

**UNITED STATES  
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 **September 30, 2011**

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: **333-164785**

**BOSTON THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**27-0801073**

(I.R.S. Employer  
Identification No.)

**33 South Commercial Street Manchester, NH**

(Address of principal executive offices)

**03101**

(Zip Code)

**978-886-0421**

(Registrant's telephone number, including area code)

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

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 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.

Large accelerated  
filer

Accelerated filer

Non-accelerated filer

Smaller Reporting  
Company

(Do not check if a smaller 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 11, 2011
Common Stock, \$0.001 par value per share	16,213,205 shares

**BOSTON THERAPEUTICS, INC.**  
**FORM 10-Q**

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*Except as otherwise required by the context, all references in this report to "we", "us", "our", "BTI" or "Company" refer to the consolidated operations of Boston Therapeutics, Inc., a Delaware corporation, formerly called Avanyx Therapeutics, Inc., and its wholly owned subsidiaries.*

**PART I - FINANCIAL INFORMATION**

**Item 1. Unaudited Condensed Financial Statements**

**Boston Therapeutics, Inc.**  
**(Formerly Avanyx Therapeutics, Inc.)**  
**(A Development Stage Company)**  
**Condensed Balance Sheets (unaudited)**  
**September 30, 2011 and December 31, 2010**

	<b>September 30,</b>	<b>December 31,</b>
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash	\$ 336,390	\$ 15,193
Prepaid expenses	1,795	1,728
Inventory	12,164	4,149
Total current assets	<u>350,349</u>	<u>21,070</u>
Intangible assets, net	841,071	889,286
Goodwill	69,782	69,782
Total assets	<u>\$ 1,261,202</u>	<u>\$ 980,138</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 216,648	\$ 45,917
Accrued expenses	141,756	222,512
Advances - related party	257,820	-
Total current liabilities	<u>616,224</u>	<u>268,429</u>
Advances - related party	-	177,820
Total liabilities	<u>616,224</u>	<u>446,249</u>
Stockholders' equity :		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$0.001 par value, 100,000,000 shares authorized, 16,132,705 and 14,041,236 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	16,133	14,041
Additional paid-in capital	1,556,283	905,964
Deficit accumulated during the development stage	(927,438)	(386,116)
Total stockholders' equity	<u>644,978</u>	<u>533,889</u>
Total liabilities and stockholders' equity	<u>\$ 1,261,202</u>	<u>\$ 980,138</u>

See accompanying notes to unaudited condensed financial statements

**Boston Therapeutics, Inc.**  
**(Formerly Avanyx Therapeutics, Inc.)**  
(A Development Stage Company)  
**Condensed Statements of Operations (Unaudited)**  
**For the Three and Nine Month Periods Ended September 30, 2011 and 2010**  
**and the Period from Inception (August 24, 2009) through September 30, 2011**

	For the Three Months Ended		For the Nine Months Ended		Period From
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	Inception (August 24, 2009) to September 30, 2011
Revenue	\$ 724	\$ -	\$ 2,971	\$ -	\$ 3,399
Cost of goods sold	2,834	-	5,084	-	5,482
Gross margin	(2,110)	-	(2,113)	-	(2,083)
Operating expenses:					
Research and development	94,222	-	127,433	-	138,205
Sales and marketing	132,842	-	134,839	-	138,515
General and administrative	115,208	69,454	265,503	165,208	629,187
Total operating expenses	342,272	69,454	527,775	165,208	905,907
Operating loss	(344,382)	(69,454)	(529,888)	(165,208)	(907,990)
Interest expense-related party	4,224	1,902	11,434	4,505	19,448
Net loss	\$ (348,606)	\$ (71,356)	\$ (541,322)	\$ (169,713)	\$ (927,438)
Net loss per share - basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.02)	
Weighted average shares outstanding - basic and diluted	16,095,575	10,031,236	14,800,575	10,020,569	

See accompanying notes to unaudited condensed financial statements

**Boston Therapeutics, Inc.**  
**(Formerly Avanyx Therapeutics, Inc.)**  
(A Development Stage Company)  
**Condensed Statements of Cash Flows (unaudited)**  
**For the Three and Nine Month Periods Ended September 30, 2011 and 2010**  
**and the Period from Inception (August 24, 2009) through September 30, 2011**

