operating income/(expense):				
Loss on disposal of assets	194	—	(1,150)	(863)
Gain/(loss) on derivative liability (Note 6)	62,800	246,400	18,000	78,400
Interest income	27,709	7,397	49,839	9,980
Rental income	—	750	500	3,750
Bad debt expense	(140,000)	—	(140,000)	—
Interest expense (Notes 4 and 5):				
Amortized debt issue costs	(28,266)	(42,901)	(112,529)	(70,515)
Amortized debt discount	(224,493)	(198,460)	(730,688)	(255,496)
Other	(38,612)	(50,824)	(140,166)	(107,244)
Loss before income taxes	(890,540)	(708,747)	(2,860,548)	(1,603,149)
Income tax provision (Note 3)	—	—	—	—
Net loss	\$ (890,540)	\$ (708,747)	\$ (2,860,548)	\$ (1,603,149)
Basic and diluted loss per share	\$ (0.02)	\$ (0.03)	\$ (0.09)	\$ (0.07)
Basic and diluted weighted average				
common shares outstanding	36,770,138	22,073,413	30,441,281	22,269,246

Condensed Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2007	2006
Cash flows from operating activities:		
Net loss	\$ (2,860,548)	\$ (1,603,149)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	132,654	91,387
Stock for services	—	34,110
Stock-based compensation	420,048	193,038
Discount on convertible notes payable	730,690	255,496
Gain/(loss) on derivative liability	(18,000)	(78,400)
Loss on disposal of assets	1,150	863
Changes in operating assets and liabilities:		
Accounts receivable	(204,087)	193,495
Inventory	162,732	4,853
Other operating assets	(60,822)	(74,200)
Accounts payable and accruals	(175,455)	(16,364)
Indebtedness to a related party	—	1,636
Net cash provided by (used) in operating activities	(1,871,638)	(997,235)
Cash flows from investing activities:		
Payments for deferred costs	(16,306)	(45,322)
Proceeds from sale of assets	2,040	—
Purchases of property and equipment	(746)	(4,761)
Net cash used in investing activities	(15,012)	(50,083)
Cash flow from financing activities:		
Proceeds from issuance of debt		1,200,000
Proceeds from sale of stock	3,968,810	
Payments for stock issue costs	(491,648)	
Payments for debt principal	(251,022)	(65,423)
Payments for debt issue costs	—	(117,000)
Net cash used in financing activities	3,226,140	1,017,577
Net change in cash	1,339,490	(29,741)
Cash, beginning of period	381,863	361,225
Cash, end of period	\$ 1,721,353	\$ 331,484
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ 140,166	\$ 107,244
Income taxes	\$ —	\$ —

(1) **Basis of Presentation**

The financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its Form 10-KSB dated December 31, 2006, and should be read in conjunction with the notes thereto.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of operating results for the interim periods presented have been made. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year.

Financial data presented herein are unaudited.

(2) **Notes Payable**

Convertible Promissory Notes

On December 2, 2004, the Company entered into agreements to borrow an aggregate principal amount of \$1,420,000 and to issue to the investors secured convertible notes and common stock purchase warrants. During June 2006 and April 2007, the Company revalued the warrants and the associated discount of the convertible debt. In March 2007, the terms of the notes were extended from October 31, 2007 to March 20, 2008. The Company's convertible promissory notes payable consist of the following at September 30, 2007:

\$1,000,000 convertible promissory note issued	
December 2, 2004, due on March 20, 2008,	
8% annual interest rate, net of unamortized	
Discount of \$58,339	\$ 614,172
\$200,000 convertible promissory note issued	
December 2, 2004, due on March 20, 2008,	
8% annual interest rate, net of unamortized	
Discount of \$11,668	80,460
\$100,000 convertible promissory note issued	
December 2, 2004, due on March 20, 2008,	
8% annual interest rate, net of unamortized	
Discount of \$5,834	63,024
\$100,000 convertible promissory note issued	
December 2, 2004, due on March 20, 2008,	
8% annual interest rate, net of unamortized	
Discount of \$5,834	63,023
\$20,000 convertible promissory note issued	
December 2, 2004, due on March 20, 2008,	
8% annual interest rate, net of unamortized	
Discount of \$1,347	12,245
	832,924
Less: current maturities	(832,924)
	\$ -

Each note carries a default interest rate of 15% per annum. Aggregate monthly payments of 1.2% of the principal amount are due commencing November 1, 2005 through April 30, 2006, then aggregate monthly payments of 3% of the principal amount are due commencing May 1, 2006 through October 31, 2006, and then aggregate monthly payments of 6% of the principal amount are due commencing November 1, 2006 through October 31, 2007. However, as a result of the June 22, 2006 debt financing, the payment arrangements were modified. Monthly payments of interest only (8%) based on the principal amount is due commencing June 1, 2006 through May 31, 2007, and then aggregate monthly payments of 6% of the principal amount is due commencing June 1, 2007 through October 31, 2007. Payments will be applied first to accrued interest and then to principal. The balance of the unpaid principal and any unpaid interest is due on October 31, 2007. All accrued interest had been paid in full as of September 30, 2007.

The individual note holders have the right, at their option, to convert the principal amount of the note, together with all accrued interest thereon in accordance with the provisions of and upon satisfaction of the conditions contained in the note, into fully paid and non-assessable shares of the Company's common stock at a conversion price of \$.30- \$.05 per share, subject to adjustment in certain circumstances if the notes are then outstanding, such as a stock split, combination or dividend; or in the event the Company issues shares of common stock for consideration of less than the exercise price.

The Company can require the holders to convert the notes into shares of common stock if a registration statement for the resale of the underlying shares is effective and the common stock has traded above \$2.50 per shares for ten consecutive days. The amount that the holders can be required to convert is limited to the aggregate dollar volume traded over the past seven trading days (pro-rated among all holders), but no holder is required to convert an amount that results in the holder becoming the beneficial owner of more than 4.99% of the outstanding common stock on the date of conversion.

The notes are secured by all of the Company's assets until the notes have been fully paid or fully converted into common stock.

Detachable common stock warrants issued with convertible promissory notes

The fair value of detachable warrants issued with the convertible notes was charged to additional paid-in capital with a corresponding discount on the convertible notes payable. The discount is amortized over the life of the debt. As the discount is amortized, the reported outstanding principal balance of the notes will approach the remaining unpaid value (\$999,475 at September 30, 2007).

As part of a debt financing conducted in April 2007, the Company re-priced all classes of warrants as follows:

Warrant Class	Outstanding	Previous Exercise price	New Exercise Price	Change in Discount
"A"	556,170	\$1.00	\$0.30	\$ 42,825
"B"	246,968	1.50	0.30	26,247
"C"	180,000	1.00	0.45	3,168
"D"	180,000	1.50	0.45	4,752
"E"	180,000	2.00	0.45	2,952
"F"	770,620	\$0.75	<u>\$0.50</u>	<u>16,955</u>
			Total	\$ 96,898

The fair value for the warrants was estimated at the date of revaluation using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate	4.47%
Dividend yield	0.00%
Volatility factor	119.46%
Weighted average expected life	2.2 years

Debt issue costs

The Company paid its debt placement agent and its attorney a total of \$112,370 and issued detachable Class “A” and “B” warrants in connection with the issuance of the convertible promissory notes. The original fair value of the warrants totaled \$48,709, but increased to \$55,342 following the re-pricing discussed above. The sum of the payments and the fair value of the warrants resulted in total debt issue costs of \$167,712. Amortization resulting from the debt issue costs is charged to interest expense. Accumulated amortization and amortization expense of the debt issue costs totaled \$167,712 and \$27,732 as of and for the nine month ended September 30, 2007, respectively.

The convertible debt discount and related debt issue costs are expected to amortize as follows:

Date	Debt Discount	Debt Issue Costs	Totals
December 31, 2007	\$ 83,022	\$ -	\$ 83,022

(3) **Subordinated Convertible Notes Payable**

On June 22, 2006, the Company entered into agreements to borrow an aggregate principal amount of \$1,200,000 and to issue to the investors’ subordinated, convertible promissory notes and common stock purchase warrants. In April 2007, the Company lowered the exercise price on the conversion and the warrants and revalued warrants and the associated discount on the convertible debt. On August 8, 2007, one half of the debt was acquired by unrelated parties.

