TECH LABORATORIES INC
Form 10KSB
March 31, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES AND EXCHANGE ACT OF 1934.

Commission File Number 000-27592

TECH LABORATORIES, INC.
(Exact name of Small Business issuer in its charter)

New Jersey	22-1436279
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
In c/o Anslow & Jaclin, LLP, Attn: Gregg Jaclin 195 Route 9 South, Suite 204, Manalapan, NJ	07726
(Address of principal executive offices)	(zip code)

Issuer's telephone number, including area code: (973) 427-5333

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or 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. [X] Yes [ ] No

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B contained in this form and no disclosure will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-KSB or any amendment to this Form 10-KSB. {_}

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

Yes [X] No [_]

State issuer's revenues for its most recent fiscal year: $91,713

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and ask prices of such stock, as of a specified date within the last 60 days. On April 14, 2005, the aggregate market value of voting stock held by non-affiliates, based on the closing price as quoted on the OTC Bulletin Board under the symbol "TCHL", was $.01/share.

The number of shares of common stock outstanding as of December 31, 2005: 141,446,880

TECH LABORATORIES, INC.

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Forward-looking Statements

Statements made in this Form 10-KSB that are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of federal securities laws. These statements often can be identified by the use of terms such as "may," "will," "expect," "anticipate," "estimate," or "continue," or the negative thereof. Such forward-looking statements speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties, and important factors beyond the control of Tech Labs that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. These factors include, but are not limited to, those discussed under the caption "Factors That May Affect Future Events" in Item 6 of this Form 10-KSB. Tech Labs disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

General

We were incorporated in 1947 as a New Jersey corporation. Our focus has historically been the design, manufacture, and sale of rotary switches. Switches have been a significant part of our revenue for five decades. In 1995, to augment revenues, we sought business in transformers and contract manufacturing. In 1998, we made a shift to new product development. In 1998, we also made our first sales of the IDS product, and in April of 1999, we completed the acquisition of the DynaTraX(TM) switch and technology. DynaTraX(TM) is a high-speed digital switch matrix system, an electronic switching unit for network management and security. This equipment manages video and data transmissions on a network.

On July 11, 2005 (the "Effective Date"), we finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the "Settlement Parties"). In connection with the Agreement, Mr. Ciongoli resigned from his positions as President, Chief Executive Officer, Chief Financial Officer, and member of the Board of Directors of the Company, and agreed to the cancellation of 17,931,806 of his shares of our common stock. Earl Bjorndal resigned from his positions as Vice President and member of the Board of Directors of the Company, and agreed to the cancellation of 8,044,445 of his shares of our common stock. The parties agreed to the transfer of all of the Company's assets, including all technologies and product lines, to the Settlement Parties in exchange for the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them, the cancellation of the above mentioned shares, and the assumption of certain liabilities of the Company and the lease by the Settlement Parties. As part of the Agreement, we agreed to transfer of all of the issued and outstanding shares of common stock of Tech Logistics, Inc., our subsidiary to Bernard Ciongoli.

Pursuant to the Agreement, the Settlement Parties granted us a seven year license in the transferred technology, pursuant to which we shall have the right to sell the products developed from the DynaTraX technology as a dealer to its customers at a dealer price of 25% off list price. We will also receive a royalty of 5% of the profits per year for the sale of DynaTrax products. In exchange for all of the Company's assets, the Settlement Parties agreed to the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them; the cancellation of the above mentioned shares; and the assumption of certain liabilities of the Company and the lease by the Settlement Parties.

On July 11, 2005, Bernard Ciongoli resigned from his positions as President, Chief Executive Officer, Chief Financial Officer, and member of the Board of Directors of the Company. Also on July 11, 2005, Earl Bjorndal resigned from his positions as Vice President and member of the Board of Directors of the Company. Such resignation was in accordance with the terms of an Agreement and is not due to any disagreement with the Company on any matter relating to the Company's operations, policies or practice. On July 11, 2005, Donna Silverman was appointed as the Company's President, Chief Executive Officer, and Chief Financial Officer and to the Board of Directors of the Company.

We are now currently seeking and reviewing potential merger candidates. We will attempt to locate and negotiate with a business entity for the combination of that target company with us. The combination will normally take the form of a merger, stock- for-stock exchange or stock-for-assets exchange. In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351

or Section 368 of the Internal Revenue Code of 1986, as amended. No assurances can be given that we will be successful in locating or negotiating with any target company.

PERCEIVED BENEFITS

There are certain perceived benefits to being a reporting company with a class of publicly- traded securities. These are commonly thought to include the following:

- the ability to use registered securities to make acquisitions of assets or businesses;
- increased visibility in the financial community;
- the facilitation of borrowing from financial institutions;
- improved trading efficiency;
- shareholder liquidity;
- greater ease in subsequently raising capital;
- compensation of key employees through stock options for which there may be a market valuation;
- enhanced corporate image;
- a presence in the United States capital market.

POTENTIAL TARGET COMPANIES

A business entity, if any, which may be interested in a business combination with us may include the following:

- a company for which a primary purpose of becoming public is the use of its securities for the acquisition of assets or businesses;
- a company which is unable to find an underwriter of its securities or is unable to find an underwriter of securities on terms acceptable to it;
- a company which wishes to become public with less dilution of its common stock than would occur upon an underwriting;
- a company which believes that it will be able to obtain investment capital on more favorable terms after it has become public;
- a foreign company which may wish an initial entry into the United States securities market;
- a special situation company, such as a company seeking a public market to satisfy redemption requirements under a qualified Employee Stock Option Plan;
- a company seeking one or more of the other perceived benefits of becoming a public company.