	For the Nine Months Ended		Period From Inception (August 24, 2009) to September 30, 2011
	September 30, 2011	September 30, 2010	2011
<b>Cash flows from operating activities:</b>			
Net loss	\$ (541,322)	\$ (169,713)	\$ (927,438)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of intangible assets	48,215	-	58,929
Stock based compensation	129,414	-	129,536
Changes in assets and liabilities:			
Inventory	(8,015)	-	(7,794)
Prepaid expenses	(67)	-	1,122
Accounts payable	170,731	8,307	216,648
Accrued expenses	(80,756)	73,284	94,937
Net cash used in operating activities	<u>(281,800)</u>	<u>(88,122)</u>	<u>(434,060)</u>
<b>Cash flows from investing activities:</b>			
Net cash acquired in acquisition of Boston Therapeutics, Inc.	-	-	8,397
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>8,397</u>
<b>Cash flows from financing activities:</b>			
Proceeds from advances - related party	80,000	73,505	197,820
Proceeds from investment in capital stock - related party	-	21,236	21,236
Proceeds from capital stock issued	522,997	-	522,997
Proceeds from investment in capital stock	-	-	20,000
Net cash provided by financing activities	<u>602,997</u>	<u>94,741</u>	<u>762,053</u>
Net increase (decrease) in cash and cash equivalents	321,197	6,619	336,390
Cash and cash equivalents, beginning of period	15,193	23,530	-
Cash and cash equivalents, end of period	<u>\$ 336,390</u>	<u>\$ 30,149</u>	<u>\$ 336,390</u>
<b>Supplemental disclosure of cash flow information:</b>			
<b>Cash paid during the period for:</b>			
Interest	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -
<b>Acquisition of Boston Therapeutics, Inc.:</b>			
Fair value of assets acquired			\$ 985,466
Assumed liabilities			(106,819)
Fair value of common stock issued			<u>\$ 878,647</u>

See accompanying notes to unaudited condensed financial statements

## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **1. GENERAL ORGANIZATION AND BUSINESS**

Boston Therapeutics, Inc. (the "Company") was formed as a Delaware corporation on August 24, 2009 under the name "Avanyx Therapeutics, Inc." On November 10, 2010, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Boston Therapeutics, Inc., a New Hampshire corporation ("Target") providing for the merger of Target into the Company with the Company being the surviving entity (the "Merger"), the issuance by the Company of 4,000,000 shares of common stock to the stockholders of Target in exchange for 100% of the outstanding common stock of Target, and the change of the Company's name to Boston Therapeutics, Inc. David Platt, the Company's Chief Executive Officer ("CEO") and Chief Financial Officer, is a founder of Target and was a director and minority stockholder of Target at the time of the Merger. Dr. Platt received 400,000 shares of the Company's common stock in connection with the Merger. Kenneth A. Tasse, Jr., who became the Company's President shortly after the Merger, was the Chief Executive Officer, President and principal stockholder of Target at the time of the Merger. Mr. Tasse received 3,200,000 shares of our common stock in connection with the Merger.

The Company's primary business is the development, manufacture and commercialization of therapeutic drugs and dietary supplements with a focus on glyco-pathology, a specialized field involving understanding the importance of carbohydrates in biochemistry and progression of diseases. The Company is currently focusing on three products, IPOXYN™, an anti-hypoxia drug that the Company is currently developing, PAZ-320 an oral drug candidate for diabetes and SUGARDOWN™, a complex carbohydrate-based dietary supplement that the Company is currently marketing.

On June 24, 2011, the Company granted Advance Pharmaceutical Company ("APC") exclusive rights to market and sell SUGARDOWN™ in China. Under terms of the agreement, the Company will manufacture and supply product in bulk for APC. APC will be responsible for the packaging, marketing and distribution of SUGARDOWN™ in the region. APC will also have rights to develop and manufacture SUGARDOWN™ for commercial sale in the region, subject to establishment of quality assurance and quality control standards set forth by the Company. In addition to the licensing agreement, APC made an equity investment in the Company of \$199,950.