These new holders converted their half of the debt to stock at \$0.30 per share. All the holders agreed to unwind the changes made in April to reduce the number of warrants outstanding to previous levels and to reset the exercise price to amounts consistent with the other convertible debt and warrants. Also, the holders of the 2006 convertible debt agreed to cancel their “D” and “E” warrants.

The Company’s subordinated, convertible promissory notes payable consist of the following at September 30, 2007:

\$600,000 subordinated, convertible promissory note issued June 22, 2006, due on June 22, 2008,	
8% annual interest rate, net of unamortized discount of \$339,633	\$ 260,367
	<u>260,367</u>
Less: current maturities	(260,367)
	<u>\$ -</u>

These notes are subordinated to the convertible promissory notes listed above, which are collateralized by all of the Company’s assets until the notes have been fully paid or fully converted into common stock.

The individual note holders have the right, at their option, to convert the principal amount of the note into fully paid and non-assessable shares of the Company's common stock at a conversion price of \$0.30 per share, subject to adjustment in certain circumstances if the notes are then outstanding, such as a stock split, combination or dividend; or in the event the Company issues shares of common stock for consideration of less than the exercise price.

Carrying value of subordinated, convertible notes payable

The conversion of the subordinated, convertible notes payable is fixed at \$0.30 per share of the Company's common stock. Pursuant to SFAS 133, options embedded in contracts containing the price of a specific equity instrument are not clearly and closely related to an investment in an interest-bearing note and the embedded derivative must be separated from the host contract. At September 30, 2007, one-half of the subordinated convertible notes were still outstanding and were a portion of the warrants. As a result, the Company has bifurcated the option resulting from the conversion feature and has classified it as a derivative liability pursuant to SFAS 133. The following table presents the allocation of proceeds from the financing and the subsequent revaluation of the warrants and derivative liability.

Principal balance of the notes	\$	1,200,000
Less debt discounts:		
Fair value of warrants (below)		(768,000)
Fair value of conversion option (below)		(432,000)
Plus amortization of discounts to June 30, 2007		403,804
Less the conversion of debt		(600,000)
Plus the revaluation of discount (below)		121,896
Plus revaluation of conversion option (below)		193,195
Current period amortization of discounts		141,472
Carrying value at September 30, 2007	\$	<u>260,367</u>

Detachable common stock warrants issued with subordinated convertible promissory notes

In connection with the financing offer in April 2007, the Company allowed the note holders to increase the warrants associated with the debt and reduce the exercise price of the warrants and debt. The number of warrants outstanding and the associated exercise price at June 30, 2007 was as follows:

Description	Number Issued	Exercise Price	New Number Issued	New Exercise Price
Class "C" warrants	1,200,000	\$ 1.00	4,000,000	\$ 0.30
Class "D" warrants	1,200,000	\$ 1.50	6,000,000	\$ 0.30
Class "E" warrants	600,000	\$ 2.00	4,000,000	\$ 0.30
Class "F" warrants	1,066,666	\$ 0.75	2,666,668	\$ 0.30
	4,066,666		16,666,668	

In connection with the financing activity in August 2007, the note holders agreed to rescind the increase in warrants and to increase the exercise price. The holders also agreed to cancel the "D" and "E" warrants. The number of warrants outstanding and the associated exercise price at September 30, 2007 was as follows:

Description	Previous Number Issued	Exercise Price	New Number Issued	New Exercise Price
Class "C" warrants	4,000,000	\$ 0.30	1,200,000	\$ 0.45
Class "D" warrants	6,000,000	\$ 0.30	-	\$ 0.45
Class "E" warrants	4,000,000	\$ 0.30	-	\$ 0.45
Class "F" warrants	2,066,668	\$ 0.30	1,066,666	\$ 0.50
	16,666,668		2,266,666	

The warrants are exercisable for a period of five years. The additional discount associated with the change above was \$92,760. This change was limited by the value of the underlying debt.

The fair value for the warrants was estimated at the date of revaluation using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate	4.54%
Dividend yield	0.00%
Volatility factor	116.16%
Weighted average expected life	2.0 years

The warrants are detachable and are valued separately from the convertible notes payable. Therefore, the total fair value of the warrants, \$1,200,000, was charged to additional paid-in capital with a corresponding discount on the convertible notes payable.

Changes to the value of the warrants are also charged to additional paid-in-capital and discount on convertible notes payable. The remaining discount will be amortized over the life of the debt. As the discount is amortized, the outstanding principal balance of the notes will approach the face value of remaining convertible notes payable.

Debt issue costs

The subordinated, convertible debt discounts and related debt issue costs are expected to amortize over the next two years as follows:

December 31,	Debt Discount	Debt Issue Costs	Totals
2007	\$ 113,211	\$ 28,266	\$ 141,477
2008	226,422	56,531	285,953
	<u>\$ 339,633</u>	<u>\$ 84,797</u>	<u>\$ 427,430</u>

Derivative Financial Instrument

The Company generally does not use derivative instruments to hedge exposures to cash-flow risks or market-risks that may affect the fair values of its financial instruments. However, certain other financial instruments, such as embedded conversion features, where an embedded option in a debt security contains the price of a specific equity instrument, are bifurcated and are classified as derivative liabilities. Such financial instruments are initially recorded at fair value and subsequently adjusted to fair value at the close of each reporting period.

	Derivative Liability	Number of Shares In Which The Derivative Liability Can Be Settled
Embedded conversion feature, June 22, 2006	\$ 432,000	1,600,000
Embedded conversion feature, December 31, 2006	160,000	1,600,000
Revaluation and cancellation of warrants, August 8, 2007	(85,200)	400,000
Embedded conversion feature, September 30, 2007	142,000	2,000,000
Current year to date change	<u>\$ (18,000)</u>	

The change on the derivative liability resulted in a gain of \$62,800 and \$18,000 for the three and nine months ended September 30, 2007, respectively.

(4) Shareholders' Equity

Preferred stock

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

Share-based payment

During the three months and nine months ended September 30, 2007, the Company recognized \$96,636 and \$358,190, respectively, in share based compensation from the prior issuance of stock options.

During the three and nine months ended September 30, 2007, the Company recognized \$67,188 and \$201,564 in consulting expenses for services prepaid with stock.

At September 30, 2007, there was \$13,877 of unrecognized compensation cost related to share-based payments which is expected to be recognized over a weighted average period of .25 years.

The following table represents stock option activity as of and for the nine months ended September 30, 2007:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options Outstanding - January 1, 2007	4,285,750	\$ 1.79	2.75 years	-0-
Granted	17,350,000	.30	4.5 years	
Exercised	-	-		
Forfeited/expired/cancelled	(50,000)	1.00		
Options Outstanding – September 30, 2007	21,585,750	\$.60	4.03 years	-0-
Outstanding Exercisable – January 1, 2007	3,825,750	\$ 1.79	2.75 years	
Outstanding Exercisable – September 30, 2007	5,685,750	\$ 1.79	2.78 years	-0-

(5) Related Party Transactions

During the nine month ended September 30, 2007, the Company borrowed \$97,000 against its \$100,000 credit line, which was secured by its Chief Financial Officer.

(6) Income Taxes

The Company records its income taxes in accordance with Statement of Financial Accounting Standard No. 109, “Accounting for Income Taxes”. The Company incurred net operating losses during all periods presented resulting in a deferred tax asset, which was fully allowed for; therefore, no income tax benefit or expense has been presented.

(7) Commitments and Contingencies

Office Lease

The Company entered into a non-cancellable office lease agreement on January 10, 2006. The lease runs from January 1, 2006 through December 31, 2006. The rent for 2007 is month to month and the rental payments for 2007 are \$2,600 per month plus \$182 in taxes. Rental expense for the nine months ended September 30, 2007 and 2006 was \$18,492 and \$22,500 respectively.