A business combination with a target company will normally involve the transfer to the target company of the majority of our issued and outstanding common stock, and the substitution by the target company of its own management and board of directors.

No assurances can be given that we will be able to enter into a business combination, as to the terms of a business combination, or as to the nature of the target company.

Employees

We have no employees at this time.

ITEM 2. DESCRIPTION OF PROPERTY

Corporate headquarters is located at 195 Route 9 South, Suite 204 Manalapan, NJ 07726. On July 11, 2005, we finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the

"Settlement Parties"), and pursuant to the Agreement, the facility in North Haledon with all lease obligations were assumed by Bernard Ciongoli and Earl Bjorndal.

ITEM 3. LEGAL PROCEEDINGS

Litigation

On July 31, 2002, Tawfik Khalil and Amneh Khalil filed a lawsuit in the Superior Court of Passaic County, New Jersey, against Glen Venza, a Company part-time employee, Tech Labs, and certain other parties for property damages and personal injuries. The case arose from a car accident involving Mr. Venza and the plaintiffs, which occurred while Mr. Venza was performing certain duties for Tech Labs in a vehicle Mr. Venza borrowed from a third party. Tech Labs has only been named as a party to the personal injuries, and not for property damages, and believes it is covered for the accident by its insurance policy.

On July 30, 2003, a former director and a former employee filed a joint lawsuit in Superior Court of New Jersey, Passaic County, against us for consulting fees and expenses, respectively. In the same lawsuit, W.T. Sports filed a claim for a commission owed on sales due from a licensing agreement with us. The claims by the former director and former employee are for about $10,000 and we deny any liability under these claims and are defending the lawsuit. With regard to W.T. Sports, our agreement has an arbitration in case of dispute and therefore we are attempting to move this case to arbitration. We believe that we have a counterclaim, which is far in excess of the amount they claim we owe for the licensing fees. On November 11, 2004, an arbitration hearing took place. On December 31, 2004, the arbitrator awarded $35,148 to WT Sports. Tech Labs can continue to manufacture the system in the United States.

On June 30, 2004, the law firm of Stursberg & Veith, former counsel to Tech Laboratories, Inc., filed a lawsuit in the United States District Court for the Southern District of New York claiming that the plaintiff delivered certain good and valuable services to Tech laboratories and is owed $161,179.26 plus interest, costs, and disbursements for each cause of action, and other and further relief as the Court may deem necessary. The complaint alleges four causes of action including an unpaid account, stated breach of contract, quantim meruit, and unjust enrichment. We disagree with the amount of the unpaid balance owed to the plaintiff. We have filed a counterclaim for overcharging by the plaintiff. On December 5, 2005, a judgment was rendered by the court to make payment of $204,834.10, including interest.

Part II

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS

On July 11, 2005, the unanimous consent of the Board of Directors and a majority of the shareholders of record approved the Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal. The action was approved by approximately 50.25% of the shareholders of record. An Information Statement describing such action was filed with the Securities and Exchange Commission..

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Our common stock has been trading publicly on the OTC Bulletin Board under the symbol "TCHL" since 1994. The table below sets forth the range of quarterly high and low closing sales prices for our common stock on the OTC Bulletin Board during the calendar quarters indicated. The quotations reflect inter-dealer prices, without retail mark-ups, markdowns, or conversion, and may not represent actual transactions.

TCHL COMMON STOCK

2004		
First Quarter	0.35	0.02
Second Quarter	0.21	0.01
Third Quarter	0.06	0.01
Fourth Quarter	0.03	0.01
2005		
First Quarter	0.02	0.01
Second Quarter	0.016	0.008
Third Quarter	0.03	0.008
Fourth Quarter	0.02	0.006

As of December 31, 2005, there were 473 holders of record of our common stock. The transfer agent for our common stock is:

Olde Monmouth Stock Transfer Co., Inc.
Suite 101, 77 Memorial Parkway,
Atlantic Highlands, NJ 07716.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

General

The company was incorporated in 1947 as a New Jersey corporation. Company focus has historically been the design, manufacture, and sale of rotary switches. Switches were a significant part of revenue for five decades. In 1995, to augment revenues, the Company sought business in transformers and contract manufacturing.

While previous management tried to shift out of the subcontracting and transformer business, and tried to gradually shift product offering from less profitable to more profitable proprietary products, these business strategies did not result in a sufficient increase in business prospects or revenue.

Plan of Operation

On July 11, 2005 (the "Effective Date"), we finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the "Settlement Parties"). In connection with the Agreement, Mr. Ciongoli resigned from his positions as President, Chief Executive Officer, Chief Financial Officer, and member of the Board of Directors of the Company, and agreed to the cancellation of 17,931,806 of his shares of our common stock. Earl Bjorndal resigned from his positions as Vice President and member of the Board of Directors of the Company, and agreed to the cancellation of 8,044,445 of his shares of our common stock. The parties agreed to the transfer of all of the Company's assets, including all technologies and product lines, to the Settlement Parties in exchange for the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them, the cancellation of the above mentioned shares, and the assumption of certain liabilities of the Company and the lease by the Settlement Parties. As part of the Agreement, we agreed to transfer of all of the issued and outstanding shares of common stock of Tech Logistics, Inc., our subsidiary to Bernard Ciongoli.

