HYDRON TECHNOLOGIES INC
Form 10-Q
February 12, 2010

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

FORM 10-Q

(Mark One)

x Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended: December 31, 2009

Or

o Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Commission File Number: 000-06333

HYDRON TECHNOLOGIES, INC.

(Exact name of Registrant as specified in its charter)

New York (State or other jurisdiction of Incorporation or organization)	13-1574215 (I.R.S. Employer Identification Number)
9843 18th Street N, Suite 150 Saint Petersburg, FL 33716 (Address of Principal Executive Offices)	(727)342-5050 (Registrant s telephone number)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes o No þ

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 þ No o

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 (§ 229.405 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 o No þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o	Smaller reporting Company x

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

Number of shares of common stock outstanding as of February 12, 2010: 19,621,176

TABLE OF CONTENTS **PAGE**

HYDRON TECHNOLOGIES, INC.
Consolidated Balance Sheets

	December 31, 2009 (unaudited)	September 30, 2009 (audited)
ASSETS		
Current assets		
Cash	$ 118,900	$ 120,106
Due from joint venture, net of $116,041 allowance for doubtful accounts	4,771	3,964
Total current assets	123,671	124,070
Deferred product costs, net	78,070	81,007
Restricted cash	2,405	2,454
Investment in joint venture	247,727	226,394
Total assets	$ 451,873	$ 433,925
LIABILITIES AND SHAREHOLDERS EQUITY / DEFICIT		
Current liabilities		
Accounts payable	$ 5,424	$ 2,865
Royalties payable	4,629	3,965
Accrued liabilities	297,045	282,592
Total current liabilities	307,098	289,422
Shareholders equity / deficit		
Preferred stock - $.01 par value 5,000,000 shares authorized; no shares issued or outstanding		
Preferred stock Series A - $100 par value 15,000 shares authorized; 13,000 shares, issued or outstanding	1,300,000	1,300,000
Common stock - $.01 par value 30,000,000 shares authorized, 19,621,176 shares, issued and outstanding	196,211	196,211
Additional paid-in capital	22,175,984	22,175,034
Accumulated deficit	(23,686,843)	(23,689,566)
Treasury stock, at cost 10,000 shares	(7,816)	(7,816)
Total Hydron Technologies, Inc. shareholders deficit	(22,464)	(26,137)
Non controlling interest	167,239	170,640
Total equity	144,775	144,503
Total liabilities and shareholders equity	$ 451,873	$ 433,925

See accompanying notes to unaudited consolidated financial statements.

HYDRON TECHNOLOGIES, INC.
Consolidated Statements of Operations
(unaudited)

	Three months ended December 31, 2009	Three months ended December 31, 2008
Net sales	$	$
Cost of sales		
Gross profit		
Expenses		
Royalty expense		5,590
Selling, general & administration	19,180	29,017
Amortization	2,937	4,159
(Gain) Loss from interest in joint venture	(21,333)	52,537
Total expenses	784	91,303
Operating loss	(784)	(91,303)
Interest income net of interest expense of $0 (2009), interest income net of interest expense of $1,008 (2008)	106	645
Loss before income taxes	(678)	(90,658)
Income taxes expense		
Loss from Continuing Operations	(678)	(90,658)
Discontinued Operations		
Loss from Discontinued Operations		(51,632)
Net loss	(678)	(142,290)
Add: Net gain attributable to noncontrolling interest	3,401	6,388
Net gain (loss) attributable to Hydron Technologies, Inc.	$ 2,723	$ (135,902)
Net loss per common share:		
Basic and fully diluted:		
Continuing operations	$ (0.00)	$ (0.00)
Discontinued operations	$	$ (0.00)
	$ (0.00)	$ (0.01)
Weighted average common shares outstanding basic and diluted	19,621,176	19,621,176

See accompanying notes to unaudited consolidated financial statements.

