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BLONDER TONGUE LABORATORIES INC

Form 10-Q

May 15, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2007,

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO .

Commission file number 1-14120

BLONDER TONGUE LABORATORIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

52-1611421
(I.R.S. Employer
Identification No.)

One Jake Brown Road, Old Bridge, New Jersey
(Address of principal executive offices)

08857
(Zip Code)

Registrant's telephone number, including area code: (732) 679-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed 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 ☒ 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.

Large accelerated filer Accelerated filer Non-accelerated filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Yes No X

Number of shares of common stock, par value \$.001, outstanding as of May 15, 2007: 6,222,252

The Exhibit Index appears on page 17.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (In thousands)

	(unaudited) March 31,	December 31,
	2007	2006
Assets (Note 4)		
Current assets:		
Cash.....	\$51	\$ 84
Accounts receivable, net of allowance for doubtful accounts of \$737 and \$652 respectively	3,272	3,874
Inventories (Note 3).....	9,443	9,708
Prepaid and other current assets.....	893	708
Deferred income taxes	568	568
Total current assets.....	14,227	14,942
Inventories, net non-current (Note 3).....	5,731	5,052
Property, plant and equipment, net of accumulated depreciation and amortization	4,451	4,537
Patents, net	99	107
Other assets, net	767	796
Deferred income taxes	1,788	1,788
	\$27,063	\$27,222
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt (Note 4)...	\$3,581	\$2,469
Accounts payable.....	1,111	1,397
Accrued compensation.....	608	742
Accrued benefit liability.....	103	103
Income taxes payable.....	55	461
Other accrued expenses.....	237	259
Total current liabilities.....	5,695	5,431
Long-term debt (Note 4).....	1,498	1,559

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Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$.001 par value; authorized 5,000 shares; no shares outstanding.....	-	-
Common stock, \$.001 par value; authorized 25,000 shares, 8,465 shares Issued	8	8
Paid-in capital.....	24,534	24,454
Retained earnings.....	3,465	3,907
Accumulated other comprehensive loss.....	(826)	(826)
Treasury stock, at cost, 2,242 shares,.....	(7,311)	(7,311)
	-----	-----
Total stockholders' equity.....	19,870	20,232
	-----	-----
	\$27,063	\$27,222
	=====	=====

See accompanying notes to consolidated financial statements

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BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands, except per share amounts) (unaudited)

	Three Months Ended March 31,	
	2007	2006
	-----	-----
Net sales.....	\$7,499	\$9,957
Cost of goods sold.....	5,004	6,659
	-----	-----
Gross profit.....	2,495	3,298
	-----	-----
Operating expenses:		
Selling.....	1,307	1,112
General and administrative.....	1,452	1,232
Research and development.....	460	392
	-----	-----
	3,219	2,736
	-----	-----
Earnings (loss) from operations.....	(724)	562
	-----	-----
Other expense		
Interest expense (net).....	(118)	(180)
Equity in loss of Blonder Tongue		
Telephone, LLC.....	-	(65)
	-----	-----
	(118)	(245)
	-----	-----
Earnings (loss) from continuing operations before income taxes	(842)	317
Provision (benefit) for income taxes.....	-	-
	-----	-----

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Earnings (loss) from continuing operations	(842)	317
Loss from discontinued operations.....	-	(125)
	-----	-----
Net earnings (loss).....	\$ (842)	\$192
	=====	=====
Basic and diluted earnings (loss) per share from continuing operations	\$ (0.14)	\$0.04
.....		
Basic and diluted loss per share from discontinued operations .	-	(0.02)
	-----	-----
Basic and diluted net earnings (loss) per share	\$ (0.14)	\$0.02
	=====	=====
Basic and diluted weighted average shares outstanding.....	6,222	8,015
	=====	=====

See accompanying notes to consolidated financial statements.

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BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands) (unaudited)

	Three Months Ended March 31,	
	-----	-----
	2007	2006
	-----	-----
Cash Flows From Operating Activities:		
Net earnings (loss).....	\$ (842)	\$192
Adjustments to reconcile net earnings (loss) to cash		
used in operating activities:		
Stock compensation expense.....	80	3
Equity in loss from Blonder Tongue Telephone, LLC.....	-	65

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Depreciation.....	120	243
Amortization	8	160
Allowance for doubtful accounts.....	85	64
Changes in operating assets and liabilities:		
Accounts receivable.....	517	(1,900)
Inventories.....	(414)	1,190
Prepaid and other current assets.....	(185)	(254)
Other assets.....	29	(119)
Income taxes.....	(6)	(4)
Accounts payable, accrued compensation and other accrued expenses.	(442)	(776)
	-----	-----
Net cash used in operating activities...	(1,050)	(1,136)
	-----	-----
Cash Flows From Investing Activities:		
Capital expenditures.....	(34)	(162)
	-----	-----
Net cash used in investing activities...	(34)	(162)
	-----	-----
Cash Flows From Financing Activities:		
Borrowings of debt.....	9,075	736
Repayments of debt.....	(8,024)	(108)
	-----	-----
Net cash provided by financing activities	1,051	628
	-----	-----
Net decrease in cash.....	(33)	(670)
	-----	-----
Cash, beginning of period.....	84	787
	-----	-----
Cash, end of period.....	\$51	\$117
	=====	=====
Supplemental Cash Flow Information:		
Cash paid for interest.....	\$126	\$128
Cash paid for income taxes.....	\$6	\$4

See accompanying notes to consolidated financial statements.

BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In thousands) (unaudited)

Note 1 - Company and Basis of Presentation

Blonder Tongue Laboratories, Inc. (the "Company") is a designer, manufacturer and supplier of electronics and systems equipment for the cable television industry, primarily throughout the United States. The consolidated financial statements include the accounts of Blonder Tongue Laboratories, Inc. and subsidiaries (including BDR Broadband, LLC, "BDR"). On December 15, 2006, BDR was sold. As a result, the Company reflected the sale of BDR as a discontinued operation. Significant intercompany accounts and transactions have

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been eliminated in consolidation.

The Company's investment in Blonder Tongue Telephone, LLC ("BTT") and NetLinc Communications, LLC ("NetLinc") were accounted for on the equity method since the Company did not have control over these entities. On June 30, 2006, the Company sold its ownership interest in BTT. See Note 5.

The results for the first quarter of 2007 are not necessarily indicative of the results to be expected for the full fiscal year and have not been audited. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting primarily of normal recurring accruals, necessary for a fair statement of the results of operations for the period presented and the consolidated balance sheet at March 31, 2007. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the SEC rules and regulations. These financial statements should be read in conjunction with the financial statements and notes thereto that were included in the Company's latest annual report on Form 10-K for the year ended December 31, 2006.

Note 2 - New Accounting Pronouncement

Effective January 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation Number 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," ("FIN No. 48"), which prescribes a single, comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on its tax returns. Upon adoption of FIN No. 48, the Company recognized a decrease of approximately \$400 in the liability for unrecognized tax benefits, which was accounted for as an increase to retained earnings of \$400 as of January 1, 2007.

As of January 1, 2007, after the implementation of FIN No. 48, the Company's amount of unrecognized tax benefits is \$55. The amount of unrecognized tax benefits, if recognized, would not have a material impact on the Company's effective tax rate. The Company files income tax returns in the United States (federal) and in various state jurisdictions. The Company is no longer subject to federal and state income tax examinations by tax authorities for years prior to 2003.

Note 3 - Inventories

Inventories net of reserves are summarized as follows:

	(unaudited) March 31, 2007	Dec. 31, 2006
	-----	-----
Raw Materials.....	\$8,509	\$8,564
Work in process.....	1,489	1,864
Finished Goods.....	12,006	11,162
	-----	-----
	22,004	21,590
Less current inventory.....	(9,443)	(9,708)
	-----	-----
	12,561	11,882
Less Reserve primarily for excess inventory.	(6,830)	(6,830)
	-----	-----
	\$5,731	\$5,052
	=====	=====

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BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In thousands) (unaudited)

Inventories are stated at the lower of cost, determined by the first-in, first-out ("FIFO") method, or market.

The Company periodically analyzes anticipated product sales based on historical results, current backlog and marketing plans. Based on these analyses, the Company anticipates that certain products will not be sold during the next twelve months. Inventories that are not anticipated to be sold in the next twelve months, have been classified as non-current.

Over 60% of the non-current inventories are comprised of raw materials. The Company has established a program to use interchangeable parts in its various product offerings and to modify certain of its finished goods to better match customer demands. In addition, the Company has instituted additional marketing programs to dispose of the slower moving inventories.

The Company continually analyzes its slow-moving, excess and obsolete inventories. Based on historical and projected sales volumes and anticipated selling prices, the Company establishes reserves. Products that are determined to be obsolete are written down to net realizable value. If the Company does not meet its sales expectations, these reserves are increased. The Company believes reserves are adequate and inventories are reflected at net realizable value.

Note 4 - Debt

On December 29, 2005 the Company entered into a Credit and Security Agreement ("Credit Agreement") with National City Business Credit, Inc. ("NCBC") and National City Bank (the "Bank"). The Credit Agreement provides for (i) a \$10,000 asset based revolving credit facility ("Revolving Loan") and (ii) a \$3,500 term loan facility ("Term Loan"), both of which have a three year term. The amounts which may be borrowed under the Revolving Loan are based on certain percentages of Eligible Receivables and Eligible Inventory, as such terms are defined in the Credit Agreement. The obligations of the Company under the Credit Agreement are secured by substantially all of the assets of the Company.

Under the Credit Agreement, the Revolving Loan bears interest at a rate per annum equal to the Libor Rate Plus 2.25%, or the "Alternate Base Rate," being the higher of (i) the prime lending rate announced from time to time by the Bank or (ii) the Federal Funds Effective Rate (as defined in the Credit Agreement), plus 0.50%. The Term Loan bears interest at a rate per annum equal to the Libor Rate plus 2.75% or the Alternate Base Rate plus 0.50%. In connection with the Term Loan, the Company entered into an interest rate swap agreement ("Swap Agreement") with the Bank which exchanges the variable interest rate of the Term Loan for a fixed interest rate of 5.13% per annum effective January 10, 2006 through the maturity of the Term Loan.

In March 2006, the Credit Agreement was amended to (i) modify certain financial covenants as defined under the credit agreement, (ii) increase the applicable interest rates for the Revolving Loan and Term Loan thereunder by 25 basis points until such time as the Company has met certain financial covenants for two consecutive fiscal quarters and (iii) impose an availability block of \$500 under the Company's borrowing base until such time as the Company has met certain financial covenants for two consecutive fiscal quarters.

On December 15, 2006, the Company and BDR, as Borrowers, and Blonder Tongue Investment Company, a wholly-owned subsidiary of the Company, as Guarantor,

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executed a Second Amendment to Credit and Security Agreement (the "Amendment") with NCBC and the Bank. The Amendment removes BDR as a "Borrower" under the Credit Agreement and includes other modifications and amendments to the Credit Agreement and related ancillary agreements necessitated by the removal of BDR as a Borrower. These other modifications and amendments include a reduction of approximately \$1,400 to the maximum amount of Revolving Advances that NCBC will make to the Company due to the release from collateral of the rights of entry owned by BDR.

