

BAZI INTERNATIONAL, INC.  
Form 10-Q  
November 15, 2011

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

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT  
For the transition period from N/A to N/A

Commission file No. 000-50875

BAZI INTERNATIONAL, INC.  
(Exact name of small business issuer as specified in its charter)

Nevada  
(State of incorporation)

84-1575085  
(I.R.S. Employer Identification  
Number)

1730 Blake Street, Suite 305  
Denver, CO 80202  
(Address of principal executive offices)

(303) 316-8577  
(Issuer's telephone number)

Indicate by check mark whether the Registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:

Yes x No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

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Large accelerated filer  
Non-Accelerated filer

Accelerated filer  
Small reporting company

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

As of November 14, 2011 the Company had 48,594,507 shares of its \$.001 par value common stock issued and outstanding.

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FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

BAZI INTERNATIONAL, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	2011	September 30	December 31, 2010*
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$	10,614	\$ 41,067
Accounts receivable, net of allowance for doubtful accounts of \$8,001 and \$1,843, respectively		26,994	6,041
Inventory, net of allowance for obsolescence of \$10,472 and \$28,022, respectively		40,387	43,030
Prepaid expenses and other current assets		96,524	75,087
Deferred offering costs		92,119	-
Deferred loan costs		19,290	465,262
Total current assets		285,928	630,487
Intangible assets, net		19,801	21,185
Property and equipment, net		11,019	26,317
Total assets	\$	316,748	\$ 677,989
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Current liabilities:			
Accounts payable	\$	1,238,600	\$ 621,020
Return reserve		479	956
Accrued payroll and benefits		279,365	47,983
Accrued interest		9,847	12,552
Other accrued expenses		20,195	19,072
Notes payable		73,483	88,876
Total current liabilities		1,621,969	790,459
Long term liabilities:			
Senior secured convertible notes payable		94,391	1,814,641
Total liabilities		1,716,360	2,605,100
Commitments and Contingencies (see Note 4)			
<b>SHAREHOLDERS' EQUITY (DEFICIT):</b>			
Preferred stock, authorized 5,000,000 shares, \$.001 par value, none issued or outstanding		-	-

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Common stock, authorized 200,000,000 and 50,000,000 shares, \$.001 par value 48,594,507 and 19,952,170 shares issued and outstanding respectively		19,952
	48,594	
Additional paid in capital	30,125,502	26,073,358
Accumulated (deficit)	(31,573,708)	(28,020,421)
Total shareholders' equity (deficit)	(1,399,612)	(1,927,111)
Total liabilities and shareholders' equity	\$ 316,748	\$ 677,989

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

\* Derived from audited Financial Statements

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BAZI INTERNATIONAL, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)  
 Three and Nine Months Ended September 30, 2011 and 2010

	For the Three Months Ended September 30, 2011	For the Three Months Ended September 30, 2010	For the Nine Months Ended September 30, 2011	For the Nine Months Ended September 30, 2010
Net sales	\$ 314,567	\$ 490,997	\$ 1,105,328	\$ 1,817,127
Cost of goods sold	181,543	186,444	625,561	562,134
Gross profit	133,024	304,553	479,767	1,254,993
Operating expenses:				
Selling and market				