Officer Compensation

The Company entered into employment agreements with five corporate officers effective April 1, 2007. These agreements commit the Company to combined salaries of \$950,000 and granted 1,450,000 options as signing bonuses. One officer also received a cash signing bonus in the amount of \$160,000. The employment agreements also reserve up to 15,900,000 options to be granted as performance bonuses based on achieving certain sales volumes.

Litigation

Verde Partners Family Limited Partnership

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

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

On July 19, 2006, the Company filed a lawsuit in the Circuit Court of the Sixth Judicial Circuit in Pinellas County, Florida. The Defendants in the lawsuit are Sam Gettle, Guy Gettle and Verde Partners Family Limited Partnership (“Verde”). The lawsuit contends that the Defendants have committed defamatory acts against the Company and its products. The lawsuit also asks for a declaration that the Company is not liable for the acts complained of in the Nevada action. On the Company’s affirmative claims for defamation, the Florida action seeks injunctive relief and damages in excess of \$15,000, exclusive of attorney’s fees and costs.

As of October 31, 2007 there has been no progress on the lawsuit.

(8) Subsequent Events

In April and May 2007, the Company sold stock under Regulation S and regulation D. This stock was offered with the condition that the Company would register the shares by October 15, 2007. The Company was not able to complete the registration by the date specified and issued 1,322,938 additional shares, equal to 10% of the shares sold, as a penalty for not completing the registration.

During the quarter ended September 30 2007, the Company had entered into negotiations to acquire a Michigan company (the target) for stock and acquisition of debt. The Company lent the target company \$140,000 during negotiations and paid \$10,000 for the option to purchase the target. On October 22, 2007 the Company notified the target that it would not exercise its option to purchase the target. The Company has placed an allowance in the amount of \$140,000 on the loan to the target as of September 30, 2007 but is pursuing collection of the loan.

The Company entered into employment agreements with five corporate officers effective April 1, 2007. The employment agreements contain provisions for the grant of options to purchase 15,900,000 shares as performance bonuses based on certain sales volumes. On November 8, 2007, our five executives agreed to amend their employment agreements to cancel 10,600,000 of the performance based option incentives.

Following is a schedule summarizing changes to the Company's equity instruments subsequent to September 30, 2007 through November 8, 2007:

	<u>Common Stock</u>	<u>Stock Options</u>	<u>Stock Warrants</u>
Balance, 9/30/07	37,813,616	21,585,750	12,773,975
Stock issued for penalties	1,322,938	-	-
Rescission of performance options	-	(10,600,000)	-
Balance, 11/8/07	39,136,554	10,985,750	12,773,975

ITEM 2.PLAN OF OPERATION

Statements contained herein that are not historical facts are forward-looking statements as that term is defined by the Private Securities Litigation Reform Act of 1995. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: well-established competitors who have substantially greater financial resources and longer operating histories, regulatory delays or denials, ability to compete as a start-up company in a highly competitive market, and access to sources of capital.

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

The financial information furnished herein has not been audited by an independent accountant; however, in the opinion of management, all adjustments (only consisting of normal recurring accruals) necessary for a fair presentation of the results of operations for the period ended September 30, 2007, have been included.

Financial Results

Management changed the manner in which it presents our operating results and cash flows during the year ended December 31, 2005. At that time, Management no longer considered us in the development stage as defined by the FASB Statement of Standards No. 7, "Accounting and Reporting by Development State Enterprises." As a result, cumulative operating results and cash flow information are no longer presented in the accompanying financial statements contained in Item 7. This change does not affect our operating results or financial position.

Results of Operations

Since emerging from our development stage operations in 2005, our BlastGard MTR blast mitigated trash receptacles have been sold to six government service advantage ("GSA") clients located in the United States. We received orders for MTRs from the National Railroad Passenger Corporation also known as Amtrak., the U.S. Holocaust Memorial Museum, GSA for Federal Buildings, NYC Transit and for BlastWrap[®] from the Naval Weapons Station Earle, Sandia National Labs, and several domestic and international entities. For the three months ended September 30, 2007, we recognized sales of \$258,264 and a gross profit of \$36,165, as compared to sales of \$4,406 and a negative gross profit of \$(3,047) for the comparable period of the prior year. For the nine months ended September 30, 2007, we recognized sales of \$375,700 and a gross profit of \$53,982, as compared to sales and gross profit of \$867,741 and \$197,035 for the comparable period of the prior year.

For the quarter ended and nine months ended September 30, 2007, our overall operating and non operating expenses, including interest expense and gain on derivative liability, were relatively constant over the comparable period of the prior year. In October 2007, we took measures to reduce our monthly operating costs by approximately \$30,000 from approximately \$210,000 per month to an estimated \$180,000 per month.

Our net loss for the quarter ended September 30, 2007 was \$890,540 as compared to \$708,747 for the comparable period of the prior year. Our net loss for the nine months ended September 30, 2007 was \$2,860,548 as compared \$1,603,149 for the comparable period of the prior year.

BlastGard's products are currently being tested (or have recently been tested) and evaluated by many military and defense contractors and commercial companies in the United States and abroad as described under Business Prospects. As we experience anticipated growth and expansion of our operations, we will experience an increase in operating expenses and costs of doing business.

Markets Identified For BlastWrap®

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

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

- Mitigated Bomb Receptacles
- Insensitive Munitions (IM) Weapons Container
- Blast and Thermal Suppression (“BATS”) system products for vehicle improvised explosive device (IED), land mine protection and over-head protection from mortar and rocket attack for temporary accommodation units and barriers
- Low-cost, high performance widely available basalt fiber-based armor

MBR 300

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

The United States Transportation Security Administration has worked hard to secure U.S. airports against a range of threats that includes attacks against both aircraft and ground facilities. The largest and most visible investment made by the agency has been in enhancing the passenger screener force and in massively expanding the number of explosive detection systems (EDS) required to examine checked luggage for bombs. Effective security, therefore, includes not only deterrent and preventive measures but also efforts to mitigate casualties, damage, and disruption. Since deterrence and prevention are sometimes difficult to achieve given the nature of terrorism and the inherent vulnerabilities of public transportation, great emphasis is also placed upon the mitigation of casualties through design of facilities and upon effective, rapid response that ensures safety while minimizing disruption. We believe that the MBR 300 is an ideal incident / security management technology for airports when dealing with bomb threats and suspicious objects or packages, especially in passenger carryon baggage.

Insensitive Munitions (IM) Weapons Containers

Weapons containers require specialty design. We have developed several of these containers for evaluation and testing by the United States, United Kingdom and other military clients. Although we do not have a development or supply contract with any military agencies at this time, we anticipate important prototype testing of these designs will ensue in the second half of 2007 with our strategic partner Lancer Systems and with the National Warheads and Energetics Consortium (NWECC) / Defense Ordnance Technology Consortium (DOTC). This product line will have numerous versions for military weapons including bombs, rockets, medium and large caliber ammunition and missiles.

Vehicle Improvised Explosive Devices and Mine Protection

Military vehicles (such as MRAPs, HMMWVs, HEMMT, M915 and FMTV) are or can be “up-armored” for improvised explosive devices and land mine protection. BlastGard® and Colt Rapid Mat LLC have developed and are now offering a new product called BATS. These specialty Colt Rapid Mat fiberglass-cased BlastWrap® products are easy to retro-fit to armored vehicles to provide protection for occupants from blast thermal output and head, neck and spine injuries from blast pressures. Initial durability testing of BATS by the Nevada Automotive Test Center (NATC) for the Office of Naval Research has been concluded successfully. Further testing awaits selection and funding by NATC/ONR for blast testing. An important additional partner in these vehicle applications is Cellular Materials International, Inc. which has a periodic cellular material shown to be effective in managing the heavy G-loads typical of under-vehicle blast threats.