The Company has minimal operations and is considered to be in the development stage as of September 30, 2011.

The accompanying condensed financial statements have been prepared assuming the Company will continue as a going concern. The Company is a recently formed entity with limited resources and operating history. As shown in the accompanying condensed financial statements, the Company has incurred net losses of \$927,438 for the period from August 24, 2009 (inception) to September 30, 2011, and has negative working capital of \$265,875 as of September 30, 2011. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its new business opportunities.

## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **1. GENERAL ORGANIZATION AND BUSINESS...continued**

Management has plans to seek additional capital through private placements and public offerings of its common stock. The Company filed a Registration Statement on Form S-1 to the Securities and Exchange Commission ("SEC") which became effective October 15, 2010. The Company is planning to sell in a self-directed offering 10,000,000 shares of newly issued common stock. On June 21, 2011, the Company sold 2,035,469 shares for \$508,867 in a private placement offering. During August 2011, an additional 56,000 shares were sold for \$14,000 in the private placement.

There can be no assurance that the Company will be successful in accomplishing its objectives. Without such additional capital, the Company may be required to cease operations.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**

#### Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and the rules of the Securities and Exchange Commission for quarterly reports on Form 10-Q. It is suggested that these condensed financial statements be read in conjunction with the Company's financial statements for its year ended December 31, 2010 included in its Form 10-K. In the opinion of management, the statements contain all adjustments, including normal recurring adjustments necessary in order to present fairly the financial position as of September 30, 2011 and the results of operations for the three and nine month periods ended September 30, 2011 and 2010 and the period from inception (August 24, 2009) through September 30, 2011.

The year-end balance sheet data was derived from the audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America.

The results disclosed in the Statements of Operations for the three and nine month periods ended September 30, 2011 are not necessarily indicative of the results to be expected for the full fiscal year.

#### Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES...continued**

#### Cash and Cash Equivalents

For purposes of reporting within the statement of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid investments with original maturities of 90 days or less at the time of acquisition to be cash equivalents.

The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation ("FDIC").

#### Revenue Recognition

The Company generates revenues from sales of SUGARDOWN™. Revenue is recognized when there is persuasive evidence that an arrangement exists, the price is fixed and determinable, the product is shipped and collectability is reasonably assured. Revenue is recognized as product is shipped from an outside fulfillment operation. Terms of product sales contain no contractual rights of return or multiple elements. In practice the Company has not experienced or granted returns of product. Shipping fees charged to customers are included in revenue and shipping costs are included in costs of sales.

#### Inventory

Inventories are stated at the lower of cost (first-in, first-out) or market, not in excess of net realizable value. Inventory consists of raw materials and finished goods of SUGARDOWN™.

#### Intangible Assets, net

Intangible assets consist of identifiable finite-lived assets acquired in business acquisitions. Acquired intangible assets are recorded at fair value on the date of acquisition. Certain acquired intangible assets, including developed technology, products and trade names, are amortized over their economic useful lives on a straight line basis.

#### Goodwill

The Company follows the guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Goodwill and Other Intangible Assets*. Under ASC 350, goodwill and certain other intangible assets with indefinite lives are not amortized, but instead are reviewed for impairment at least annually.



## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES...continued**

The Company tests goodwill for impairment in the fourth quarter of each year or more frequently if events or changes in circumstances indicate that the asset might be impaired. The test is based on a comparison of the reporting unit's book value to its estimated fair value.

#### Loss per Share

Basic net loss per share is computed based on the net loss for the period divided by the weighted average actual shares outstanding during the period. Diluted net loss per share is computed based on the net loss for the period divided by the weighted average number of common shares and common equivalent shares outstanding during each period unless the effect of such common equivalent shares would be anti-dilutive. Common stock equivalents represent the dilutive effect of the assumed exercise of certain outstanding stock options using the treasury stock method. The weighted average number of common shares for the three and nine month periods ended September 30, 2011 did not include 1,578,400 options because of their anti-dilutive effect.

#### Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion of the gross deferred tax asset will not be realized.

#### Fair Value of Financial Instruments

As of September 30, 2011, the carrying value of cash and cash equivalents, accounts payable, advances payable – related party and accrued expenses approximated fair value due to their short-term nature.