HYDRON TECHNOLOGIES, INC.
Consolidated Statements of Cash Flows
(unaudited)

	Three months ended December 31, 2009	2008
OPERATING ACTIVITIES		
Loss from continuing operations	$ (678)	$ (90,658)
Adjustments to reconcile net loss from continuing operations to net cash used in continuing operating activities		
Amortization	2,937	4,159
Compensation expense from stock option awards	950	7,800
Investment in joint venture	(21,333)	52,537
Change in operating assets and liabilities		
Restricted cash	49	5,098
Due from joint venture	(807)	(108,674)
Accounts payable	2,559	(10,299)
Accrued liabilities	14,453	(6,986)
Royalties payable	664	521
Net cash used in continuing activities	(1,206)	(146,502)
Loss from discontinued operations		(51,632)
Adjustments to reconcile net loss from discontinued operations to net cash provided (used) in discontinued operating activities		
(Decrease) Increase in net assets from discontinued operations		326,025
(Decrease) Increase in net liabilities from discontinued operations		(165,497)
Net cash provided by (used) in discontinued operations		108,896
Net cash (used) in operating activities	(1,206)	(37,606)
INVESTING ACTIVITIES		
Investment in joint venture		(200,000)
Net cash used in investing activities		(200,000)
FINANCING ACTIVITIES		
Net cash provided by financing activities		
Net increase (decrease) in cash and cash equivalents	(1,206)	(237,606)
Cash and cash equivalents at beginning of period	120,106	439,000
Cash and cash equivalents at end of period	$ 118,900	$ 201,394
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$	349
Assets contributed in joint venture		490,303

See accompanying notes to unaudited consolidated financial statements.

Hydron Technologies, Inc
Notes to Consolidated Financial Statements (unaudited)
December 31, 2009 and 2008

Note A. Description of Business and Summary of Significant Accounting Policies

1. Organization of Business

Hydron Technologies, Inc. (the Company), a New York corporation organized on January 30, 1948, maintains its principal office in St. Petersburg, Florida.

Through September 30, 2008, Hydron Technologies, Inc. marketed a broad range of cosmetic and oral health care products, many using a moisture-attracting ingredient (the Hydron® polymer) and a topical delivery system for active ingredients including pharmaceuticals. The Company holds U.S. and international patents on, what management believes is, the only known cosmetically acceptable method to suspend the Hydron polymer in a stable emulsion for use in personal care/cosmetic products. The Company also developed other personal care/cosmetic products for consumers using its patented technology.

The Company has also developed a super-oxygenation technology for which it was granted a patent in November 2003. This patent covers the process of applying a liquid, containing pure oxygen micro-bubbles to the surface of the skin such that the oxygen penetrates the skin and oxygenates the underlying tissue. On January 10, 2005, the Company attended a Pre-Investigational Device Exemption meeting with the FDA in the belief that a clear pathway for safety and clinical research requirements could be determined at that time; however, a defined methodology could not be agreed upon. As a result of that meeting, and in consideration of the Company s limited working capital, management decided to refocus its efforts on non-medical technologies. The Company continues to believe that its tissue oxygenation technology has significant potential.

On November 11, 2008, the Company entered into certain agreements with Brand Builders International, LLC, a Delaware limited liability company (Harezi) effective October 1, 2008, relating to a joint venture between the Company and Harezi to be formed as Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture). The Joint Venture was formed for the purpose of designing, marketing, selling, and managing certain technologies and products including, but not limited to, those contributed by the Company.

Brand Builders International was founded by Ilonka Harezi, the driving force behind Teslar Technology and the Philip Stein Teslar watches. The new Joint Venture, was intended to combine the expertise of the two entities for the re-positioning and re-launching of the Hydron named brands, utilizing the marketing and distribution expertise of Ilonka Harezi, her success with the Teslar brand and her Brand Builders International team.

During the past several years the Company has attempted to expand its sales through various marketing efforts. The Company was unable to finance these marketing initiatives from internally generated cash flow alone and when required, raised the needed capital through a number of private placements in its effort to remain solvent. Over the past year, the negative cash position became critical and the Company s Board of Directors weighed a wide variety of alternatives, including bankruptcy, assignment for the benefit of creditors, the selling of assets and/or potential mergers with other parties. Only the merger option was deemed to provide any potential benefit to existing shareholders

The Company began discussions with Ilonka Harezi and one other interested prospective investor during the first calendar quarter of 2008. Because of the limited financial resources of the Company, the Company was unable to engage an outside placement agent and instead relied on leads obtained from the officers and directors of the Company. These discussions failed because, at that time the Company s balance sheet and substantially negative cash flow were significant liabilities that offset the potential value the Company would contribute to a merger. A subsequent discussion with another potential merger partner failed for similar reasons.