Rapid Deployment Fortification Wall (RDFW™), Bunker and Over-Head Protection from Mortars and Rockets for Temporary Accommodation Units

This product (Rapid Deployment Fortification Walls (“RDFW™”) uses BATS posts as a facing for fortification walls and revetments and top covering for the roof of bunkers and temporary accommodations/barracks. Successful testing has been concluded for large, in-contact bare charge blasts on RDFW™ walls, and for 81mm mortar threats on bunkers. Additional tests by the US Marine Corps on large vehicle borne IED (“VBIED”) threats against these three structures have just been concluded. The classified results are being compiled and a full report prepared. In these applications, the RDFW™ / BATS system is designed to mitigate blast pressures, rapidly quench blast thermal output and stop all VBIED fragments. Extensive marketing efforts are underway for application of these products in several international markets, and we believe that meaningful contracts may result.

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

- The core product, BlastWrap®;
- BlastGard® MTR (mitigated trash receptacle);
- BlastGard MBR 300 (mitigated bomb receptacle);
- BMULD (Blast Mitigated Unit Load Device - LD3 Container);
- BATS wall posts for RDFW™ walls, bunkers, overhead protection from mortar and rocket attack for temporary accommodation units and other structure protection products.; and
- BATS modules / casings made by Colt Rapid Mat LLC for vehicle IED and land mine protection.
- IM Weapons Containers

Business Prospects/Recent Developments

Our quarter-ending June 30, 2007 financials provided a full discussion of business prospects and recent developments. Below are recent developments since our last Form 10-QSB filing:

On October 29, 2007, we announced that we entered into a strategic business agreement with Lancer Systems LP (“Lancer”). Lancer was recently created by Green, Tweed’s ownership to focus solely on the defense industry. Lancer provides manufacturing, marketing/sales and program management capabilities to service the domestic and international Military market. Lancer also has support and sales organizations within Israel to support the military and security markets in that country. Lancer and BlastGard have agreed to enter into an exclusive arrangement for the manufacture, marketing, and sale of BlastGard products for two defined business opportunities: 1) military weapons containers for shipment and storage; and 2) under and side armor of General Dynamics Stryker vehicle program. The Company has also granted to Lancer a limited exclusive right to sell all BlastGard products in the State of Israel on defined and agreed projects. Lancer intends to use BlastGard products for container and baggage storage for aircraft, public and specifically school safety as well as various military applications within Israel.

Liquidity and Capital Resources

At September 30, 2007, we had cash of \$1,721,353, working capital of \$1,037,843, an accumulated deficit of \$10,047,408 and shareholder equity of \$1,088,149.

For the nine months ended September 30, 2007, net cash used in operating activities was \$1,871,638 primarily due to our net loss of \$2,860,548. During the nine months ended September 30, 2007, we used cash in investing activities to purchase property and equipment of \$746 and for payment of deferred costs of \$16,306. During the nine months ended September 30, 2007, net cash was provided by financing activities due to debt proceeds totaling \$3,968,810, offset by debt issue costs of \$491,648 and principal payments on convertible debt of \$251,022. For the nine months ended September 30, 2006, net cash used in operating activities was \$997,235 primarily due to our net loss of \$1,603,149. During the nine months ended September 30, 2006, we used cash in investing activities to purchase property and equipment of \$4,761 and for payment of deferred costs of \$45,322.

We anticipate that our future liquidity requirements will arise from the need to finance our accounts receivable and inventories, and from the need to fund our growth from operations, current debt obligations and capital expenditures. The primary sources of funding for such requirements is expected to be cash generated from operations and raising additional capital from the sale of equity and/or debt securities. While we secured approximately \$4,000,000 through an equity financing in April/May 2007, we can provide no assurances that we will be able to generate sufficient cash flow from operations and/or obtain additional financing on terms satisfactory to us, if at all, to remain a going concern. In this respect, see “Note 1 – Going Concern” in our financial statements contained in our 2006 Form 10-KSB for additional information as to the possibility that we may not be able to continue as a “going concern.”

At September 30, 2007, we have cash of \$1,721,353. At September 30, 2007, we owed \$600,000 pursuant to our June 2006 Debt and approximately \$1,000,000 pursuant to our December 2004 Debt. In October 2007, we reduced our monthly cash budget from an average of approximately \$210,000 to an estimated \$180,000. In the absence of significant revenues or debt conversions, the Company will not have sufficient cash to meet its obligations to pay the holders of the December 2004 Debt when it comes due on March 20, 2008 or the holders of the June 2006 Debt when it becomes due and payable in June 2008. Robert F. Rose Investments and certain other non-affiliated parties (collective the “Purchasers”) entered into an agreement with the holders of the June 2006 Debt to purchase the remaining \$600,000 of June 2006 Debt from the debt holders by September 22, 2007, which transaction is personally guaranteed by Mr. Rose. Upon the completion of said transaction, the Purchasers had agreed to automatically convert their June 2006 Debt into 2,000,000 shares of our Common Stock. To date, the Purchasers have not completed the transaction and we continue to make interest payments on the June 2006 Debt. We estimate that we will require at least an additional \$2,400,000 in additional financing and cash flow from operations to support our operations and to meet our debt obligations as they become due and payable over the next 15 months of operations. We can provide no assurances that cash generated from operations will occur or additional financing will be obtained on terms satisfactory to us, if at all, or that additional debt conversions will occur.

The Company also entered into employment agreements with five corporate officers effective April 1, 2007. These agreements commit the Company to combined salaries of \$950,000 and granted 1,450,000 options as signing bonuses. One officer also received a cash signing bonus in the amount of \$160,000. The employment agreements also contain provisions for the grant of options to purchase 15,900,000 shares as performance bonuses based on certain sales volumes. On November 9, 2007, our five executives agreed to amend their employment agreements to cancel 10,600,000 of the performance based option incentives to reduce the potential dilution to our shareholders.

Our monthly cash needs are budgeted to average approximately \$180,000 per month, with the following approximate breakdown:

salaries and benefits:	\$	80,000
professional fees		13,000
office overhead		3,000
travel		9,000
research and development		5,000
debt repayment		65,000
miscellaneous		5,000
total	\$	<u>180,000</u>

To date, we have relied on management's ability to raise capital through equity private placement financings to fund our operations. We anticipate that our future liquidity requirements will arise from the need to finance our accounts receivable and inventories, and from the need to fund our growth from operations, current debt obligations and capital expenditures. The primary sources of funding for such requirements are expected to be cash generated from operations and raising additional capital from the sale of equity and/or debt securities.

2007 Private Placement

Between April 20, 2007 and May 4, 2007, the Company completed two concurrent Offerings and raised a total of \$3,968,810 as described below.

The Company sold 11,529,368 units, each unit consisting of one share of its unregistered Common Stock at \$.30 per share and one-half warrant, with a full warrant exercisable at \$.45 per share in an offshore offering to non-US Persons through D & D Securities Company, its placement agent. The offering raised \$3,458,810 in gross proceeds through the issuance of 11,529,368 shares and 5,764,684 warrants. In addition, the Company issued broker warrants to purchase 1,322,937 units. Exemption from registration is claimed under Regulation S of the Securities Act of 1933, as amended.

The Company also sold 1,700,000 shares of its unregistered Common Stock at \$.30 per share and issued 850,000 warrants exercisable at \$.45 per share, pursuant to a Regulation D offering. The offering raised \$510,000 in gross proceeds. Exemption from registration is claimed under Rule 506 of Regulation D promulgated under Section 4(2) of the Securities Act of 1933, as amended. All of the aforementioned securities have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The securities sold pursuant to its concurrent plans of financing contain certain registration rights and penalty warrants for failure to meet certain registration or trading conditions by October 15, 2007. Since the Company did not register these securities or have them listed on one of two Canadian Exchanges by October 15, 2007, the Company issued to each investor an additional 10% in shares of Common Stock and an additional 10% Warrants on what they purchased in the 2007 Private Placement.