#### Stock-Based Compensation

The Company selected the Black-Scholes option-pricing model to determine the fair value of stock option awards. Stock-Based Compensation is recognized on a straight-line basis over the requisite service periods for the awards.

#### Recent Accounting Pronouncements

Accounting Standards Update ("ASU") 2010-28, *Intangibles – Goodwill and Other (Topic 350) - When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts - a consensus of the FASB Emerging Issues Task Force*, modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts.

## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES...continued**

For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The Company will perform the annual impairment test during Q4 and is evaluating the impact on the financial statements.

### **3. STOCKHOLDERS' EQUITY**

The Company is authorized to issue up to 5,000,000 shares of its \$0.001 par value preferred stock and up to 100,000,000 shares of its \$0.001 par value common stock.

#### Preferred Stock

No shares of preferred stock have been issued and the terms of such preferred stock have not been designated by the Board of Directors.

#### Common Stock

On August 26, 2009, the Company issued 10,000,000 shares of its \$0.001 par value common stock to its two founders. Eight million shares were issued to the Company's Chief Executive Officer (CEO), Chairman of the Board of Directors and co-founder, in exchange for a patent, a provisional patent and know-how. In accordance with ASC 845-10-S99, *Transfers of Non-monetary Assets from Promoters or Shareholders*, the transfer of nonmonetary assets to a company by its shareholders in exchange for stock prior to the Company's initial public offering should be recorded at the transferor's historical cost basis determined under GAAP. As a result, the value of the patent, provisional patent and know-how was valued at the CEO's historical cost basis of zero because no records exist to support an historical cost basis in accordance with GAAP. The patent and provisional patent were assigned to the Company on December 10, 2009. The remaining 2,000,000 shares were issued to the co-founder for \$10,000 in cash.

On March 31, 2010, the Company issued 20,000 shares of common stock for \$10,000 cash to an investor. On April 9, 2010, the Company issued 11,236 shares of common stock in exchange for \$11,236 to a related party. On October 4, 2010, the Company issued 10,000 shares for \$10,000 cash to an investor. On November 6, 2010, the Company issued 4,000,000 shares of common stock in connection with the merger transaction described in Note 1. On June 21, 2011, the Company sold 2,035,469 shares for \$508,867 in a private placement offering. During August 2011, an additional 56,000 shares were sold for \$14,000 in the private placement. No other issuances of preferred or common stock have been made.

## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **4. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION**

#### **The 2010 Stock Plan**

The Company adopted a stock option plan entitled "The 2010 Stock Plan" (2010 Plan) under which the Company may grant options to purchase up to 5,000,000 shares of common stock. As of September 30, 2011, there were 78,400 options outstanding under the 2010 Plan.

During the year ended December 31, 2010, the Company granted options to purchase 78,400 shares of common stock with an exercise price of \$1.85 to a consultant. The options began vesting January 1, 2011 at a rate of 9,800 options per quarter until the final vesting date of October 1, 2012. Stock-based compensation relating to this grant was \$2,252 for the nine month period ending September 30, 2011 and the unrecognized compensation at September 30, 2011 was \$3,957. The options have a contractual life of 4.83 years.

On January 19, 2011, the Company granted options to purchase 421,237 shares of common stock with an exercise price of \$0.25 to a consultant. The options began vesting March 1, 2011 at a rate of 20,059 per month. As of March 31, 2011, 20,059 options were vested. On April 6, 2011 the Company terminated its engagement with this consultant effective May 6, 2011. An additional 40,118 of the consultant's options had vested as of the termination date, and the remaining 361,060 options were canceled. The total options vested at the date of termination were 60,177; and such options expired unexercised 90 days after the termination date. The total stock-based compensation for these options of \$12,785 was expensed over the consultant's service period of approximately 4 months. Stock-based compensation relating to this grant was \$12,785 for the nine month period ending September 30, 2011 and there is no unrecognized compensation or options outstanding under the grant at September 30, 2011.