Pursuant to the Agreement, the Settlement Parties granted us a seven year license in the transferred technology, pursuant to which we shall have the right to sell the products developed from the DynaTraX technology as a dealer to its customers at a dealer price of 25% off list price. We will also receive a royalty of 5% of the profits per year for the sale of DynaTrax products. In exchange for all of the Company's assets, the Settlement Parties agreed to the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them; the cancellation of the above mentioned shares; and the assumption of certain liabilities of the Company and the lease by the Settlement Parties.

The Registrant is continuing its efforts to locate a merger Candidate for the purpose of a merger. It is possible that the registrant will be successful in locating such a merger candidate and closing such merger. However, if the registrant cannot effect a non-cash acquisition, the registrant may have to raise funds from a private offering of its securities under Rule 506 of Regulation D. There is no assurance the registrant would obtain any such equity funding.

We will attempt to locate and negotiate with a business entity for the combination of that target company with us. The combination will normally takethe form of a merger, stock- for-stock exchange or stock-for-assets exchange. In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended. No assurances can be given that we will be successful in locating or negotiating with any target company.

A business combination with a target company will normally involve the transfer to the target company of the majority of our issued and outstanding common stock, and the substitution by the target company of its own management and board of directors.

No assurances can be given that we will be able to enter into a business combination, as to the terms of a business combination, or as to the nature of the target company.

Results of Operations

Sales were $91,280 for 2005 as compared to $259,761 for the year ended 2004 for a decrease of 64.9%.

For the year ended 2005 cost of sales were $30,557 compared to $784,153 for the year ended 2004. The Company's gross profit percentage was negative in 2005 and 2004 due to inventory write-offs of slow moving and obsolete inventory totaling $-0- in 2005 and $265,358 in 2004.

Selling, general, and administrative expenses decreased by $422,014 in 2005 as compared to the prior period. This decrease was due to the Company's efforts to restructure its management.

Losses from operations of $1,642,786 in 2005 were a direct result of the loss of the stock conversions and restructuring costs.

Liquidity and Capital Resources

The Company's operating activities utilized cash of $802,595 during the year ended, December 31, 2005, as compared to $272,905 during the year ended, December 31, 2004.

As a result of the continuing operating losses and negative cash flow experienced during 2004 and 2005, we have a tenuous liquidity position. If we are unable to find a suitable merger candidate or alternative financing is not obtained, substantial doubt exists about our ability to continue as a going concern.

On December 27, 2005, we completed a financing agreement for $300,000 with Montgomery Equity Partners, Ltd. (the "Investor"). Under the terms of the agreement, we issued to the Investor a $300,000 secured convertible debenture with a 15% interest rate and a maturity date of December 27, 2006. The debenture is convertible into shares of our common stock at a conversion price equal to the lesser of (a) $0.00525 per share or (b) ninety percent of the lowest Closing Bid Price of the common stock during the ten trading days immediately preceding the conversion date, as quoted by Bloomberg, LP. We are committed to filing an SB-2 Registration Statement with the SEC within 90 days of funding. There are penalty provisions should the filing not become effective within 150 days of filing.

Simultaneously with the financing agreement, we issued an Amended and Restated Convertible Debenture to the Investor in the amount of $537,220 to cure the default under the Debenture issued to the Investor on April 5, 2005 in the original amount of $420,514 for not filing a registration statement by the initial filing deadline (the "Amended Debenture"). The Amended Debenture bears a 15% interest rate and a maturity date of December 27, 2006. The debenture is convertible into shares of our common stock at a conversion price equal to the lesser of (a) $0.00525 per share or (b) ninety percent of the lowest Closing Bid Price of the common stock during the ten trading days immediately preceding the conversion date, as quoted by Bloomberg, LP. We are committed to filing an SB-2 Registration Statement with the SEC within 90 days of funding. There are penalty provisions should the filing not become effective within 150 days of filing.

On December 27, 2005, we entered into a Termination Agreement with Cornell Capital Partners, LP terminating the Standby Equity Distribution Agreement, Registration Rights Agreement, Escrow Agreement, and Placement Agent Agreement all of which are dated May 17, 2004.

Factors that May Affect Future Events

The following factors, among others, could cause actual events and financial results to differ materially from those anticipated by forward-looking statements made in this Annual Report on Form 10-KSB and presented elsewhere by management from time to time.

On July 11, 2005, we finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the "Settlement Parties"). In connection with the Agreement, Mr. Ciongoli resigned from his positions as President, Chief Executive Officer, Chief Financial Officer, and member of the Board of Directors of the Company, and agreed to the cancellation of 17,931,806 of his shares of our common stock. Earl Bjorndal resigned from his positions as Vice President and member of the Board of Directors of the Company, and agreed to the cancellation of 8,044,445 of his shares of our common stock. The parties agreed to the transfer of all of the Company's assets, including all technologies and product lines, to the Settlement Parties in exchange for the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them, the cancellation of the above mentioned shares, and the assumption of certain liabilities of the Company and the lease by the Settlement Parties. As part of the Agreement, we agreed to transfer of all of the issued and outstanding shares of common stock of Tech Logistics, Inc., our subsidiary to Bernard Ciongoli.

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ITEM 7. FINANCIAL STATEMENTS

Tech Laboratories, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Tech Laboratories, Inc.

We have audited the accompanying consolidated balance sheet of Tech Laboratories, Inc. as of December 31, 2005 and the related consolidated statements of operations, shareholders' equity (deficit) and cash flows for each of the years in the two-year period ended December 31, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Laboratories, Inc. as of December 31, 2005 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 8 to the financial statements, the Company's significant operating losses raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Demetrius & Company, L.L.C.

Wayne, New Jersey
March 22, 2006

TECH LABORATORIES, INC.