Capital Changes

Following is a schedule summarizing changes to the Company's equity instruments from March 31, 2007 to September 30, 2007:

	Common Stock	Stock Options	Stock Warrants
Balance, 3/31/07	22,110,913	4,285,750	5,970,472
Regulation S offering	11,529,370	-	5,764,688
Regulation D offering	1,700,000	-	850,000
Broker warrants	-	-	1,988,815
2006 Debt adjustment	-	-	12,600,000
Employment agreements	-	17,350,000*	-
Debt Conversion (\$70,000)	233,333	-	-
Debt Settlement	150,000	-	-
Board member compensation	90,000	-	-
Rescind 2006 Debt adjustment	-	-	(12,600,000)
Cancel warrants	-	-	(1,800,000)
Cancel options	-	(50,000)	-
Balance, 9/30/07	35,813,616	21,585,750	12,773,975

* This figure includes 15,900,000 performance based options which represents the maximum number of options that could vest over three years based on revenue generated, which figure was reduced on November 9, 2007 by the cancellation of 10,600,000 performance based options.

In March 2007, we entered into a new Waiver and Modification Agreement with the holders of the December 2004 Debt. Pursuant to said agreement, they waived their right of first refusal to participate in our recently completed financing. Further, the holders of the December 2004 Debt agreed to extend the maturity date of their notes to March 20, 2008 and to refrain for a period of ten months from March 20, 2007 from taking any action to foreclose on its security interest unless the holders, in their sole discretion, determined that the securities are in danger of being compromised. The holders of the December 2004 Debt also agreed to reduce the exercise price and call price of their Class F Warrants to \$.50 per share and \$.73 per share, respectively, and to waive any increase in the number of warrant shares that would otherwise be called for pursuant to the Class F Warrants. In addition, such holders agreed with us to lower the exercise price of their Class A and Class B Warrants to \$.45 per share (and the conversion price of their notes to \$.30 per share). The new Waiver and Modification Agreement became effective on April 20, 2007. Source Capital Group and its related persons, each of whom own Class C, Class D, Class E and Class F Warrants agreed to modify the exercise price of each series of Warrants to \$.45 per share, the Class F Warrants to \$.50 per share with a call price of \$.73 per share and to waive any increase in the number of warrant shares that would otherwise be called for pursuant to each class of Warrants. Source Capital also waived its rights of first refusal in connection with our recently completed 2007 financing.

In April 2007, the holders of the June 2006 Debt agreed to waive their right of first refusal in connection with our recently completed offerings in exchange for 150,000 restricted shares of Common Stock with "piggyback" registration rights contemporaneously with their entering into the April 2007 Agreement. As a result of the financing above, the conversion price of the June 2006 debt and the exercise price of C, D, E and F warrants held by the holders of the 2006 debt were adjusted to \$0.30 per share and the number of warrants were adjusted from 1,200,000 for Class C & D, 600,000 for Class E and 1,066,666 for Class F to 4,000,000 for Class C & E, 6,000,000 for Class D and 2,666,667 for Class F. The increase in the number of warrants was in an inverse relation to the decrease in the exercise price. Pursuant to an agreement dated August 7, 2007, the holders of the June 2007 Debt agreed to retroactively cancel the increase in the number of warrant shares effective April 20, 2007 and to adjust the exercise prices of the Class C, Class D, Class E and Class F Warrants to \$.45, \$.45, \$.45 and \$.50 per share, respectively, and to adjust the call price of the Class F Warrants to \$.73 per share. Effective August 7, 2007, the holders of the June 2007 Debt also agreed to cancel all of their Class D and Class E Warrants, thereby reducing the number of Warrants held by them to 1,200,000 Class C Warrants and 1,066,666 Class F Warrants. On the same date, the holder of June 2006 Debt entered into agreements which had the following affect:

- to sell their Class C and Class F Warrants and June 2006 Debt to certain non-affiliated parties;
- to terminate Andrew McKinnon's (currently BlastGard's Chief Executive Officer) prior obligation to purchase the aforementioned securities; and
- to have a first closing occur on August 8, 2008 as to one-half the securities and a second closing to occur no later than September 22, 2007. The purchasers of the June 2006 Debt agreed to convert their Debentures into shares of our Common Stock at \$.30 per share effective at each closing. As of the filing date of this Form 10-QSB, the second closing has not occurred.

During the three months ended March 31, 2007, the Company borrowed \$97,000 against its \$100,000 credit line, which was secured by its Chief Financial Officer. In April 2007, the Company retired this short-term loan.

December 2004 Debt Financing

In December 2004, we raised \$1,420,000 from five investors in a convertible debt financing, and issued to the investor's secured convertible notes due October 31, 2007 and common stock purchase warrants. The notes each bear an interest rate of 8% per annum. Aggregate monthly payments of 1.2% of the principal amount were due commencing November 1, 2005 through April 30, 2006, then aggregate monthly payments of 3% of the principal amount were scheduled for payment commencing May 1, 2006 through October 31, 2006, and then aggregate monthly payments of 6% of the principal amount were scheduled for payment commencing November 1, 2006 through October 31, 2007. Payments are applied first to accrued interest and then to principal. The balance of the unpaid principal and any unpaid interest is due on October 31, 2007. In June 2006, the holders of the December 2004 debt agreed to modify their rights to receive interest only from June 1, 2006 through May 31, 2007 and thereafter to resume the original payment schedule from June 1, 2007 through the due date of their notes on October 31, 2007. The note holders have the right, at their option, to convert the principal amount of the note, together with all accrued interest thereon in accordance with the provisions of and upon satisfaction of the conditions contained in the note, into fully paid and non-assessable shares of our common stock at an adjusted conversion price of \$.75 per share, subject to further adjustment in certain circumstances if the notes are then outstanding, such as a stock split, combination or dividend; or in the event we issue shares of common stock for consideration of less than the exercise price. On March 16, 2006, the exercise price of the notes was originally reduced from \$1.50 per share to \$1.00 per share as we failed to achieve gross revenues of at least \$15 million or net profits of at least \$1 million for the year ended December 31, 2005 and on June 22, 2006, the conversion price was reduced to \$.75 per share. On April 20, 2007, the conversion price of the notes was reduced to \$.30 per share.

We can require the holders of the December 2004 debt to convert their notes into shares of common stock if a registration statement for the resale of the underlying shares is effective and the common stock has traded above \$2.50 per shares for ten consecutive days. The amount that the holders can be required to convert is limited to the aggregate dollar volume traded over the past seven trading days (pro-rated among all holders), but no holder is required to convert an amount that result in the holder becoming the beneficial owner of more than 4.99% of the outstanding common stock on the date of conversion. The notes are secured by all of the assets of BlastGard[®] International, Inc, and its wholly-owned subsidiary, BlastGard Technologies, Inc., until the notes have been fully paid or fully converted into common stock.

Also in connection with the December 2004 debt, we issued the note holders two types of warrants to acquire shares of our common stock. We issued to the investors "Class A" Common Stock Purchase Warrants which entitle the investors to acquire an aggregate of 473,336 shares of our common stock currently exercisable at a price of \$.45 per share through December 2009 and contain a "cashless exercise" provision that applies only in the event that a registration statement for the resale of the shares is not effective.

We also issued to the investors "Class B" Common Stock Purchase Warrants entitling them to acquire an aggregate of 141,999 shares of our common stock currently exercisable at a price of \$.45 per share through December 2007 and contain a "cashless exercise" provision that applies only in the event that a registration statement for the resale of the shares is not effective.

Andrew Garrett, Inc., acted as placement agent in this transaction. The placement agent was paid a cash fee of \$99,400, which represented 7% of the gross proceeds. Andrew Garrett is also entitled to a 5% fee upon exercise of warrants by the investors, if any. We also issued the placement agent a warrant to acquire an aggregate of 82,834 shares of our common stock currently exercisable at a price of \$.45 per share, and a warrant to acquire 4,970 shares of our common stock currently exercisable at a price of \$.45 per share. The placement agent's warrants are exercisable for a period of five years and contain a "cashless exercise" provision that applies only in the event that a registration statement for the resale of the shares is not effective.