At March 31, 2007, the Company was in violation of a certain financial covenant, compliance with which was waived by the Bank effective as of that date.

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BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In thousands) (unaudited)

The Revolving Loan terminates on December 28, 2008, at which time all outstanding borrowings under the Revolving Loan are due. The Term Loan requires equal monthly principal payments of \$19 each, plus interest, with the remaining balance due at maturity. Both loans are subject to a prepayment penalty if satisfied in full prior to the second anniversary of the effective date of the loans.

The Credit Agreement contains customary representations and warranties as well as affirmative and negative covenants, including certain financial covenants. The Credit Agreement contains customary events of default, including, among others, non-payment of principal, interest or other amounts when due.

Note 5 - Discontinued Operations and Sale of BTT (Subscribers and passings in whole numbers)

In June 2002 the Company acquired its initial 90% ownership interest in BDR Broadband, LLC and in October 2006 acquired the 10% minority interest that had been owned by Priority Systems, LLC for nominal consideration. In June 2002, BDR acquired certain rights-of-entry for multiple dwelling unit cable television and high-speed data systems (the "Systems"). As a result of BDR acquiring additional rights-of-entry, at the time of divestiture in December 2006, BDR owned Systems for approximately 25 MDU properties in the State of Texas, representing approximately 3,300 MDU cable television subscribers and 8,400 passings. The Systems were upgraded with approximately \$81 and \$799 of interdiction and other products of the Company during 2006 and 2005, respectively. During 2004, two Systems located outside of Texas were sold.

On December 15, 2006, the Company and BDR, entered into a Membership Interest Purchase Agreement ("Purchase Agreement") with DirecPath Holdings, LLC, a Delaware limited liability company ("DirecPath"), pursuant to which the Company sold all of the issued and outstanding membership interests of BDR to DirecPath.

Pursuant to the Purchase Agreement, DirecPath paid the Company an aggregate purchase price of \$3,130 in cash, subject to certain post-closing adjustments, including an adjustment for cash, an adjustment for working capital and

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adjustments related to the number of subscribers for certain types of services, all as of the closing date and as set forth in the Purchase Agreement. A portion of the purchase price, \$490 (which is included as part of the prepaid and other current assets), was deposited into an escrow account pursuant to an Escrow Agreement dated December 15, 2006, among the Company, DirecPath and U.S. Bank National Association, to secure the Company's indemnification obligations under the Purchase Agreement.

On March 15, 2007, the Company received from DirecPath a Final Purchase Price Certificate (the "Certificate") as defined under the Purchase Agreement. The Certificate asserts various purchase price adjustments aggregating approximately \$970 are due to DirecPath. The Company is evaluating the claims outlined in the Certificate. At this time, the Company does not believe the claims have any merit and intends to file a Disputed Items Notice within the sixty days period allowed under the Purchase Agreement.

In addition, in connection with the purchase transaction, on December 15, 2006, the Company entered into a Purchase and Supply Agreement with DirecPath, LLC, a wholly-owned subsidiary of DirecPath ("DPLLC"), pursuant to which DPLLC will purchase \$1,630 of products from the Company, subject to certain adjustments, over a period of three (3) years beginning no later than June 13, 2007. The period in which DPLLC is required to satisfy the purchase commitment may be extended upon the occurrence of certain events, including if the Company is unable to deliver the products required by DPLLC. The Purchase Agreement includes customary representations and warranties and post-closing covenants, including indemnification obligations, subject to certain limitations, on behalf of the parties with respect to their representations, warranties and agreements made pursuant to the Purchase Agreement. In addition, except for certain activities by Hybrid Networks, LLC, a wholly-owned subsidiary of the Company, the Company agreed, for a period of two (2) years, not to engage in any business that competes with BDR.

In connection with the Purchase Agreement, the Company also entered into a Transition Services Agreement with DirecPath, pursuant to which the Company will provide certain administrative and other services to DirecPath during a ninety-day transition period, which was extended and completed in April, 2007.

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BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In thousands) (unaudited)

As a result of the above, the Company reflected the sale of BDR and the results of its operations for the three months ended March 31, 2006, as a discontinued operation. Components of the loss from discontinued operations are as follows:

	Three months ended March 31, 2006 -----
Net Sales.....	\$430

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Cost of goods sold.....	158

Gross profit.....	272

General and administrative.....	397

Net loss.....	\$125
	=====

During 2003, the Company entered into a series of agreements pursuant to which the Company ultimately acquired a 50% economic ownership interest in NetLinc Communications, LLC ("NetLinc") and Blonder Tongue Telephone, LLC ("BTT") (to which the Company had licensed its name). The aggregate purchase price consisted of (i) the cash portion of \$1,167, plus (ii) 500 shares of the Company's common stock. BTT had an obligation to redeem the \$1,167 cash component of the purchase price to the Company via preferential distributions of cash flow under BTT's limited liability company operating agreement. In addition, of the 500 shares of common stock issued to BTT as the non-cash component of the purchase price (fair valued at \$1,030), one-half (250 shares) were pledged to the Company as collateral.