As conditions deteriorated, the Company was faced with the possibility of immediate bankruptcy, which would have effectively eliminated all shareholder equity. The Company s Board of Directors sought ways to quickly and decisively protect shareholder value. Talks were reopened with Ms. Harezi and initial terms to create a 50/50% LLC were agreed upon in principle.

Under the terms of the Agreement, the Company contributed cash, substantially all of its operating assets and licensed its patented technologies to the Joint Venture. Harezi contributed cash, on-going financing, and a new headquarters and provided sales and marketing expertise, including public relations, the filming of television commercials, production of print media and the building of a sales force in the United States and internationally. The Agreement was contingent upon the Company eliminating all debt and being current on its payables.

Faced with the necessity to raise the money required to meet the terms of the Joint Venture Agreement and to fund the Company s anticipated expenses until the Joint Venture was expected to deliver results, the Board concluded that the best available option for the Company was to raise the funds by soliciting interest in the Company s only other salable asset, the potential value of the cross-royalty arrangement with Valera Pharmaceuticals, Inc. (Valera), which is held indirectly by the Company through its interest in Hydron Royalty Partners, Ltd., LLLP, a Florida limited partnership (the Partnership). Based on the Company s balance sheet, debt position, and the results of other options explored to date, the Company determined that no other available option would raise the necessary funds in the timeframe necessary to complete the Joint Venture.

On July 2, 2008 by Unanimous Written Consent, the Board of Directors authorized an amendment to its Certificate of Incorporation (the Certificate) to designate the terms of a Series A Preferred Shares offering from authorized undesignated shares of Preferred Stock as allowed by its Certificate and New York law. On July 30, 2008 the Company closed on a $1.3 million private placement of Series A Preferred Shares which was raised primarily through existing accredited Hydron common shareholders.

Following the closing of the Series A Preferred Shares offering, funds received by the Company relating to any royalties derived by the Partnership from the Valera Agreement will be paid as dividends to the extent legally available to holders of the Series A Preferred Shares, subject to the terms of the Series A Preferred Shares and New York law. Holders of the Series A Preferred Shares are not entitled to receive dividends or other distributions, other than the stated value of their shares, derived from any other revenues of the Company, including distributions, if any, made to the Company by the Joint Venture.

Subsequent to March 31, 2009, the Company and BBRX became aware of potentially fraudulent transactions and both parties are investigating the nature, perpetrators, and scope of the fraudulent activity. Based on our findings to date, the Company believes that the financial statements as reported herein and previously reported are not materially misstated as a result of these suspected fraudulent transactions.

Basis of Presentation and Going Concern

The unaudited consolidated financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These consolidated financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company s Annual Report for the year ended September 30, 2009, which is included in the Company s Form 10-K for the year ended September 30, 2009. The financial data for the interim periods presented may not necessarily reflect the results to be anticipated for the complete year.

In November 2008, the Company transferred substantially all of its assets, including all of its operating assets, to Brand Builders International, LLC (the JV). Although the Company holds a 50% member interest and has representation on the JV s board of managers, the Company no longer operates the business. The financial information we are relying on was provided to the Company by the JV.

The accompanying consolidated financial statements were prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of the Company s assets and the satisfaction of its liabilities in the normal course of operations.

The Company s independent accountants issued a going concern opinion on the Company s September 30, 2009 financial statements, since the Company has experienced losses from operations in 2009 and 2008. This matter raises substantial doubt about the Company s ability to continue as a going concern

Note B Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Hydron Technologies, Inc. and its wholly-owned subsidiary CRI purchased as of July 1, 2005, and its majority owned limited liability limited partnership, Hydron Royalty Partners Ltd., LLLP. All significant inter-company transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The credit risk associated with cash equivalents is considered low due to the credit quality of the issuers of the financial instruments.