In March 2007, we entered into a new Waiver and Modification Agreement with the holders of the December 2004 Debt. Pursuant to said agreement, they waived their right of first refusal to participate in our recently completed financing. Further, the holders of the December 2004 Debt agreed to extend the maturity date of their notes to March 20, 2008 and to refrain for a period of ten months from March 20, 2007 from taking any action to foreclose on its security interest unless the holders, in their sole discretion, determined that the securities are in danger of being compromised. The holders of the December 2004 Debt also agreed to reduce the exercise price and call price of their Class F Warrants to \$.50 per share and \$.73 per share, respectively, and to waive any increase in the number of warrant shares that would otherwise be called for pursuant to the Class F Warrants. In addition, such holders agreed with us to lower the exercise price of their Class A and Class B Warrants to \$.45 per share (and the conversion price of their notes to \$.30 per share). The new Waiver and Modification Agreement became effective on April 20, 2007.

June 2006 Debt Financing

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

- (i) Five-year Class C warrants purchasing an aggregate of 1,200,000 shares originally exercisable at \$1.00 per share;
- (ii) Five-year Class D warrants purchasing an aggregate of 1,200,000 shares originally exercisable at \$1.50 per share;
- (iii) Five-year Class E warrants to purchase an aggregate of 600,000 shares originally exercisable at \$2.00 per share; and
- (iv) Five-year Class F warrants purchasing an aggregate of 1,066,666 shares originally exercisable at \$.75 per share. The Class F warrants were originally redeemable at a nominal price under certain circumstances if the volume weighted average price for our common stock is at least \$1.10 for ten consecutive trading days. The Class C warrants, Class D warrants, Class E warrants and Class F warrants contain anti-dilution protection in the case of stock splits, dividends, combinations, reclassifications and the like and in the event that we sell common stock below the applicable exercise price. The warrants also contain immediate registration rights and cashless exercise provisions in the event that there is no current registration statement commencing one year after issuance. An additional 666,667 Class F warrants were issued in connection with this transaction to the holders of our December 2004 debt to consent to this financing transaction and to agree to modify certain of their existing rights.

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

In April 2007, the then holders of the June 2006 Debt agreed to waive their right of first refusal in connection with our recently completed offerings in exchange for 150,000 restricted shares of Common Stock with "piggyback" registration rights contemporaneously with their entering into the April 2007 Agreement.

Source Capital Group, Inc. acted as a finder in connection with the June 2006 transaction. Source Capital was paid 25,000 shares of restricted common stock, a cash fee of \$72,000, which represents 6% of the gross proceeds and a 6% fee of each class of warrants issued in connection with the June 2006 debt financing, which warrants were issued by us and not deducted from those issued to any other party. Each Class of their Warrants are presently exercisable at \$.45 per share except for the Class F Warrants which are exercisable and callable at \$.50 and \$.73, respectively.

Registration Statements

Our recent debt and equity financings are described above. We have in the past and currently relied principally on external financing to maintain our company as a going concern. All of our assets have been used as collateral to secure our indebtedness. Among the many risks of our business and an investment in our company, is the possibility that we will not be able to meet our obligations as they come due and remain as a going concern. We have also agreed to file a registration statement to register for resale by the holders of the June 2006 debt, the number of shares of common stock issuable to them upon conversion of their notes and exercise of their warrants (the obligation to the holders of the June 2006 Debt are collectively referred to as the “Registrable Securities”), as well as to register for resale by Source Capital (and its transferees) and the holders of the December 2004 debt, the shares of common stock issuable upon exercise of their warrants. In September 2006, we obtained an effective registration statement pertaining to (i) a portion of the Registrable Securities, including the (x) shares of common stock issuable upon conversion of the June 2006 Debt based upon a conversion price of \$.75 per share and (y) warrant shares underlying the (x) Class C and Class F Warrants held by the holders of the June 2006 Debt and (ii) all shares of common stock issuable upon exercise of the warrants held by Source Capital (and its transferees). In September 2006, an amended agreement was entered into by and among the Company and the holders of the June 2006 Debt. This amendment requires us to register with the SEC the resale of the shares of common stock issuable upon exercise of the Class D and Class E Warrants and an additional 30% of the original Registrable Securities (as defined) upon receipt, in writing, of a written demand from such persons holding at least 51% of the outstanding Registrable Securities. To date, no such written demand has been received by us. Our original Registration Rights Agreement with the holders of the 2006 Debt (except as otherwise amended) requires us to maintain an effective Registration Statement pertaining to all Registrable Securities until all Registrable Securities covered by such Registration Statement have been sold, or may be sold, without volume restriction pursuant to Rule 144(k) (the “Effectiveness Period”). If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 90% of the number of shares of Common Stock then registered in a Registration Statement, then we are required to file as soon as reasonably practicable, but in any case prior to the 30th day following the date on which we first know, or should reasonably have known, that such additional Registration Statement is required, an additional Registration Statement covering the resale by the holders of not less than 130% of the number of such Registrable Securities. The agreement further provides that we may require each selling holder of Registrable Securities to furnish us a certified statement as to the number of shares of common stock beneficially owned by each holder and that during any period that we are unable to meet our obligations under the Registration Statement for the registration of the Registrable Securities solely because any holder fails to furnish us information within three trading days of our request, any liquidated damages that are accruing at such time to such selling holder only shall be tolled and that any event that may otherwise occur solely because of such delay shall be suspended as to such holder only, until such information is delivered to us.

Recently Issued Accounting Pronouncements

During the past two years, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 151, SFAS No. 153, SFAS No. 154 and SFAS No. 123R as described in “Recent Accounting Pronouncements” contained in Note 1 of the Notes to Financial Statements contained in our financial statements. Reference is made to these recent accounting pronouncements as if they are set forth herein in their entirety. These pronouncements and any anticipated effect on us are described in Note 1 contained therein.

ITEM 3. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). In designing and evaluating the disclosure controls and procedures, management recognized 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 necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level at the end of our most recent quarter. There have been no changes in the Company's disclosure controls and procedures or in other factors that could affect the disclosure controls subsequent to the date the Company completed its evaluation. Therefore, no corrective actions were taken.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On July 19, 2006, we filed a lawsuit in the Circuit Court of the Sixth Judicial Circuit in Pinellas County, Florida. The Defendants in the lawsuit are Sam Gettle, Guy Gettle and Verde Partners Family Limited Partnership (“Verde”). The lawsuit contends that the Defendants have committed defamatory acts against BlastGard International and its products. The lawsuit also asks for a declaration that BlastGard International is not liable for the acts complained of in the Nevada action. On BlastGard’s affirmative claims for defamation, the Florida action seeks injunctive relief and damages in excess of \$15,000, exclusive of attorney’s fees and costs.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) The following table provides information about the sales during the nine months ended September 30, 2007 of securities that have not been registered under Section 5 of the Securities Act of 1933:

Date of Sale	Title of Security	Number Sold	Consideration Received, Commissions	Purchasers	Exemption from Registration Claimed
April – May, 2007 (2)	Common Stock and Warrants	11,579,368 common shares and 5,764,684 warrants (1)	\$3,458,810; \$236,370 in cash compensation paid to Canadian broker/dealers	Offshore investors	Regulation S
April – May, 2007 (2)	Common Stock and Warrants	1,700,000 common shares and 850,000 warrants (1)	\$510,000; no commissions paid	Accredited investors	Rule 506 of Regulation D and/or Section 4(2)
April – June, 2007 (2)	Common Stock	233,333 shares	\$70,000; debt conversion	Accredited investors	Sec 3(a)(9)
April 2007 (3)(4)	Common Stock Options and Common Stock	1,450,000 Options; 90,000 common shares	Services rendered for options, \$45,000 paid for stock; no commissions paid	Accredited investors (officers and directors)	Rule 506 of Regulation D and/or Section 4(2)
April 2007	Common Stock	150,000 shares	Inducement to waive rights	Accredited investors	Rule 506 of Regulation D and/or Section 4(2)
August 2007	Common Stock	2,000,000 shares	\$600,000 debt conversion	Accredited Investors	Section 3(a)(9)

- (1) Exclusive of broker warrants to purchase 1,325,877 common shares and 662,939 warrants at \$.45 per share. All warrants and broker warrants expire in October 2008.
- (2) A 10% penalty paid in stock or additional warrants, as applicable, will be paid if Common Stock is not registered for resale by October 15, 2007. Since this did not occur, the penalty securities were issued in the fourth quarter of 2007.
- (3) Options exercisable at \$.45 per share.