BALANCE SHEET
AS OF DECEMBER 31, 2005

Current Assets:	
Cash	$ 212,390
Prepaid expense	81,876
Total Assets	$ 294,266
Convertible notes	$ 1,345,662
Accounts payable and accrued expenses	311,445
Total current liabilities	1,657,107
Shareholders' Deficit	
Common stock, $.01 Par Value; 195,000,000 Shares Authorized 141,446,880 Shares Issued	1,414,469
Less: 15,191 Shares Reacquired and held in Treasury	(113)
	1,414,356
Capital contributed in excess of par value	4,967,975
Accumulated deficit	(7,745,172)
	(1,362,841)
Total Liabilities and Shareholders' Deficit	$ 294,266

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

TECH LABORATORIES, INC.
STATEMENTS OF OPERATIONS

	Year Ended December 31,	
	2005	2004
Sales	$ 91,280	$ 259,761
Costs and expenses:		
Cost of sales	30,557	784,153
Selling, general and administrative expenses	505,267	927,281

	535,824	1,711,434
Loss from operations	(444,544)	(1,451,673)
Other income (expenses):		
Interest income	187	189
Loss on settlement agreement	(884,574)	-
Interest expense	(313,855)	(61,077)
	(1,198,242)	(60,888)
Loss before income taxes	(1,642,786)	(1,512,561)
Income taxes benefit	-	153,251
Net loss	(1,642,786)	(1,359,310)
Accumulated deficit, beginning of year	(6,102,386)	(4,743,076)
Accumulated deficit, end of year	$ (7,745,172)	$(6,102,386)
Loss per share, basic and diluted	$ (0.01)	$ (0.03)
Basic and diluted weighted average shares outstanding	122,243,867	52,043,074

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

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TECH LABORATORIES, INC.
STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIT)

	Common Stock		Capital in Excess	Accumulated
	Shares	Amount	of Par Value	Deficit
Balance, December 31, 2003	18,045,376	$ 175,030	$ 4,480,381	$(4,743,076)
Stock issued for services	47,391,034	473,910	232,831	-
Stock issued for debt conversion	22,725,202	232,563	704,350	-
Net loss	-	-	-	(1,359,310)
Balance, December 31, 2004	88,161,612	$ 881,503	$ 5,417,562	$(6,102,386)
Stock issued for services	9,135,500	91,335	-	-
Stock issued for debt conversion	20,113,846	201,138	(11,562)	-

Pledged shares	50,000,000	500,000	(458,931)	
Cancelled shares	(25,964,078)	(259,620)	(128,996)	
Intrinsic value of beneficial conversion	-	-	149,902	-
Net loss	-	-	-	(1,642,786)
Balance, December 31, 2005	141,446,880	$1,414,356	$ 4,967,975	$(7,745,172)

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

TECH LABORATORIES, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2005	Year Ended December 31, 2004
Cash flows from operating activities:		
Net loss from operations	$(1,642,786)	$(1,359,310)
Depreciation/amortization	9,774	14,661
Doubtful accounts expense	-	-
Loss on settlement agreement	884,574	-
Capitalized interest	156,778	-
Expenses paid with the issuance of common stock	-	706,741
Interest expense capitalized to debt	-	35,013
Inventory write-down	-	265,358
Changes in operating assets and liabilities:		
Accounts receivable	(862)	(572)
Inventories	(165,312)	77,389
Accounts payable and accrued expenses	(41,012)	51,745
Prepaid expenses	(22,500)	(58,302)
Other assets and liabilities	18,751	(5,628)
Net cash used in operating activities	(802,595)	(272,905)
Cash flows from investing activities:		
Reduction in certificate of deposit	1,364	3,501
Proceeds from sale of equipment	-	1,309
Purchase of equipment	-	(930)
Net cash provided by investing activities	1,364	3,880
Cash flows from financing activities:		
Acquisition of debt	907,338	250,000

Net cash provided by financing activities	907,338	250,000
Net increase (decrease) in cash	106,107	(19,025)
Cash balance, beginning of year	106,283	125,308
Cash balance, end of year	$ 212,390	$ 106,283

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

TECH LABORATORIES, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2005	2004
Supplemental schedule of noncash investing and financing activities:		
Intrinsic value of beneficial conversion	$ 149,902	$ -
Conversion of debt to common stock	(157,971)	936,913
Settlement agreement		
Accounts receivable	(11,541)	-
Inventory	(1,072,342)	-
Certificate of deposit	(35,135)	-
Property plant and equipment, net	(268,404)	-
Other assets	(14,420)	-
Notes payable	34,444	-
Accounts payable	224,832	-
Common stock and paid in capital	257,992	-
	$ (884,574)	$ -

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

TECH LABORATORIES, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Tech Laboratories, Inc. ("Tech Labs" or the "Company") is currently seeking and reviewing candidate companies for merger and acquisition possibilities.
Potential Target Companies

A business entity, if any, which may be interested in a business combination with us may include the following:

- a company for which a primary purpose of becoming public is the use of its securities for the acquisition of assets or businesses;

- a company which is unable to find an underwriter of its securities or is unable to find an underwriter of securities on terms acceptable to it;

- a company which wishes to become public with less dilution of its common stock than would occur upon an underwriting;

- a company which believes that it will be able to obtain investment capital on more favorable terms after it has become public;

- a foreign company which may wish an initial entry into the United States securities market;

- a special situation company, such as a company seeking a public market to satisfy redemption requirements under a qualified Employee Stock Option Plan;

- a company seeking one or more of the other perceived benefits of becoming a public company.