#### **The 2011 Stock Plan**

The Company adopted a non-qualified stock option plan entitled "2011 Non-Qualified Stock Plan" (2011 Plan) under which the Company may grant options to purchase 2,100,000 shares of common stock. As of September 30, 2011, there were 1,500,000 options outstanding under the 2011 Plan.

On September 15, 2011, the Company granted options to purchase 1,500,000 shares of common stock to a consultant with an exercise price of \$0.10 and immediate vesting of 562,500 shares. Beginning December 15, 2011, the remaining shares will vest at 93,750 shares per quarter. The options have a fair value of \$0.20 per share and an estimated remaining life of 5 years. Stock-based compensation relating to this grant was \$114,377 for the three and nine month periods ending September 30, 2011 and the unrecognized compensation at September 30, 2011 was \$190,630.

**Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

**4. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION...continued**

The Company used the Black-Scholes option-pricing model to determine the fair value of the option grants and the related compensation expense. The Company recorded \$116,296 and \$129,414 in compensation expense for the three and nine month periods ended September 30, 2011, respectively, related to the non-employee options. The Company measures and recognizes compensation expense as they vest for stock-based awards issued to non-employees over the service period.

Expected volatility for the options issued during the three and nine months ended September 30, 2011 was 90%. The Company does not have a history of market prices of their common stock, and as such volatility is estimated using historical volatilities of similar public entities.

The risk-free interest rate used for each grant is equal to the U.S. Treasury yield in effect at the time of grant for instruments with a similar expected life. The risk-free interest rate was 0.60% for grants made during the three month period ending March 31, 2011 and 0.28% for grants made during the three month period ending September 30, 2011.

The intrinsic value for fully vested, exercisable options was \$82,463 at September 30, 2011 based on the Company's latest valuation of its common stock of \$0.2466.

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2010	78,400	\$ 1.85
Granted	1,921,237	0.13
Exercised	-	-
Options forfeited/cancelled	<u>(421,237)</u>	0.25
Outstanding, September 30, 2011	<u>1,578,400</u>	\$ 0.19

**5. RELATED PARTY TRANSACTIONS**

The CEO advanced \$197,820 to the Company and \$60,000 to Target to fund start-up costs and operations of the Company and Target. These advances have a maturity date of June 30, 2012. Advances by the CEO carry an interest rate of 6.5%. As of September 30, 2011, \$21,417 of accrued interest had been included in accrued expenses on the accompanying condensed balance sheet. The CEO intends, but is not legally obligated, to fund the Company's operations in this manner until the Company raises sufficient capital.

## **Boston Therapeutics, Inc.**

(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

For the three and nine month periods ended September 30, 2011 and 2010 and Period from Inception

(August 24, 2009) to September 30, 2011

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### **6. INTANGIBLE ASSETS**

The SUGARDOWN™ technology and provisional patents are being amortized on a straight-line basis over their useful lives of 14 years. Goodwill is not amortized, but is evaluated annually for impairment.

Intangible assets consist of the following at September 30, 2011:

SUGARDOWN™ technology and provisional patents	\$ 900,000
Less accumulated amortization	(58,929)
Intangible assets, net	<u>\$ 841,071</u>

Amortization expense was \$16,072 and \$48,215 for the three and nine months ended September 30, 2011, respectively.

### **7. COMMITMENTS AND CONTINGENCIES**

During the three months ended March 31, 2011, the Company entered into an agreement with a consultant whereby the consultant accrued monthly fees, commencing February 15, 2011, of \$10,000 to be paid should the Company raise \$1,000,000 in equity capital from investors prior to January 15, 2012. The Company terminated the agreement with the consultant in the quarter ended June 30, 2011. Should the Company raise \$1,000,000 in equity capital prior to January 15, 2012, the Company would be obligated to pay the consultant \$25,000 under the terms of the agreement as of the date of termination. Due to the uncertainties regarding the achievement of such an equity raise, the Company has not accrued for these amounts. When it is deemed probable that this amount will be raised, the Company will recognize the \$25,000 at that time.

### **8. SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred from September 30, 2011 through the date of filing, for possible disclosure and recognition in the financial statements.

In October, 2011, the Company granted options to purchase an aggregate of 600,000 shares of common stock at a price of \$0.10 per share to 3 consultants.