- (4) Prior to May 2007, no cash compensation has been paid to our Directors for any service provided as a Director. On May 11, 2007, the non-employee directors were authorized by the Board to receive an annual cash fee of \$11,000 and quarterly fees of \$1,000. On May 11, 2007, the Board authorized the issuance and sale of an aggregate of 90,000 shares of our Common Stock to three non-employee/non executive directors in lieu of cash fees totaling \$45,000 for 2007.
- (b) Not applicable.
- (c) There were no stock repurchases by the Company during the nine months ended September 30, 2007.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

On October 16, 2007, Andrew McKinnon, the Company's COO, was appointed to fill a vacancy on the board of directors. Mr. McKinnon also assumed the position of Chief Executive Officer for the company. Mr. James F. Gordon, former CEO, has assumed the role of Director of Blast Mitigation Receptacles.

On October 29, 2007, we announced that we entered into a strategic business agreement with Lancer Systems LP ("Lancer"). Lancer was recently created by Green, Tweed's ownership to focus solely on the defense industry. Lancer provides manufacturing, marketing/sales and program management capabilities to service the domestic and international Military market. Lancer also has support and sales organizations within Israel to support the military and security markets in that country. Lancer and BlastGard have agreed to enter into an exclusive arrangement for the manufacture, marketing, and sale of BlastGard products for two defined business opportunities: 1) military weapons containers for shipment and storage; and 2) under and side armor of General Dynamics Stryker vehicle program. The Company has also granted to Lancer a limited exclusive right to sell all BlastGard products in the State of Israel on defined and agreed projects. Lancer intends to use BlastGard products for container and baggage storage for aircraft, public and specifically school safety as well as various military applications within Israel.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Reorganization dated January 31, 2004, by and among the Registrant, BlastGard Technologies, Inc., (“BTI”) and the shareholders of BTI. (Incorporated by reference to Exhibit 2.4 to the Company’s current report on Form 8-K dated January 31, 2004.)
3.1	The Company’s Articles of Incorporation, as amended and currently in effect. (Incorporated by reference to Exhibit 3.7 to the Company’s quarterly report on Form 10-QSB dated March 31, 2004).
3.2	The Company’s Bylaws, as amended and currently in effect. (Incorporated by reference to Exhibit 3.8 to the Company’s quarterly report on Form 10-QSB dated March 31, 2004).
4.1	Subscription Agreement between the Company and the named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.01 of the current report on Form 8-K filed December 3, 2004.)
4.2	Form of Secured Convertible Note issued to the named investors. (Incorporated by reference to exhibit 4.02 of the current report on Form 8-K filed December 3, 2004.)
4.3	Form of Class A Common Stock Purchase Warrant. (Incorporated by reference to exhibit 4.03 of the current report on Form 8-K filed December 3, 2004.)
4.4	Form of Class B Common Stock Purchase Warrant. (Incorporated by reference to exhibit 4.04 of the current report on Form 8-K filed December 3, 2004.)
4.5	Form of Common Stock Purchase Warrant issued to Andrew Garrett, Inc. (Placement Agent). (Incorporated by reference to exhibit 4.05 of the current report on Form 8-K filed December 3, 2004.)
4.6	Security and Pledge Agreement between the Company and Barbara Mittman as collateral agent for the named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.06 of the current report on Form 8-K filed December 3, 2004.)
4.7	Security and Pledge Agreement between BlastGard Technologies, Inc. and Barbara Mittman as collateral agent for named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.07 of the current report on Form 8-K filed December 3, 2004.)
4.8	Collateral Agent Agreement among the Company, Barbara Mittman (the collateral agent) and the named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.08 of the current report on Form 8-K filed December 3, 2004.)
4.9	Guaranty Agreement between BlastGard Technologies, Inc. and Barbara Mittman as collateral agent for named investors dated December 2, 2004. (Incorporated by reference to exhibit 4.09 of the current report on Form 8-K filed December 3, 2004.)
4.10	Form of Securities Purchase Agreement (Incorporated by reference to the Registrant’s Exhibit 99.2 contained in our Form 8-K filed June 23, 2006.)
4.11	Form of Registration Rights Agreement (Incorporated by reference to the Registrant’s Exhibit 99.3 contained in our Form 8-K filed June 23, 2006.)
4.12	Form of Security Agreement. (Incorporated by reference to the Registrant’s Exhibit 99.4 contained in our Form 8-K filed June 23, 2006.)

- 4.13 Form of Subsidiary Guarantee (Incorporated by reference to the Registrant's Exhibit 99.5 contained in our Form 8-K filed June 23, 2006.)
- 4.14 Form of Debenture (Incorporated by reference to the Registrant's Exhibit 99.8 contained in our Form 8-K filed June 23, 2006.)
- 4.15 Form of Warrant (Incorporated by reference to the Registrant's Exhibit 99.9 contained in our Form 8-K filed June 23, 2006.)
- 4.16 Form of SPA Disclosure (Incorporated by reference to the Registrant's Exhibit 99.10 contained in our Form 8-K filed June 23, 2006.)
- 4.17 Form of Security Agreement Disclosure Schedule (Incorporated by reference to the Registrant's Exhibit 99.11 contained in our Form 8-K filed June 23, 2006.)
- 4.18 Form of Subsidiary Guarantee Disclosure Schedule (Incorporated by reference to the Registrant's Exhibit 99.12 contained in our Form 8-K filed June 23, 2006.)
- 10.1 IDMedical.com, Inc. 2002 Stock Plan (Incorporated by reference to Exhibit 10.9 of the Company's Registration Statement on Form S-8, SEC File No. 333-84002, filed March 8, 2002).
- 10.2 Amendment dated March 24, 2004, to the IDMedical.com, Inc. 2002 Stock Plan. (Incorporated by reference to Exhibit 10.12 of the Company's Registration Statement on Form S-8, SEC File No. 333-113994 filed March 29, 2004.)
- 10.3 Employment Agreement with James F. Gordon dated January 31, 2004. (Incorporated by reference to Exhibit 10.13 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
- 10.4 Employment Agreement with Michael J. Gordon dated January 31, 2004. (Incorporated by reference to Exhibit 10.14 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
- 10.5 Employment Agreement with John L. Waddell, Jr. dated January 31, 2004. (Incorporated by reference to Exhibit 10.15 to the Company's quarterly report on Form 10-QSB dated March 31, 2004).
- 10.6 Employment Agreement with Kevin J. Sharpe dated January 31, 2004. (Incorporated by reference to Exhibit 10.16 to the Company's registration statement on Form SB-2, pre-effective amendment no. 3 (File No. 333-121455).)
- 10.7 Alliance Agreement with Centerpoint Manufacturing, Inc. dated October 25, 2004. (Incorporated by reference to Exhibit 10.17 to the Company's registration statement on Form SB-2, pre-effective amendment no. 4 (File No. 333-121455).)
- 10.8 Advisory Agreement with The November Group, Ltd., dated June 29, 2005. (Incorporated by reference to Exhibit 10.18 of the current report on Form 8-K filed July 6, 2005.)
- 10.9 Modification and Waiver Agreement (Incorporated by reference to Exhibit 10.1 in our Form 8-K filed December 8, 2006).
- 10.10 Form of Amended and Restated Second Modification and Waiver Agreement (Incorporated by reference to the Registrant's Exhibit 99.7 contained in our Form 8-K filed June 23, 2006.)
- 10.11 Form of Modification and Warrant Agreement (Incorporated by reference to the Registrant's Exhibit 99.14 contained in our Form 8-K filed June 23, 2006.)
- 10.12 Form of Modification and Warrant Agreement (Incorporated by reference to the Registrant's Exhibit 99.15 contained in our Form 8-K filed June 23, 2006.)
- 10.13 Form of Modification and Waiver Agreement (Incorporated by reference to the Registrant's Exhibit 10.23 contained in our Registration Statement, file no. 333-135815.)