NetLinc owns patents, proprietary technology and know-how for certain telephony products that allow Competitive Local Exchange Carriers ("CLECs") to competitively provide voice service to multiple dwelling units ("MDUs"). BTT partners with CLECs to offer primary voice service to MDUs, receiving a portion of the line charges due from the CLECs' telephone customers, and the Company offers for sale a line of telephony equipment to complement the voice service. Certain distributorship agreements were entered into among NetLinc, BTT and the Company pursuant to which the Company ultimately acquired the right to distribute NetLinc's telephony products to private and franchise cable operators as well as to all buyers for use in MDU applications. However, the Company can also purchase similar telephony products directly from third party suppliers other than NetLinc and, in connection therewith, the Company would pay certain future royalties to NetLinc and BTT from the sale of these products by the Company. While the distributorship agreements among NetLinc, BTT and the Company have not been terminated, the Company does not presently anticipate purchasing products from NetLinc. NetLinc, however, continues to own intellectual property, which may be further developed and used in the future to manufacture and sell telephony products under the distributorship agreements, although the Company has no present intention to do so. The Company accounts for its investments in NetLinc and BTT using the equity method.

On June 30, 2006, the Company entered into a Share Exchange and Settlement Agreement ("Share Exchange Agreement") with BTT and certain related parties of BTT. Pursuant to the Share Exchange Agreement, in exchange for all of the membership shares of BTT owned by the Company (the "BTT Shares"), BTT transferred back to the Company the 500 shares of the Company's common stock that were previously contributed by the Company to the capital of BTT (the "Company Common Stock"). Under the terms of the Share Exchange Agreement, the parties also agreed to the following:

- o the Company granted BTT a non-transferable equipment purchase credit in the aggregate amount of \$400 (subject to certain off-sets as set forth in the Share Exchange Agreement); two-thirds (2/3rds) of which (\$270) had to be used solely for the purchase of telephony equipment and the remaining one-third (1/3rd) of which (\$130) could be used for either video/data equipment or telephony equipment;

BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands)
(unaudited)

- o the equipment credit would have expired automatically on December 31, 2006, but it was exercised in full by September 30, 2006;
- o certain non-material agreements were terminated, including the Amended and Restated Operating Agreement of BTT among the Company, BTT and remaining member of BTT, the Joint Venture Agreement among the Company, BTT, and certain related parties, the Royalty Agreement between the Company and BTT, and the Stock Pledge Agreement between the Company and BTT, each dated September 11, 2003 (collectively, the "Prior Agreements");
- o BTT agreed, within ninety (90) days, to change its corporate name and cease using any intellectual property of the Company, including, without limitation, the names "Blonder", "Blonder Tongue" or "BT"; and
- o the mutual release among the parties of all claims related to (i) the ownership, purchase, sale or transfer of the BTT Shares or the Company Common Stock, (ii) the Joint Venture (as defined in the Joint Venture Agreement) and (iii) the Prior Agreements.

Note 6 - Related Party Transactions

On January 1, 1995, the Company entered into a consulting and non-competition agreement with James H. Williams who was a director of the Company until May 24, 2006 and who was also the largest stockholder until November 14, 2006. Under the agreement, Mr. Williams provides consulting services on various operational and financial issues and is currently paid at an annual rate of \$169 but in no event is such annual rate permitted to exceed \$200. Mr. Williams also agreed to keep all Company information confidential and not to compete directly or indirectly with the Company for the term of the agreement and for a period of two years thereafter. The initial term of this agreement expired on December 31, 2004 and automatically renews thereafter for successive one-year terms (subject to termination at the end of the initial term or any renewal term on at least 90 days' notice). This agreement automatically renewed for a one-year extension until December 31, 2007. On November 14, 2006, the Company repurchased 1,293 shares of its common stock from Mr. Williams in a private off-market block transaction for \$0.75 per share, for an aggregate purchase price of \$970.

As of March 31, 2007 the Chief Executive Officer was indebted to the Company in the amount of \$162, for which no interest has been charged. This indebtedness arose from a series of cash advances, the latest of which was advanced in February 2002 and is included in other assets at March 31, 2007 and December 31, 2006.

As described in Note 5, the Company entered into a series of agreements in 2003 pursuant to which it acquired a 50% economic ownership interest in NetLinc and BTT. As the non-cash component of the purchase price, the Company issued 500 shares of its common stock to BTT, resulting in BTT becoming the owner of

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greater than 5% of the outstanding common stock of the Company. As further described in Note 5, on June 30, 2006 the Company entered into the Share Exchange Agreement with BTT and certain related parties pursuant to which, among other things, the Company received back these 500 shares in exchange for the Company's membership interest in BTT and the grant to BTT of an equipment purchase credit of \$400, which was exercised in 2006. The Company will continue to pay future royalties to NetLinc upon the sale of certain telephony products.

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

Forward-Looking Statements

In addition to historical information, this Quarterly Report contains forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products, research and development activities and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties that may affect the operation, performance, development and results of the Company's business include, but are not limited to, those matters discussed herein in the section entitled Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations. The words "believe", "expect", "anticipate", "project" and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including without limitation, the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (See Item 1 - Business; Item 1A - Risk Factors; Item 3 - Legal Proceedings and Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations).

General

The Company was incorporated in November, 1988, under the laws of Delaware as GPS Acquisition Corp. for the purpose of acquiring the business of Blonder-Tongue Laboratories, Inc., a New Jersey corporation which was founded in 1950 by Ben H. Tongue and Isaac S. Blonder to design, manufacture and supply a line of electronics and systems equipment principally for the Private Cable industry. Following the acquisition, the Company changed its name to Blonder Tongue Laboratories, Inc. The Company completed the initial public offering of its shares of Common Stock in December, 1995.

The Company is principally a designer, manufacturer and supplier of a

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comprehensive line of electronics and systems equipment, primarily for the cable television industry (both franchise and private cable). Over the past few years, the Company has also introduced equipment and innovative solutions for the high-speed transmission of data and the provision of telephony services in multiple dwelling unit applications. The Company's products are used to acquire, distribute and protect the broad range of communications signals carried on fiber optic, twisted pair, coaxial cable and wireless distribution systems. These products are sold to customers providing an array of communications services, including television, high-speed data (Internet) and telephony, to single family dwellings, multiple dwelling units ("MDUs"), the lodging industry and institutions such as hospitals, prisons, schools and marinas. The Company's principal customers are cable system operators (both franchise and private cable), as well as contractors that design, package, install and in most instances operate, upgrade and maintain the systems they build, including institutional and lodging/hospitality operators.