Effective October 2011, the Company entered into an agreement with a firm to provide public relations, promotion and marketing services over a nine month period ending June 30, 2012. In consideration of these services, the Company issued 80,500 restricted shares at \$0.50 per share.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis is based on, and should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Form 10-Q. This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Quarterly Report on Form 10-Q. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Report on Form 10-Q.*

### Results of Operations

*Three months ended September 30, 2011 and September 30, 2010*

Revenue for the three months ended September 30, 2011 of \$724 was generated from the sale of the SUGARDOWN™ product. There was no revenue for the three months ended September 30, 2010.

Cost of goods sold for the three months ended September 30, 2011 of \$2,834 consisted primarily of the cost of the SUGARDOWN™ product and shipping and fulfillment costs. There was no cost of goods sold for the three months ended September 30, 2010.

General and administrative expense for the three months ended September 30, 2011 was \$115,208 an increase of \$45,754 or 66% from \$69,454 for the three months ended September 30, 2010. The increase is primarily due to increases of (a) \$21,000 in legal and accounting fees associated with the Form S-8 filing and quarterly financial statements for the Company and (b) \$10,000 of payroll and related expenses.

We had research and development expense for the three months ended September 30, 2011 of \$94,222 consisting primarily of amortization of the SUGARDOWN™ product and implementation of clinical studies with the SUGARDOWN™ product in diabetes patients in Australia and France. There was no research and development expense for the three months ended September 30, 2010.

We had sales and marketing expense for the three months ended September 30, 2011 of \$132,842 consisting primarily of stock-based compensation expense. There was no sales and marketing expense for the three months ended September 30, 2010.

*Nine months ended September 30, 2011 and September 30, 2010*

Revenue for the nine months ended September 30, 2011 of \$2,971 was generated from the sale of the SUGARDOWN™ product. There was no revenue for the nine months ended September 30, 2010.

Cost of goods sold for the nine months ended September 30, 2011 of \$5,084 consisted primarily of the cost of the SUGARDOWN™ product and shipping and fulfillment costs. There was no cost of goods sold for the nine months ended September 30, 2010.

General and administrative expense for the nine months ended September 30, 2011 was \$265,503 an increase of \$100,295 or 61% from \$165,208 for the nine months ended September 30, 2010. The increase is primarily due to increases of (a) \$35,000 in legal and accounting fees associated with the Form S-8 filing and quarterly financial statements for the Company and (b) \$26,000 of payroll, stock based compensation and related expenses.

We had research and development expense for the nine months ended September 30, 2011 of \$127,433 consisting primarily of amortization of the SUGARDOWN™ product and implementation of clinical studies with the SUGARDOWN™ product in diabetes patients in Australia and France. There was no research and development expense for the nine months ended September 30, 2010.

We had sales and marketing expense for the nine months ended September 30, 2011 of \$134,839 consisting primarily of stock-based compensation expense. There were no sales and marketing expense for the nine months ended September 30, 2010.

## **Liquidity and Capital Resources**

*As of September 30, 2011*

As of September 30, 2011, we had cash of \$336,390 and accounts payable and accrued expenses of \$358,404. The cash is largely attributable to the proceeds from our private placement of common stock in June 2011.

We have received minimal revenues from our acquisition of the SUGARDOWN™ product. Without substantial revenue and known, adequate and available financing, there is uncertainty regarding the Company's ability to continue as a going concern.

Management has plans to seek additional capital through private placements and public offerings of its common stock, including the registered self-directed offering described above. There can be no assurance that the Company will be successful in accomplishing its objectives. Without such additional capital, the Company may be required to cease operations.

Our CEO intends to continue to provide minimal cash to fund critical needs once the proceeds of the private placement are exhausted until additional shares are sold to raise capital.

Our CEO also contributed a provisional patent, a patent and know-how to the Company. We intend to use these assets and SUGARDOWN™ to attract investors in order to raise the capital required to fund operations.