A business combination with a target company will normally involve the transfer to the target company of the majority of our issued and outstanding common stock, and the substitution by the target company of its own management and board of directors.

No assurances can be given that we will be able to enter into a business combination, as to the terms of a business combination, or as to the nature of the target company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements include the accounts of the Company and its wholly owned subsidiary, Tech Logistics, Inc., formed in 1997. All of Tech Logistics' accounts and transactions are consolidated on the Tech Laboratories, Inc. financial statements through July 11, 2005.

Earnings per Share

Basic EPS is computed by dividing net income or net loss by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution from the exercise or conversion of other securities into common stock, but only if dilutive.

Cash and Cash Equivalents

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The Company considers all short-term deposits with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes product revenue at the time of shipment.

Research and Development

Research and development expenditures are expensed as incurred.

Income Taxes

The Company uses the liability method to determine its income tax expense as required under Statement of Financial Accounting Standards No. 109 (SFAS 109). Under SFAS 109, deferred tax assets and liabilities are computed based on differences between financial reporting and the tax basis of assets and liabilities, and are measured.

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TECH LABORATORIES, INC.
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair Value of Financial Instruments

The carrying values of cash, accounts receivable, accounts payable, accrued expenses and other current liabilities are representative of their fair value due to the short-term maturity of these instruments. The carrying value of the Company's long-term debt is considered to approximate its fair value, based on current market rates and conditions.

Advertising Costs

Advertising costs are reported in selling, general and administrative expenses, and include advertising, marketing and promotional programs. These costs are charged to expense in the year in which they are incurred. Advertising costs for the years ended, December 31, 2005 and 2004, respectively, were $341 and $20,768.

Accounting for Stock Option Based Compensation

SFAS No. 123, "Accounting for Stock Based Compensation," sets forth accounting and reporting standards for stock based employee compensation plans. As allowed by SFAS 123, the Company continues to measure compensation cost under Accounting Principles Board Opinion No. 25 ("APB 25"), "Accounting for Stock Issued to Employees" and complies with the pro forma disclosure requirements of the standard (see Note 8).

Warranties

The Company offers warranties on all products, including parts and labor that ranges from one (1) to five (5) years depending on the type of product. The Company passes along any OEM warranty to the end user, if applicable. The Company charges operations with warranty expenses as incurred. As of July 11, 2005, the settlement agreement assigns the warranty expense to the prior management.

New Authoritative Accounting Pronouncements

The Company does not anticipate the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flows.

3. LEASE OBLIGATIONS

Lease expenses consisting principally of office and warehouse rentals, totaled $12,403 and $57,895, for the years ended December 31, 2005 and 2004, respectively. On July 11, 2005, we finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the "Settlement Parties"). Pursuant to the Agreement, the facility in North Haledon with all lease obligations were assumed by Bernard Ciongoli and Earl Bjorndal.

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TECH LABORATORIES, INC.
NOTES TO FINANCIAL STATEMENTS

4. INCOME TAXES

The income tax benefit for the year ended, December 31, 2005 and 2004, includes the following:

	2005	2004
Current		
Federal	$ -	$ -
State	-	153,251

	-	153,251
Deferred		
Federal	-	-
State	-	-
	$ -	$153,251

The components of deferred tax accounts as of December 31, 2005 and 2004 are as follows:

	2005	2004
Deferred tax assets		
Net operating loss carryforward	$ 2,864,243	$ 2,238,000
Other	-	-
Subtotal	2,864,243	2,238,000
Valuation allowance	(2,864,243)	(2,238,000)
Net deferred tax assets	$ -	$ -

The net change in the valuation allowance was an increase of $626,243 and $383,000 in 2005 and 2004, respectively.

The reconciliation of estimated income taxes attributed to operations at the statutory tax rates to the reported income tax benefit is as follows:

	2005	2004
Expected federal tax at statutory rate	$(478,373)	$(435,105)
State taxes, net of federal tax rate	(147,870)	(101,146)
Change in valuation allowance	626,243	383,000
	$ -	$(153,251)

At December 31, 2005 and 2004, the company had a net operating loss carryforward of $8,226,312 and $6,583,526, respectively, which can be utilized to offset future taxable income. These operating loss carry-forwards begin to expire in 2014.

TECH LABORATORIES, INC.
NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM CONVERTIBLE DEBT

On May 18, 2004, the Company issued an additional $250,000 convertible debenture at a rate of 5.0% due on May 18, 2007. On April 22, 2005, the convertible debt of $250,000 was renegotiated with an additional $160,000 plus accrued interest for a total amount of $420,514. The interest rate is 5% per annum and is due upon demand. In connection with this transaction, the Company issued 50,000,000 shares of common stock to be held in escrow, as collateral, for the transaction. On April 22, 2005, the Company issued warrants to Montgomery Equity Partners, Ltd. to purchase 100,000 shares of common stock at the par value of $.0001 per share.

On December 27, 2005, we completed a financing agreement for $300,000 with Montgomery Equity Partners, Ltd. (the "Investor"). Under the terms of the agreement, we issued to the Investor a $300,000 secured convertible debenture with a 15% interest rate and a maturity date of December 27, 2006. The debenture is convertible into shares of our common stock at a conversion price equal to the lesser of (a) $0.00525 per share or (b) ninety percent of the lowest Closing Bid Price of the common stock during the ten trading days immediately preceding the conversion date, as quoted by Bloomberg, LP. We are committed to filing an SB-2 Registration Statement with the SEC within 90 days of funding. There are penalty provisions should the filing not become effective within 150 days of filing.