A key component of the Company's strategy is to leverage its reputation across a broad product line, offering one-stop shop convenience to private cable and franchise cable system operators and delivering products having a high performance-to-cost ratio. The Company continues to expand its core product lines (headend and distribution), to maintain its ability to provide all of the electronic equipment necessary to build small cable systems and much of the equipment needed in larger systems for the most efficient operation and highest profitability in high density applications. The Company has also divested its interests in certain non-core businesses as part of its strategy to focus on the efficient operation of its core businesses.

Over the past several years, the Company expanded beyond its core business by acquiring a private cable television system (BDR Broadband, LLC). During 2003, the Company also acquired an interest in a company offering a private telephone program for multiple dwelling unit applications (Blonder Tongue Telephone, LLC). However, as part of its strategy to focus on its core business, the Company sold its interests in these businesses during 2006. The results of operations from BDR Broadband, LLC, as well as the gain due to its sale, are reflected as discontinued operations in the consolidated statement of operations included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006 and this Quarterly Report on Form 10-Q. These acquisitions and related

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dispositions are described in more detail below, along with other recent transactions affecting the Company in recent years.

On December 15, 2006, the Company completed the divestiture of its wholly-owned subsidiary, BDR Broadband, LLC ("BDR"), through the sale of all of the issued and outstanding membership interests of BDR to DirecPath, a joint venture between Hicks Holdings LLC and The DIRECTV Group, Inc. The aggregate sale price was approximately \$3.1 million resulting in a gain of approximately \$938,000 on the sale, subject to certain post-closing adjustments. This divestiture is expected to result in annualized savings of approximately \$525,000 per year. The transaction included a long-term equipment purchase commitment from DirecPath, pursuant to which a subsidiary of DirecPath will purchase \$1,630,000 of products from the Company, subject to certain adjustments, over a period of three (3) years beginning no later than June 13, 2007. It is also anticipated that Blonder Tongue will provide DirecPath with certain systems engineering and technical services.

Under the terms of the Purchase Agreement between DirecPath and the Company

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pursuant to which DirecPath acquired all of the Company's membership interests in BDR, DirecPath paid the Company an aggregate purchase price of \$3,130,000 in cash, subject to certain post-closing adjustments, including an adjustment for cash, an adjustment for working capital and adjustments related to the number of subscribers for certain type of services, all as of the closing date and as set forth in the Purchase Agreement. A portion of the purchase price (\$490,000, which is included as part of the prepaid and other current assets) was deposited into an escrow account, pursuant to an Escrow Agreement dated December 15, 2006, among the Company, DirecPath and U.S. Bank National Association, to secure the Company's indemnification obligations under the Purchase Agreement.

On March 15, 2007, the Company received from DirecPath a Final Purchase Price Certificate (the "Certificate") as defined under the Purchase Agreement. The Certificate asserts various purchase price adjustments aggregating approximately \$970,000 are due to DirecPath. The Company is evaluating the claims outlined in the Certificate. At this time, the Company does not believe the claims have any merit and intends to file a Disputed Items Notice within the sixty days period allowed under the Purchase Agreement.

BDR commenced operations in June 2002, when it acquired certain rights-of-entry for MDU cable television and high-speed data systems (the "Systems") from Verizon Media Ventures, Inc. and GTE Southwest Incorporated. At the time of the divestiture, BDR owned Systems for approximately 25 MDU properties in the State of Texas, representing approximately 3,300 MDU cable television subscribers and 8,400 passings. The loss from operations of BDR was \$500,000, \$544,000 and \$379,000 during 2006, 2005 and 2004, respectively. The Systems were upgraded with approximately \$81,000, \$799,000 and \$331,000 of interdiction and other products of the Company during 2006, 2005 and 2004, respectively. While the Company continued to invest in and expand BDR's business, in August 2006 the Company determined to seek a buyer for BDR and exit the business of operating Systems in Texas to allow the Company to pursue alternative strategic opportunities. In October 2006, several months prior to the divestiture of BDR, the Company acquired the 10% minority interest that had been owned by Priority Systems, LLC, for nominal consideration.

During 2003, the Company entered into a series of agreements pursuant to which the Company ultimately acquired a 50% economic ownership interest in NetLinc Communications, LLC ("NetLinc") and Blonder Tongue Telephone, LLC ("BTT") (to which the Company had licensed its name). The aggregate purchase price consisted of (i) the cash portion of \$1,166,667 plus (ii) 500,000 shares of the Company's common stock. BTT had an obligation to redeem the \$1,166,667 cash component of the purchase price to the Company via preferential distributions of cash flow under BTT's limited liability company operating agreement. In addition, of the 500,000 shares of common stock issued to BTT as the non-cash component of the purchase price (fair valued at \$1,030,000), one-half (250,000 shares) were pledged to the Company as collateral.

Through its ownership interest in BTT, the Company was involved in providing a proprietary telephone system suited to MDU development and was entitled to receive incremental revenues associated with direct sales of telephony products, however, revenues derived from sales of such telephony products and services were not material. NetLinc owns patents, proprietary technology and know-how for certain telephony products that allow Competitive Local Exchange Carriers ("CLECs") to competitively provide voice service to MDUs. While NetLinc's intellectual property could be further developed and used in the future to manufacture and sell telephony products, the Company has no present intention to do so.

