



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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 8, 2005 (December 6, 2005)

BlastGard International, Inc.

(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction
of incorporation)

333-47294
(Commission File Number)

84-1506325
(IRS Employer
Identification No.)

12900 Automobile Blvd., Suite D, Clearwater, Florida
(Address of principal executive offices)

33762
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 1.01 Entry into a Material Definitive Agreement.

Reference is made to Item 3.03 for a discussion of a Modification and Waiver Agreement entered into by BlastGard International, Inc. (the "Company") and the holders of secured notes of the Company.

Item 3.03 Material Modification to Rights of Securities Holders.

Background

In December 2004, the Company raised \$1,420,000 from five investors in a convertible debt financing, and issued to the investors secured convertible notes and common stock purchase warrants. The individual note holders have the right, at their option, to convert the principal amount of the note, together with all accrued interest at a conversion price of \$1.50 per share, subject to adjustment in certain circumstances.

Each note provides that if, by March 16, 2006, the notes are still outstanding, the exercise price will be reduced by one-third (from \$1.50 to \$1.00, unless further adjusted) unless we report gross revenues of at least \$15 million or net profits of at least \$1 million for the year ended December 31, 2005. The initial interest rate of the notes is 8% per annum, but the default rate is 15% per annum. The note holders have the right to demand and receive interest at the default rate upon an event of default (as defined in the notes). The liquidated damages are payable in cash or an amount equal to 200% of such cash liquidated damages if paid in additional registered shares of common stock at the conversion rate in effect at that time.

An event of default occurred on March 20, 2005, because a registration statement for the resale of the shares issuable to the note holders upon conversion of principal and interest was not declared effective by the Securities and Exchange Commission ("SEC") by that date, as required by the Company's agreement with the note holders. The reason for the default was because the SEC review process had taken much longer than the Company had anticipated. The SEC declared the Company's registration statement on Form SB-2 effective on August 10, 2005. As a result, the Company's convertible promissory notes are no longer accruing additional liquidated damages. However, for the period March 20, 2005 through August 10, 2005, the Company accrued liquidated damages of 2% of principal for every 30 days of delay in the effectiveness of the registration statement.

The Company's balance sheet at September 30, 2005 included notes payable under current liabilities of \$1,182,352, net of amortized discount of \$237,648.

Modification and Waiver Agreement

Pursuant to a Modification and Waiver Agreement dated as of December 6, 2005, the note holders and the Company agreed that the note holders would waive exercising their remedies and rights available to them for events of default only as they relate to the late filing and effectiveness of the Registration Statement, including the right to receive liquidated damages and the non-payment of principal amounts of the notes and interest due through December 31, 2005, including the right to receive the default interest rate of 15% in lieu of 8% per annum. These waivers by the note holders of their rights and remedies saved the Company approximately \$50,069.00 in liquidated damages and default interest. In consideration of these waivers, the Company agreed to issue 314,280 restricted shares of Common Stock in exchange for the conversion of principal amounting to \$34,080 and accrued interest totaling \$123,064 through December 31, 2005 at a conversion rate of \$.50 per share. By virtue of the



Modification and Waiver Agreement, the note holders have also agreed that an event of default has not occurred and the effect of this is to reinstate the non-current portion of the notes payable to long-term debt due October 31, 2007. The aforementioned 314,288 shares were granted piggy-back registration rights and are available for sale as restricted securities in accordance with the requirements of Rule 144 of the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits

<u>Exhibit</u>	<u>Description</u>
10.1	Modification and Waiver Agreement (filed herewith.)



SIGNATURES

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

BLASTGARD INTERNATIONAL, INC.

By: /s/ James F. Gordon

James F. Gordon, Chief Executive Officer

Date: December 8, 2005



EXHIBITS 10.1

Modification and Waiver Agreement

This Modification and Waiver Agreement (“Agreement”) dated as of December 6, 2005 is entered into by and among BlastGard International, Inc., a Colorado corporation (the “Company”) and the subscribers identified on the signature page hereto (each a “Subscriber” and collectively “Subscribers” or the “Parties”).

WHEREAS, the Company and the Subscribers are parties to Subscription Agreements (“Subscription Agreements”) dated December 2, 2004 relating to an aggregate investment of \$1,420,000 by Subscribers in secured notes (“Notes”) convertible into Common Stock of the Company and Common Stock Purchase Warrants (“Warrants”); and

WHEREAS, the Company is in default of material terms of the Transaction Documents and the Subscribers may elect to exercise their rights to accelerate the Maturity Date of the Notes and foreclose on the Collateral under the Security Agreement; and

WHEREAS, the Company and Subscribers desire to restructure the terms of the Transaction Documents to their mutual benefit.

NOW THEREFORE, in consideration of the mutual covenants and other agreements contained in this Agreement, the Company and the Subscribers hereby agree as follows:

1. All the capitalized terms employed herein shall have the meanings attributed to them in the Subscription Agreements and the documents and agreements delivered therewith (“Transaction Documents”).