Simultaneously with the financing agreement, we issued an Amended and Restated Convertible Debenture to the Investor in the amount of $537,220 to cure the default under the Debenture issued to the Investor on April 5, 2005 in the original amount of $420,514 for not filing a registration statement by the initial filing deadline (the "Amended Debenture"). The Amended Debenture bears a 15% interest rate and a maturity date of December 27, 2006. The debenture is convertible into shares of our common stock at a conversion price equal to the lesser of (a) $0.00525 per share or (b) ninety percent of the lowest Closing Bid Price of the common stock during the ten trading days immediately preceding the conversion date, as quoted by Bloomberg, LP. We are committed to filing an SB-2 Registration Statement with the SEC within 90 days of funding. There are penalty provisions should the filing not become effective within 150 days of filing.

In accordance with EITF 98-5, the Company recognized an imbedded beneficial conversion feature present in the Notes. The Company recognized and measured an aggregate of $149,902 of the proceeds, which is equal to the intrinsic value of the imbedded beneficial conversion feature, to additional paid-in capital and a discount against the Notes.

As of December 31, 2005 and 2004, an aggregate of $151,971 and $936,913, respectively, of Convertible Long Term Debt was converted into Common Stock.

At December 31, 2005, the Company had 53,553,120 shares available for the conversions of the outstanding notes.

6. STOCK OPTIONS

On November 15, 2004, a three-year option to purchase common stock of Tech Laboratories, Inc. was granted by the majority members of the Board of Directors of Tech Laboratories, Inc. to certain directors and employees at $.005 per share. The total number of options granted was 12,500,000 and all of the options were vested immediately.

The Company measures compensation for these plans under APB Opinion No. 25. No compensation cost has been recognized as all options were granted at the fair market value of the underlying stock at the date of grant. Had compensation expense for these plans been determined consistent with SFAS No. 123, the Company's net (loss) and net (loss) per share would be as follows:

	2004
Net (loss), as reported	$(1,359,310)
Net (loss), pro forma	$(1,396,810)
Basic (loss) per share, as reported	$ (0.03)
Basic (loss) per share, pro forma	$ (0.03)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2004: risk-free interest rates of 3.529%, expected volatility of 94.75% and expected lives of three years. No dividends were assumed in the calculations.

On July 11, 2005, the company finalized a settlement agreement and release therefore forfeiting all stock options.

6. STOCK OPTIONS (CONT'D)

Stock option transactions for 2005 and 2004 are summarized as follows:

	Shares	Weighted Average Exercise Price
Outstanding, January 1, 2004	-	$ -
Granted	12,500,000	0.005
Exercised	-	-
Expired	-	-
Outstanding, December 31, 2004	12,500,000	0.005
Forfeited	(12,500,000)	0.005
Outstanding, December 31, 2005	-	-

Exercisable, end of year	-	-

7. SETTLEMENT AGREEMENT AND RELEASE

On July 11, 2005, (the "Effective Date"), the Company finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the "Settlement Parties"). In connection with the Agreement, Mr. Ciongoli resigned from his positions as President, Chief Executive Officer, Chief Financial Officer and member of the Board of Directors of the Company, and agreed to the cancellation of 17,754,806 of his shares of our common stock. Earl Bjorndal resigned from his positions as Vice President and member of the Board of Directors of the Company, and agreed to the cancellation of 8,044,445 of his shares of our common stock. The parties agreed to the transfer of all of the Company's assets, including all technologies and product lines, to the Settlement Parties in exchange for the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them, the cancellation of the above mentioned shares, and the assumption of certain liabilities of the Company and the lease by the Settlement Parties. The Agreement grants the Company a seven-year license in the transferred technology, pursuant to which the Company shall have the right to sell the products developed for the DynaTrax technology as a dealer to its customers at a dealer price of 25% off list price. The Company will also receive a royalty of 5% of the profits per year for the sale of DynaTrax products. The Company recorded a loss from this transaction in the amount of $884,574.

8. GOING CONCERN

As shown in the accompanying financial statements, the Company incurred a net loss of $1,642,786 during the current period and has incurred losses of $8,222,117 since 1997. Current economic conditions have limited the ability of the Company in acquiring additional equity capital.

In response to economic conditions, management has implemented expense reduction and revenue enhancements as well as initiated additional investor financing. Specifically, management has implemented staff reductions and reduced salaries of senior management.

8. GOING CONCERN (CONT'D)

Because it is unclear whether the Company will be successful in accomplishing these objectives, there is uncertainty about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 8A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Our principal executive officer and principal financial officer evaluated our disclosure controls and procedures (as defined in rule 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) as of a date within 90 days before the filing of this annual report (the Evaluation Date). Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the Evaluation Date, the disclosure controls and procedures in place were adequate to ensure that information required to be disclosed by us, including our consolidated subsidiaries, in reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported on a timely basis in accordance with applicable rules and regulations. Although our principal executive officer and principal financial officer believes our existing disclosure controls and procedures are adequate to enable us to comply with our disclosure obligations, we intend to formalize and document the procedures already in place and establish a disclosure committee.

Changes in internal controls

We have not made any significant changes to our internal controls subsequent to the Evaluation Date. We have not identified any significant deficiencies or material weaknesses or other factors that could significantly affect these controls, and therefore, no corrective action was taken.

ITEM 8B. OTHER INFORMATION

None.

Part III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

NAME	AGE	TITLE
Donna Silverman	46	President, Chief Executive Officer, Chief Financial Officer and Director
Peter Nasca	57	Director
Michael Abri	44	Director

Each director is elected for a period of one year and until his successor is duly elected by shareholders and qualified.