On June 30, 2006, the Company entered into a Share Exchange and Settlement Agreement ("Share Exchange Agreement") with BTT and certain related parties of BTT, pursuant to which the Company transferred to BTT its 49 membership shares of BTT, representing the Company's 50% ownership interest in BTT. In exchange,

BTT transferred back to the Company the 500,000 shares of the Company's common stock that were previously contributed by the Company to the capital of BTT. Pursuant to the Share Exchange Agreement, the Company granted BTT a non-transferable equipment purchase credit in the aggregate amount of \$400,000 (subject to certain off-sets), which was exercised in full by September 30, 2006. The Company's equity in loss of BTT was approximately \$107,000 and \$437,000 for the fiscal years ended December 31, 2006 and 2005, respectively. The Company estimates that the divestiture of these two businesses (BTT and BDR Broadband) should result in an annualized improvement to the Company's net income in 2007. The Company continues to hold its interest in NetLinc.

As a result of the transactions contemplated by the Share Exchange Agreement, while the Company presently intends to continue to independently pursue its existing and hereafter-developed leads for the provision of telephony services and the sale of telephony equipment, the Company anticipates that over the next year, sales derived from this business will not be a significant source of revenues for the Company.

On December 14, 2006, the Company's wholly-owned subsidiary, Blonder Tongue Investment Company, completed the sale of selected patents, patent applications, provisional patent applications and related foreign patents and applications to Moonbeam L.L.C. for net proceeds of \$2,000,000. In connection with the sale, the Company has retained a non-exclusive, royalty free, worldwide right and license to use these patents to continue to develop, manufacture, use, sell, distribute and otherwise exploit all of the Company's products currently protected under the patents. These products include some of the interdiction lines in the Addressable Subscriber category of equipment, some of which were part of the interdiction business acquired from Scientific-Atlanta, Inc. ("Scientific") in 1998.

One of the Company's recent initiatives is to manufacture products in the People's Republic of China ("PRC") in order to reduce the Company's manufacturing costs and allow a more aggressive marketing program in the private cable market. Towards this end, on November 11, 2005, the Company and its wholly-owned subsidiary, Blonder Tongue Far East, LLC, a Delaware limited liability company, entered into a joint venture agreement ("JV Agreement") with Master Gain International Industrial Limited, a Hong Kong corporation ("Master Gain"), intending to manufacture products in the PRC. This joint venture was formed to compete with Far East manufactured products and to expand market coverage outside North America. On June 9, 2006, the Company terminated the JV Agreement due to the joint venture's failure to meet certain quarterly financial milestones as set forth in the JV Agreement. The inability to meet such financial milestones was caused by the failure of Master Gain to contribute the \$5,850,000 of capital to the joint venture as required by the JV Agreement and the joint venture's failure to obtain certain governmental approvals and licenses necessary for the operation of the joint venture.

Although the termination of the JV Agreement has delayed the Company's efforts to move production of its products to the Far East, the Company continues to believe that shifting production to the Far East is in the best interests of the Company. The Company has shifted its manufacturing initiative in the PRC to now entail a combination of contract manufacturing agreements and purchasing agreements with key PRC manufacturers that can most fully meet the Company's needs. The Company has entered into a manufacturing agreement with a core contract manufacturer in the PRC that would govern its production of the

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Company's high volume and complex products upon the receipt of purchase orders from the Company. It is anticipated this transition will relate to products representing a significant portion of the Company's net sales and will be done in phases over the next several years, with the first products estimated to be transitioning within the next 6 to 9 months.

In addition, on February 27, 2006 (the "Effective Date"), the Company entered into a series of agreements related to its MegaPort(TM) line of high-speed data communications products. As a result of these agreements, the Company has expanded its distribution territory, favorably amended certain pricing and volume provisions and extended by 10 years the term of the distribution agreement for its MegaPort(TM) product line. These agreements also require the Company to guaranty payment due by Shenzhen Junao Technology Company Ltd. ("Shenzhen") to Octalica, Ltd. ("Octalica"), in connection with Shenzhen's purchase of T.M.T.-Third Millennium Technology Limited ("TMT") from Octalica. Shenzhen is an affiliate of Master Gain. In exchange for this guaranty, MegaPort Technology, LLC ("MegaPort"), a wholly-owned subsidiary of the Company, obtained an assignable option (the "Option") to acquire substantially all of the assets and assume certain liabilities of TMT on substantially the same terms as the acquisition of TMT by Shenzhen from Octalica. The purchase price for TMT and, therefore, the amount and payment terms guaranteed by the Company is the sum of \$383,150 plus an earn-out. The earn-out will not exceed 4.5% of the net revenues derived from the sale of certain products during a period of 36 months commencing after the sale of certain specified quantities of TMT inventory following the Effective Date. The cash portion of the purchase price is payable (i) \$22,100 on the 120th day following the Effective Date, (ii) \$22,100 on the last day of the twenty-fourth month following the Effective Date, and (iii)

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\$338,950 commencing upon the later of (A) the second anniversary of the Effective Date and (B) the date after which certain volume sales targets for each of the MegaPort(TM) products have been met, and then only as and to the extent that revenues are derived from sales of such products. In February 2007, MegaPort sent notice to TMT and Shenzhen of its election to exercise the Option to acquire substantially all of the assets of TMT. Upon consummation of the acquisition, MegaPort, or its assignee, will pay Shenzhen, in the same manner and at the same times, cash payments equal to the purchase price payments due from Shenzhen to Octalica and will assume certain liabilities of TMT.