- 10.14 Form of Second Modification and Warrant Agreement (Incorporated by reference to the Registrant's Exhibit 10.24 contained in our Registration Statement, file no. 333-135815.)
- 10.15 Form of Third Modification and Waiver Agreement (Incorporated by reference to the Registrant's Exhibit 10.25 contained in our Registration Statement, file no. 333-135815.)
- 10.16 Amendment Agreement dated September 15, 2006 to Exhibit 4.11 (Incorporated by reference to Exhibit 10.18 contained in our Form 10-QSB for the quarter ended September 30, 2006).
- 10.17 Waiver Agreement, dated April 18, 2007. (Incorporated by reference to Exhibit 10.1 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.18 Fourth Waiver and Modification Agreement, dated March 20, 2007. (Incorporated by reference to Exhibit 10.2 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.19 Management Committee Charter, dated March 23, 2007. (Incorporated by reference to Exhibit 10.3 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.20 Employment Agreement for John L. Waddell, Jr., dated April 1, 2007. (Incorporated by reference to Exhibit 10.4 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.21 Employment Agreement for James F. Gordon, dated April 1, 2007. (Incorporated by reference to Exhibit 10.5 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.22 Employment Agreement for Andrew McKinnon, dated April 1, 2007. (Incorporated by reference to Exhibit 10.32 of the Issuer's Form 10-QSB for its quarter ended March 31, 2007.)
- 10.23 Employment Agreement for Kevin J. Sharpe, dated April 1, 2007. (Incorporated by reference to Exhibit 10.7 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.24 Employment Agreement for Michael J. Gordon, dated April 1, 2007. (Incorporated by reference to Exhibit 10.9 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.25 Source Capital March 9, 2007 and April 12, 2007 Waiver Agreements (Incorporated by reference to Exhibit 10.10 of our Form 8-K filed with the SEC on April 25, 2007.)
- 10.26 Letter Amendment to Employment Agreements of Andrew McKinnon, John L. Waddell, Jr., James F. Gordon, Kevin Sharpe and Michael J. Gordon*
- 31.1 Rule 13a-14(a) Certification – Chief Executive Officer*
- 31.2 Rule 13a-14(a) Certification – Chief Financial Officer *
- 32.1 Section 1350 Certification – Chief Executive Officer *

- 32.2 Section 1350 Certification – Chief Financial Officer *
- 99.1 Employee Benefit and Consulting Services Compensation Plan (Incorporated by reference to Exhibit 99.1 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005).
- 99.2 Press Release – 2007 Third Quarter Results of Operations *
- 99.3 Press Release – October 29, 2007 regarding Lancer Agreement*

* Filed herewith.

SIGNATURES

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

BLASTGARD INTERNATIONAL, INC.

Dated: November 9, 2007

By: /s/ Andrew McKinnon

Andrew Mckinnon
Chief Executive Officer

Dated: November 9, 2007

By: /s/ Michael J. Gordon

Michael J. Gordon
Chief Financial Officer and Principal Accounting Officer

November 9, 2007

Andrew McKinnon, Chief Executive Officer
John L. Waddell, Jr., President
James F. Gordon, Director of Blast Mitigating Receptacles
Michael J. Gordon, Chief Financial Officer
Kevin Sharpe, Vice President

Gentlemen:

This letter shall serve as an amendment to each of your employment agreements to cut back on the number of performance options that you were entitled to receive. In this respect, in the event you are entitled to receive a performance option, you shall be granted one-third of the scheduled amount, thereby eliminating your entitlement to the remaining two-thirds.

Please sign below indicating your acceptance of these terms as an amendment to your employment agreement.

Agreed to and Accepted by:

/s/ Andrew McKinnon
Andrew McKinnon
Chief Executive Officer

/s/ James F. Gordon
James F. Gordon
Director of Blast Mitigating Receptacles

/s/ Kevin J. Sharpe
Kevin J. Sharpe, Vice President

/s/ John L. Waddell, Jr.
John L. Waddell, Jr.
President

/s/ Michael J. Gordon
Michael J. Gordon
Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew McKinnon, Chief Executive Officer of BlastGard International, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB for the period ended September 30, 2007, of BlastGard International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2007

/s/ Andrew McKinnon

Andrew McKinnon
Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Gordon, Chief Financial Officer of BlastGard International, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB for the period ended September 30, 2007, of BlastGard International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2007

/s/ Michael J. Gordon

Michael J. Gordon
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Solely for the purposes of complying with, and the extent required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies, in his capacity as the Chief Executive Officer of BlastGard International, Inc., that, to his knowledge, the Quarterly Report of the company on Form 10-QSB for the period ended September 30, 2007, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the report fairly presents, in all material respects, the company's financial condition and results of operations.

November 9, 2007

/s/ Andrew McKinnon

Andrew McKinnon

Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Solely for the purposes of complying with, and the extent required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies, in his capacity as the Chief Financial Officer of BlastGard International, Inc., that, to his knowledge, the Quarterly Report of the company on Form 10-QSB for the period ended September 30, 2007, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the report fairly presents, in all material respects, the company's financial condition and results of operations.

November 9, 2007

/s/ Michael J. Gordon

Michael J. Gordon
Chief Financial Officer

BlastGard International Reports Third Quarter 2007 Results

CLEARWATER FL, November 9, 2007 BlastGard International (OTCBB; BLGA) reported revenues for the third quarter ended September 30, 2007 of \$258,264 compared to \$4,406 reported in the same quarter of last year; and for the nine months ended September 30, 2007, we recognized sales of \$375,700 and a gross profit of \$53,982 compared to recognized sales of \$867,741 and a gross profit of \$197,035 for the same nine months of last year. The Company had a net loss of \$890,540 or \$(0.02) per share based on the weighted average of 36,770,138 shares outstanding compared to a net loss of \$708,747 or \$(0.03) per share reported in the third quarter of 2006 based on the weighted average shares outstanding of 22,073,413. The increase in net loss is attributed to the increase in operating expenses and debt interest. In October 2007, we took measures to reduce our monthly operating costs by approximately \$30,000 from approximately \$210,000 per month to an estimated \$180,000 per month, of which approximately \$60,000 is used to pay down our debt. Our Form 10-QSB for the quarter-ended September 30, 2007 was filed today with the SEC. Additional information on our results of operations and recent developments can be obtained by reading a copy of the quarterly report that can be found on the company's web site.

According to Andrew McKinnon, CEO of BlastGard, "Our focus is to create revenue and bottom line value for our shareholders. I am also pleased to report that the management team has agreed to amend their employment contracts to cancel 10,600,000 of the 15,900,000 performance based option incentives they were granted. This significantly reduces the potential dilution to our shareholders and is part of the cost cutting measures I have initiated in the Company."

About BlastGard International, Inc.

BlastGard International, Inc. creates designs, develops, manufactures and markets proprietary blast mitigation materials. The Company's patent-pending BlastWrap[®] technology effectively mitigates blast effects and suppresses post-blast fires. This unique technology is being used to create new, finished products or to retrofit to existing products. BlastWrap[®] is a market leading product from which blast protection solutions are built to save lives and reduce damage to valuable assets from explosions. Additional information on BlastGard can be found at <http://www.blastgardintl.com>.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: Except for historical information, all of the statements, expectations and assumptions contained in the foregoing are forward-looking statements that involve a number of risks and uncertainties. It is possible that the assumptions made by management are not necessarily the most likely and may not materialize. In addition, other important factors that could cause actual results to differ materially include the following: the Company's ability to market its products; the Company's ability to obtain additional funding; the Company's ability to obtain regulatory approvals on new products, the general economy; competitive factors; ability to attract and retain personnel; the price of the Company's stock; and other risk factors. The Company takes no obligation to update or correct forward-looking statements.

Company Contact:

BlastGard International, Inc.

Michael J. Gordon
(727) 592-9400