DONNA SILVERMAN. Ms. Silverman has served as the Company's President, Chief

Executive Officer and Chief Financial Officer since December 19, 2005 and as a Director since October 21, 2005. Ms. Silverman also serves as President, Chief Executive Officer and Chief Financial Officer of Americana Distribution, Inc., (OTC: BB :ADBN:OB) and as a Director for Global IT Holdings, Inc. (OTC PK: GBTH.PK), Ms. Silverman founded Stedman Walker, Inc. in 1996, a New York based firm which specializes in raising capital for businesses through debt and equity financing. Ms. Silverman is also a business consultant on a non exclusive basis for Knightsbridge Capital. Ms. Silverman is experienced in the area of financing for small to medium sized businesses. Ms. Silverman's distinguished two (2) decade career began with the Wall Street investment firm of Jay W. & Kaufmann & Co. At Paulson Investment Company, a leading underwriter in the OTC market, Ms. Silverman spearheaded the launch of the firm's first east coast office. During her career she has owned and operated brokerage offices in New York, New Jersey, Florida and Georgia, creating and managing a sales force of more than 150 registered representatives.

PETER NASCA. Mr. Nasca has served as a Director of the Company since October 21, 2005. Mr. Nasca is also currently serving as a Director of Americana Distribution, Inc. (OTC BB: ADBN.OB). Mr. Nasca is also a senior-level public relations professional with extensive experience in the field. He is an accredited member of the Public Relations Society of America and a past president of the organization's Miami chapter. He has also held the positions of president-elect, secretary and treasurer, and has twice served as judge in the prestigious national Public Relations Society of America's Silver Anvil Award ceremonies. Prior to starting his own agency, Mr. Nasca was vice president and partner of a medium-sized Miami based agency. He has also served as president of one of the Southeast's largest public relations firms. He began his career in journalism in New York radio as a reporter and also spent four years at an NBC-TV affiliate as a general assignment reporter and anchor where he won several awards for journalistic excellence. He is a member of the National Investor Relations Institute (NIRI). A graduate of the University of Bridgeport, Mr. Nasca is listed in Who's Who in the South and Southwest and Who's Who Among Outstanding Business Executives. He has lectured on the field of Public relations at the University of Florida, University of Miami and Florida International University. He is a former member of the Board of Directors of Miami Subs Corporation (NASDAQ: SUBS) which was subsequently sold to Nathan's Famous, Inc. (NASDAQ: NATH). His column, "Mid-Life Conscious" appears monthly in "Life on Stage Magazine" published by Ft. Lauderdale's Atlantic Bank Center.

MIKE ABRI. Mr. Abri has served as a Director of the Company since October 21, 2005. Mr. Abri is also currently serving as a Director of Americana Distribution, Inc. (OTC BB: ADBN.OB). Mr. Abri started his professional career as an insurance salesman for Transamerica, and subsequently he worked for Northstar Distributor, the primary wholesaler for Best Buy in its beginning stages. Mr. Abri then entered the retail rug business and has been a sales manager and owner of Oriental rug retail stores in various areas of the country (Cleveland, Ohio and Louisville Kentucky) since 1989 and in Minneapolis in 1991. Mike has knowledge of rugs and related floor coverings, and has been involved professionally in the industry for the last fifteen (15) years. Mr. Abri has particular expertise in identifying opportunities for the mass market from multiple floor and home d cor products, including high end knotted designs, mass market appeal, sourcing from different areas of the world and negotiating deals. He brings the skill to translate today's trends, color palettes, compositions, and designs into a customer focused approach to success. Mr. Abri is a graduate of the University of Minnesota with a bachelor's degree in Business Administration.

SUBSEQUENT EVENTS

On January 10, 2006, Jeffrey Sternberg, George Kanakis, and Craig Press resigned from their positions as members of the Board of Directors of the Company. Such resignations were not due to any disagreements with the Company on any matter relating to the Company's operations, policies or practice. On January 10, 2006, Peter Nasca and Michael Abri were appointed to the Board of Directors of the Company to fill the vacancy created by the resignations of the previous directors.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and officers and persons who own more than ten percent (10%) of its equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the "SEC"). Directors, officers, and greater than ten percent (10%) shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) reports filed.

To the best of the Company's knowledge, all filing requirements applicable to its officers, directors, and greater than ten percent (10%) shareholders were complied with in a timely manner.

CODE OF ETHICS

The company has adopted a Code of Ethics applicable to its Chief Executive Officer and Chief Financial Officer. This Code of Ethics is filed herewith as an exhibit.

ITEM 10. EXECUTIVE COMPENSATION

The following table summarizes the compensation paid to or earned by our president. No other officer has received compensation in excess of $100,000 in any recent fiscal year.

ANNUAL COMPENSATION

		ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS		
NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS	RESTRICTED STOCK AWARD(S) ($)	SECURITIES UNDERLYING OPTIONS (#)	ALL O COMPENS
Donna Silverman	2005	$ 91,355	$ - 0 -	$ - 0 -	$ - 0 -	
President, CEO, CFO						$
Bernard M. Ciongoli (1)	2005	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -	$
	2004	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -	$
	2003	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -	$

(1) Mr. Ciongoli, our former president, Chief Executive Officer, and Chief Financial Officer, resigned on July 11, 2005.

OPTION GRANTS IN FISCAL YEAR 2004

We do not have employment agreements with any of our current named executive officers. Our directors are not presently compensated.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table describes, as the date of this amended annual report, the beneficial ownership of our common stock by:

- persons known to us to own more than 5% of such stock, and
- the ownership of common stock by our directors, and by all officers and directors as a group.