Results of Operations

First three months of 2007 Compared with first three months of 2006

Net Sales. Net sales decreased \$2,458,000, or 24.7%, to \$7,499,000 in the first three months of 2007 from \$9,957,000 in the first three months of 2006. The decrease in sales is primarily attributed to a decrease in headend, distribution and interdiction product sales. Headend products were \$3,887,000 and \$5,050,000, distribution products were \$1,463,000 and \$1,963,000 and interdiction products were \$198,000 and \$622,000 in the first three months of 2007 and 2006, respectively.

Cost of Goods Sold. Cost of goods sold decreased to \$5,004,000 for the first three months of 2007 from \$6,659,000 for the first three months of 2006 and decreased as a percentage of sales to 66.7% from 66.9%. The decrease was attributed primarily to a decrease in sales in the first three months of 2007 as compared to 2006.

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Selling Expenses. Selling expenses increased to \$1,307,000 for the first three months of 2007 from \$1,112,000 in the first three months of 2006 and increased as a percentage of sales to 17.4% for the first three months of 2007 from 11.2% for the first three months of 2006. The \$195,000 increase was primarily the result of an increase in salaries and fringe benefits of \$139,000 due to an increase in headcount and an increase of consulting fees of \$25,000.

General and Administrative Expenses. General and administrative expenses increased to \$1,452,000 for the first three months of 2007 from \$1,232,000 for the first three months of 2006 and increased as a percentage of sales to 19.4% for the first three months of 2007 from 12.4% for the first three months of 2006. The \$220,000 increase was primarily the result of an increase in salaries and fringe benefits of \$170,000, due primarily to an increase in executive compensation and an increase in professional fees of \$60,000.

Research and Development Expenses. Research and development expenses increased to \$460,000 in the first three months of 2007 from \$392,000 in the first three months of 2006 and increased as a percentage of sales to 6.1% for the first three months of 2007 from 3.9% for the first three months of 2006. This \$68,000 increase is primarily the result of an increase in salaries and fringe benefits of \$32,000 due to an increase in headcount and an increase in consulting fees of \$29,000.

Operating Income (Loss). Operating loss of \$724,000 for the first three months of 2007 represents a decrease from operating income of \$562,000 for the first three months of 2006. Operating income as a percentage of sales decreased to (9.7) % in the first three months of 2007 from 5.6% in the first three months of 2006.

Other Expense. Interest expense decreased to \$118,000 in the first three months of 2007 from \$180,000 in the first three months of 2006. The decrease is the result of lower average borrowing.

Income Taxes. The current provision for income taxes for the first three months of 2007 and 2006 was zero. A valuation allowance has been recorded on the 2007 and 2006 deferred tax assets. As a result of the Company's historical losses, there is no change in the remaining deferred tax asset in 2007 or 2006.

Liquidity and Capital Resources

As of March 31, 2007 and December 31, 2006, the Company's working capital was \$8,532,000 and \$9,511,000, respectively. The decrease in working capital is attributable primarily to an increase in borrowings under the revolving line of credit of \$1,120,000 and a decrease in accounts receivable of \$517,000.

The Company's net cash used in operating activities for the three-month period ended March 31, 2007 was \$1,050,000, compared to \$1,136,000 for the three-month period ended March 31, 2006.

Cash used in investing activities for the three-month period ended March 31, 2007 was \$34,000, which was primarily attributable to capital expenditures for new equipment.

Cash provided by financing activities was \$1,051,000 for the first three months of 2007, which was comprised of \$9,075,000 of net borrowings offset by \$8,024,000 of repayment of debt.

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On December 29, 2005 the Company entered into a Credit and Security Agreement ("Credit Agreement") with National City Business Credit, Inc. ("NCBC") and National City Bank (the "Bank"). The Credit Agreement provides for (i) a \$10,000,000 asset based revolving credit facility ("Revolving Loan") and (ii) a \$3,500,000 term loan facility ("Term Loan"), both of which have a three year term. The amounts which may be borrowed under the Revolving Loan are based on certain percentages of Eligible Receivables and Eligible Inventory, as such terms are defined in the Credit Agreement. The obligations of the Company under the Credit Agreement are secured by substantially all of the assets of the Company.

Under the Credit Agreement, the Revolving Loan bears interest at a rate per annum equal to the Libor Rate Plus 2.25%, or the "Alternate Base Rate," being the higher of (i) the prime lending rate announced from time to time by the Bank or (ii) the Federal Funds Effective Rate (as defined in the Credit Agreement), plus 0.50%. The Term Loan bears interest at a rate per annum equal to the Libor Rate plus 2.75% or the Alternate Base Rate plus 0.50%. In connection with the Term Loan, the Company entered into an interest rate swap agreement ("Swap Agreement") with the Bank which exchanges the variable interest rate of the Term Loan for a fixed interest rate of 5.13% per annum effective January 10, 2006 through the maturity of the Term Loan.

In March 2006, the Credit Agreement was amended to (i) modify certain financial covenants as defined under the credit agreement, (ii) increase the applicable interest rates for the Revolving Loan and Term Loan thereunder by 25 basis points until such time as the Company has met certain financial covenants for two consecutive fiscal quarters and (iii) impose an availability block of \$500,000 under the Company's borrowing base until such time as the Company has met certain financial covenants for two consecutive fiscal quarters.

On December 15, 2006, the Company and BDR, as Borrowers, and Blonder Tongue Investment Company, a wholly-owned subsidiary of the Company, as Guarantor, entered into a Second Amendment to Credit and Security Agreement (the "Amendment") with NCBC and the Bank. The Amendment removes BDR as a "Borrower" under the Credit Agreement as amended and includes other modifications and amendments to the Credit Agreement and related ancillary agreements necessitated by the removal of BDR as a Borrower. These other modifications and amendments include a reduction of approximately \$1,400,000 to the maximum amount of Revolving Advances that NCBC will make to the Company due to the release from collateral of the rights of entry owned by BDR.