2. Section 1.2 contained in Article I of the Note is amended as follows:

(a) The Company will pay the principal amounts and interest payments due through December 31, 2005 (as described on Schedule A) with shares of the Company’s Common Stock.

(b) Such shares of Common Stock shall be valued at a per share value of \$0.50 per share.

3. Not later than seven business days after the Company receives an executed copy of this Agreement signed by all Subscribers, the Company will deliver an aggregate of 314,294 shares of Common Stock (in the amounts designated on Schedule A hereto) to Subscribers (“Additional Shares”). The Additional Shares will contain the legend set forth in Section 4(e) of the Subscription Agreement. For the benefit of the parties hereto, the Company hereby makes all the representations, warranties, covenants, undertakings and indemnifications contained in the Transaction Documents, as if such representations were made by the Company as of this date. The Subscribers hereby make all of the representations, warranties, covenants, indemnifications and undertakings contained in the Transaction Documents as if such representations were made by the Subscribers as of this date. The Company represents that the Additional Shares are fully paid and non-assessable. The Subscribers are granted the rights described in Sections 11.1(ii) of the Subscription Agreement in relation to the Additional Shares.

4. The issuance of such Shares of Common Stock shall not trigger the anti-dilution protection described in Section 2.1(c).D of the Note.

5. The Company acknowledges that for purposes of Rule 144(d)(3)(i) of the 1933 Act, the holding period of the Additional Shares shall tack back to the Closing Date of December 2, 2004.

6. The Subscribers waive exercise of the remedies and rights available to them for Events of Default only as they relate to the non-payment of the principal amounts of the Notes and Interest through December 31, 2005 as more fully described in Section 1.2 of the Notes and for the late filing and



effectiveness of the Registration Statement as more fully described in Sections 11.1(iv) and 11.4 of the Subscription Agreement existing as of the Modification Effective Date (i.e. the date hereof) and the payment of interest at the rate of 15% contained in Section 1.4 of the Note and liquidated or other damages related thereto contained in Section 11.4 of the Subscription Agreement. Accordingly, upon execution of this Agreement, no "Event of Default" has occurred in the Note, the Subscription Agreement or any other Transaction Document with respect to the matters that are the subject of waiver by Subscribers and the interest rate shall remain at 8% per annum as contained in Section 1.2 of the Note. The foregoing waivers do not apply to any period or any default except for the period described above.

7. All other terms and conditions of the Transaction Documents, including the accrual of regular interest commencing January 1, 2006, shall remain in full force and effect and payable.

8. This Modification and Waiver Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to any other party, it being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were an original thereof. A copy of this Agreement annexed to the Note or Warrants shall be sufficient to reflect the amendment thereto.

9. Each of the undersigned states that he has read the foregoing Agreement and understands and agrees to it.

BLASTGARD INTERNATIONAL, INC.
the "Company"

By: /s/ Michael J. Gordon

Michael J. Gordon,
CFO

/s/ Alpha Capital Aktiengesellschaft

ALPHA CAPITAL AKTIENGESELLSCHAFT

/s/ Genesis Microcap Inc.

GENESIS MICROCAP INC.

/s/ Steven Gold

STEVEN GOLD

/s/ Asher Brand

ASHER BRAND

/s/ TRW Holdings Pty Limited

TRW HOLDINGS PTY LIMITED



SCHEDULE A TO MODIFICATION AND WAIVER AGREEMENT

<u>SUBSCRIBER</u>	<u>NOTE PRINCIPAL</u>	<u>PRINCIPAL AMOUNT DUE THROUGH 12/31/05</u>	<u>INTEREST DUE THROUGH 12/31/05</u>	<u>SHARES TO BE ISSUED</u>
ALPHA CAPITAL AKTIENGESELLSCHAFT Pradafant 7 9490 Furstentums Vaduz, Lichtenstein Fax: 011-41-32323196	\$1,000,000.00	\$ 24,000.00	\$ 86,666.00	221,332
GENESIS MICROCAP INC. 483 Green Lanes London N13 4BS, England Attn: Lawrence S. Gibbons Fax: 011-087-0127-5687	\$ 200,000.00	\$ 4,800.00	\$ 17,333.00	44,266
STEVEN GOLD 874 East 9 th Street Brooklyn, NY 11230 Fax: (718) 677-6009	\$ 100,000.00	\$ 2,400.00	\$ 8,666.00	22,132
ASHER BRAND 30 Olympia Lane Monsey, NY 10952 Fax: (212) 586-8244	\$ 20,000.00	\$ 480.00	\$ 1,733.00	4,426
TRW HOLDINGS PTY LIMITED Gerry McGowan 5/39 New Beach Road Darling Point NSW 2027, Australia Fax: 011-61-292912948	\$ 100,000.00	\$ 2,400.00	\$ 8,666.00	22,132
TOTAL	\$1,420,000.00	\$ 34,080.00	\$123,064.00	314,288