Other than our CEO's intention to provide minimal cash, we have no current commitment from our officers and directors or any of our shareholders, to supplement our operations or provide us with financing in the future. If we are unable to raise additional capital from conventional sources and/or additional sales of stock in the future, we may be forced to curtail or cease our operations. Even if we are able to continue our operations, the failure to obtain financing could have a substantial adverse effect on our business and financial results. In the future, we may be required to seek additional capital by selling debt or equity securities, and we may be required to cease operations, or otherwise be required to bring cash flows in balance when we approach a condition of cash insufficiency. The sale of additional equity or debt securities, if accomplished, may result in dilution to our then shareholders. We provide no assurance that financing will be available in amounts or on terms acceptable to us, or at all.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide the information requested by this item, as provided by Regulation S-K Item 305(e).

### **Item 4. Controls and Procedures**

Pursuant to Rules 13a-15(b) and 15-d-15(b) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), the Company carried out an evaluation, with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer (“CEO/CFO”) (the Company’s principal financial and accounting officer), of the effectiveness of the Company’s disclosure controls and procedures (as defined under Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company’s CEO/CFO concluded that the Company’s disclosure controls and procedures were effective as of September 30, 2011 to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, 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 the Company’s CEO/CFO, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control Over Financial Reporting**

There have not been any changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) under the Exchange Act) during the fiscal period to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

The Company’s management, including the Company’s CEO/CFO, does not expect that the Company’s internal control over financial reporting will prevent all errors and all fraud. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings**

None.

### **Item 1A. Risk Factors**

None.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

In August 2011, we sold an additional 56,000 shares of our common stock in the private placement described in Note 1 to our unaudited condensed financial statements at a price of \$0.25 per share, yielding gross proceeds to us of \$14,000. The shares described were offered and sold solely to “accredited investors” in reliance on the exemption from registration afforded by Rule 506 of Regulation D promulgated under Section 4(2) of the Securities Act. In connection with the sale of these securities, the Company relied on each of the investors' written representations that it was an "accredited investor" as defined in Rule 501(a) of Regulation D. In addition, neither the Company nor anyone acting on its behalf has offered or sold these securities by any form of general solicitation or general advertising. At the time of their issuance, the securities will be deemed to be restricted securities for purposes of the Securities Act, and the certificates representing the securities shall bear legends to that effect. The securities may not be resold or offered in the United States without registration or an exemption from registration.



**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. (Removed and Reserved)**

**Item 5. Other Information**

None.

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Title of Document</b>
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended*
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended*
32.1	Certification pursuant to Section 906 of Sarbanes Oxley Act of 2002 (Chief Executive Officer)**
32.2	Certification pursuant to Section 906 of Sarbanes Oxley Act of 2002 (Chief Financial Officer)**
101	The following financial statements from the Quarterly Report on Form 10-Q of Boston Therapeutics, Inc. for the quarter ended September 30, 2011 formatted in XBRL: (i) Condensed Balance Sheets (unaudited), (ii) Condensed Statements of Operations (unaudited), (iii) Condensed Statements of Cash Flows (unaudited), and (iv) Notes to Condensed Financial Statements (unaudited), tagged as blocks of text.*

\*Filed as an exhibit hereto.

\*\*These certificates are furnished to, but shall not be deemed to be filed with, the Securities and Exchange Commission.

## **SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

### **BOSTON THERAPEUTICS, INC.**

Date: November 14, 2011

By: /s/ David Platt  
David Platt  
Chief Executive Officer and Chief Financial  
Officer



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14**

I, David Platt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Boston Therapeutics, 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) 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
  - d) 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 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 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.

Dated: November 14, 2011

By: /s/ David Platt  
David Platt  
Chief Executive Officer



**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14**

I, David Platt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Boston Therapeutics, 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) 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
  - d) 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 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 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.

Dated: November 14, 2011

By: /s/ David Platt  
David Platt  
Chief Financial Officer





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

In connection with the Quarterly Report on Form 10-Q of Boston Therapeutics, Inc. (the "Company") for the quarter ending September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Platt, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 14, 2011

By: /s/ David Platt  
David Platt  
Chief Executive Officer



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

In connection with the Quarterly Report on Form 10-Q of Boston Therapeutics, Inc. (the "Company") for the quarter ending September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Platt, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 14, 2011

By: /s/ David Platt  
David Platt  
Chief Financial Officer