At March 31, 2007, the Company was in violation of a certain financial covenant, compliance with which was waived by the Bank effective as of that date.

The Revolving Loan terminates on December 28, 2008, at which time all outstanding borrowings under the Revolving Loan are due. The Term Loan requires equal monthly principal payments of \$19,000 each, plus interest, with the remaining balance due at maturity. Both loans are subject to a prepayment penalty if satisfied in full prior to the second anniversary of the effective date of the loans.

The Credit Agreement contains customary representations and warranties as well as affirmative and negative covenants, including certain financial covenants. The Credit Agreement contains customary events of default, including, among others, non-payment of principal, interest or other amounts when due.

At March 31, 2007, there was \$3,319,000 and \$1,708,000 outstanding under the NCBC Revolving Loan and Term Loan, respectively.

The Company anticipates that the cash generated from operations, existing cash balances and amounts available under its credit facility with NCBC, will be

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sufficient to satisfy its foreseeable working capital needs.

New Accounting Pronouncement

Effective January 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation Number 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," ("FIN" No. 48"), which prescribes a single, comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on its tax returns.

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Upon adoption of FIN No. 48, the Company recognized a decrease of approximately \$400,000 in the liability for unrecognized tax benefits, which was accounted for as an increase to retained earnings of \$400,000 as of January 1, 2007.

As of January 1, 2007, after the implementation of FIN No. 48, the Company's amount of unrecognized tax benefits is \$55,000. The amount of unrecognized tax benefits, if recognized, would not have a material impact on the Company's effective tax rate. The Company files income tax returns in the United States (federal) and in various state jurisdictions. The Company is no longer subject to federal and state income tax examinations by tax authorities for years prior to 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in the Company's financial instruments and positions represents the potential loss arising from adverse changes in interest rates. At March 31, 2007 and 2006 the principal amount of the Company's aggregate outstanding variable rate indebtedness was \$5,027,000 and \$7,980,000, respectively. A hypothetical 100 basis point increase in interest rates would have had an annualized unfavorable impact of approximately \$50,000 and \$80,000, respectively, on the Company's earnings and cash flows based upon these quarter-end debt levels. With regard to the Company's \$3,500,000 Term Loan with NCBC, the Company entered into an interest rate swap with the Bank which exchanges the variable interest rate of the Term Loan for a fixed interest rate of 5.13% per annum. This interest rate swap, which became effective January 10, 2006 and runs through the maturity of the three year Term Loan, will reduce the unfavorable impact of any increase in interest rates.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the Company's reports filed or submitted pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure 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. The Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the design and operation of the Company's disclosure

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controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at March 31, 2007.

During the quarter ended March 31, 2007, there have been no changes in the Company's internal control over financial reporting, to the extent that elements of internal control over financial reporting are subsumed within disclosure controls and procedures, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to certain proceedings incidental to the ordinary course of its business, none of which, in the current opinion of management, is likely to have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

Item 1A. RISK FACTORS

There has not been any material change in the disclosure of risk factors contained in the Company's Form 10-K for the fiscal year ended December 31, 2006.

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

While the Company did not repurchase any of its common stock during the first three months of 2007, on February 13, 2007 the Company announced a new stock repurchase program to acquire up to an additional 100,000 shares of its

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outstanding common stock (the "2007 Plan"). This is in addition to the \$100,000 of common stock the Company may repurchase under its existing stock repurchase program commenced in July, 2002.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibits

The exhibits are listed in the Exhibit Index appearing at page 17 herein

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, thereunto duly authorized.

BLONDER TONGUE LABORATORIES, INC.

Date: May 15, 2007

By: /s/ James A. Luksch
James A. Luksch
Chief Executive Officer

By: /s/ Eric Skolnik
Eric Skolnik
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit #	Description	Location
3.1	Restated Certificate of Incorporation of Blonder Tongue Laboratories, Inc.	Incorporated by reference from Exhibit 3.1 to S-1 Registration Statement No.33-98070 originally filed October 12,1995, as amended.
3.2	Restated Bylaws of Blonder Tongue Laboratories, Inc.	Incorporated by reference from Exhibit 3.2 to S-1 Registration Statement No.33-98070 originally filed October 12, 1995, as amended.
31.1	Certification of James A. Luksch	Filed herewith.

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pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002.

- | | | |
|------|--|-----------------|
| 31.2 | Certification of Eric Skolnik
pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002. | Filed herewith. |
| 32.1 | Certification pursuant to
Section 906 of Sarbanes-Oxley
Act of 2002. | Filed herewith. |

Exhibit 31.1

CERTIFICATION

I, James A. Luksch, Chief Executive Officer of Blonder Tongue Laboratories, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blonder Tongue Laboratories, 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 quarterly 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

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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.

Date: May 15, 2007

/s/ James A. Luksch

James A. Luksch

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Eric Skolnik, Senior Vice President and Chief Financial Officer of Blonder Tongue Laboratories, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blonder Tongue Laboratories, 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

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registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly 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.

Date: May 15, 2007

/s/ Eric Skolnik

Eric Skolnik

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

To the knowledge of each of the undersigned, this Report on Form 10-Q for the quarter ended March 31, 2007 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of Blonder Tongue Laboratories, Inc. for the

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applicable reporting period.

Date: May 15, 2007

By: /s/ James A. Luksch
James A. Luksch, Chief Executive Officer

By: /s/ Eric Skolnik
Eric Skolnik, Chief Financial Officer