Name	Number of Shares Owned Beneficially	% of Common Stock*
Donna Silverman	9,135,500	6.46%
Peter Nasca	0	0
Michael Abri	0	0
All officers and Directors as a group (3 persons)	9,135,500	6.46%

* Based on 141,446,880 shares outstanding as of December 31, 2005

Pursuant to the rules and regulations of the Securities and Exchange Commission, shares of common stock that an individual or entity has a right to acquire within 60 days pursuant to the exercise of options or warrants are deemed to be outstanding for the purposes of computing the percentage ownership of such individual or entity, but are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person or entity shown in the table.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On July 11, 2005 (the "Effective Date"), we finalized a Settlement Agreement and Release (the "Agreement") with Bernard Ciongoli and Earl Bjorndal (the "Settlement Parties"). In connection with the Agreement, Mr. Ciongoli resigned from his positions as President, Chief Executive Officer, Chief Financial Officer, and member of the Board of Directors of the Company, and agreed to the cancellation of 17,931,806 of his shares of our common stock. Earl Bjorndal resigned from his positions as Vice President and member of the Board of Directors of the Company, and agreed to the cancellation of 8,044,445 of his shares of our common stock. The parties agreed to the transfer of all of the Company's assets, including all technologies and product lines, to the Settlement Parties in exchange for the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them, the cancellation of the above mentioned shares, and the assumption of certain liabilities of the Company and the lease by the Settlement Parties. As part of the Agreement, we agreed to transfer of all of the issued and outstanding shares of common stock of Tech Logistics, Inc., our subsidiary to Bernard Ciongoli.

Pursuant to the Agreement, the Settlement Parties granted us a seven year license in the transferred technology, pursuant to which we shall have the right to sell the products developed from the DynaTraX technology as a dealer to its customers at a dealer price of 25% off list price. We will also receive a royalty of 5% of the profits per year for the sale of DynaTrax products. In exchange for all of the Company's assets, the Settlement Parties agreed to the cancellation of all outstanding obligations owed to the Settlement Parties, including past due salaries and loans due to them; the cancellation of the above mentioned shares; and the assumption of certain liabilities of the Company and the lease by the Settlement Parties.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Settlement Agreement and Release with Bernard Ciongoli and Earl Bjorndal, dated July 11, 2005*

31.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350

*Filed with Form 8-K with the Securities and Exchange Commission on July 18, 2005.

(b) Reports of Form 8-K filed in fourth quarter of the fiscal year:

None.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

For the Company's fiscal years ended December 31, 2005 and 2004, fees billed or accrued were approximately $14,000 and $15,000 respectively for professional services rendered for the audit and review of its quarterly financial statements.

Tax Fees

For the Company's fiscal year ended December 31, 2005 and 2004, the Company incurred $-0- and $1,500 respectively for preparation of their corporate income tax returns.

All Other Fees

The Company did not incur any other fees related to services rendered by its principal accountant for the fiscal years ended December 31, 2005.

TECH LABORATORIES, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this Form 10-KSB to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 31, 2006 TECH LABORATORIES, INC.

By: /s/ Donna Silverman

Donna Silverman
Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and President

Dated: March 31, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ Donna Silverman Donna Silverman	President, Secretary and Director	March 31, 2006
/s/ Peter Nasca Peter Nasca	Director	March 31, 2006
/s/ Michael Abri	President, Secretary and Director	March 31, 2006

TECH LABORATORIES, INC.
CODE OF ETHICS

As a public company, it is of critical importance that Tech Laboratories, Inc. ("Tech Laboratories") filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with Tech Laboratories, employees may be called upon to provide information to assure that Tech Laboratories' public reports are complete, fair, and understandable. Tech Laboratories expects all of its employees to take this responsibility seriously and to provide prompt and accurate answers to inquiries related to Tech Laboratories' public disclosure requirements.

Tech Laboratories' Finance Department bears a special responsibility for promoting integrity throughout Tech Laboratories, with responsibilities to stakeholders both inside and outside of Tech Laboratories. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Finance Department personnel have a special role both to adhere to the principles of integrity and also to ensure that a culture exists throughout Tech Laboratories as a whole that ensures the fair and timely reporting of Tech Laboratories' financial results and conditions. Because of this special role, the CEO, CFO, and all members of Tech Laboratories' Finance Department are bound by Tech Laboratories' Financial

Code of Ethics, and by accepting the Financial Code of Ethics, each agrees that they will:

- - Act with honesty and integrity, avoiding actual or actual conflicts of interest in personal and professional relationships.

- - Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in the reports and documents that Tech Laboratories files with, or submits to, government agencies and in other public communications.

- - Comply with the rules and regulations of federal, state and local governments, and other appropriate private and public regulatory agencies.

- - Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.

- - Respect the confidentiality of information acquired in the course of one's work, except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.

- - Share job knowledge and maintain skills important and relevant to stakeholders needs.

- - Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and in the community.

- - Achieve responsible use of, and control over, all Tech Laboratories assets and resources employed by, or entrusted to yourself, and your department.

- - Receive the full and active support and cooperation of Tech Laboratories' Officers, Sr. Staff, and all employees in the adherence to this Financial Code of Ethics.

-- Promptly report to the CEO or CFO any conduct believed to be in violation of law or business ethics or in violation of any provision of this Code of Ethics, including any transaction or relationship that reasonably could be expected to give rise to such a conflict. Further, to promptly report to the Chair of Tech Laboratories' Audit Committee such conduct if by the CEO or CFO or if they fail to correct such conduct by others in a reasonable period of time.