Restricted cash

The Company had restricted cash of $2,405 and $2,454 at December 31, 2009 and September 30, 2009 respectively, all of which were covered by the Federal Deposit Insurance Commission, which represents funds from a consolidated entity, that are not available for use in the Company s normal operations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2009, the Company had no amounts in excess of FDIC insured limit. While the Company periodically evaluates the credit quality of the financial institutions in which it holds deposits, it cannot reasonably alleviate the risk associated with the sudden possible failures of such institutions.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining useful lives when events or circumstances lead management to believe that the carrying value of an asset may not be recoverable and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amount. In such circumstances, those assets are written down to estimated fair value. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset s estimated fair value and its book value.

Deferred Product Costs

Deferred product costs consist primarily of costs incurred for the purchase and development of patents and product rights. The deferred product costs are being amortized over their estimated useful lives of five to seventeen years using the straight-line method.

Investments

The Company accounts for its investments using the equity method unless the value of an investment has been determined to be other than temporarily impaired, in which case we write the investment down to its impaired value. The Company reviews these investments periodically for impairment and makes appropriate reductions in carrying values when the other-than-temporary decline is evident; however, for non-marketable equity securities, the impairment analysis requires significant judgment. During its review, the Company evaluates the financial condition of the investment, market conditions, and other factors providing an indication of the fair value of the investments. Adverse changes in market conditions or operating results of the issuer that differ from expectations, could result in additional other-than-temporary losses in future periods.

Non-controlling Interest

Non-controlling interests in our subsidiary are recorded as a component of our equity, separate from the parent s equity. Purchase or sale of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the non-controlling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings.

Income Taxes

Under the asset and liability method prescribed under ASC 740, *Income Taxes*, The Company uses the liability method of accounting for income taxes. The liability method measures deferred income taxes by applying enacted statutory rates in effect at the balance sheet date to the differences between the tax basis of assets and liabilities and their reported amounts on the financial statements. The resulting deferred tax assets or liabilities are adjusted to reflect changes in tax laws as they occur. A valuation allowance is provided when it is more likely than not that a deferred tax asset will not be realized.

The Company recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a more-likely-than-not threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of December 31, 2009, the Company has had no uncertain tax positions. The Company recognizes interest and penalties, if any, related to uncertain tax positions as general and administrative expenses. The Company currently has no federal or state tax examinations nor has it had any federal or state examinations since its inception. All of the Company s tax years are subject to federal and state tax examination.

Common Stock, Common Stock Options

The Company uses the fair value recognition provision of ASC 718, Compensation-Stock Compensation, which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of such instruments. The Company uses the Black-Scholes option pricing model to calculate the fair value of any equity instruments on the grant date.

The Company also uses the provisions of ASC 505-50, *Equity Based Payments to Non-Employees,* to account for stock-based compensation awards issued to non-employees for services. Such awards for services are recorded at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the measurement date guidelines enumerated in ASC 505-50.

For the three month periods ended September 30, 2009 and 2008, the Company recorded stock-based compensation expense of $950 and $7,800 respectively.

Earnings (loss) Per Share

Basic income (loss) per share is calculated using the weighted-average number of common shares outstanding during each reporting period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants, using various methods such as the treasury stock or modified treasury stock method in the determination of dilutive shares outstanding during each reporting period. Common equivalent shares are excluded from the computation of net loss per share since their effect is anti-dilutive.

For the net-loss periods ended December 31, 2009 and 2008, we excluded any effect of the 605,000 and 0, and 650,000 and 412,000 outstanding options and warrants, respectively, as their effect would be anti-dilutive.

Discontinued Operations

On November 11, 2008, the Company, entered into certain agreements with Brand Builders International, LLC, a Delaware limited liability company (Harezi) relating to a joint venture between the Company and Harezi to be formed as Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture). The Joint Venture was formed for the purpose of designing, marketing, selling, and managing certain technologies and products including, but not limited to, those contributed by the Company.

Pursuant to the Capital Contribution Agreement, the Company contributed Two Hundred Thousand Dollars ($200,000) in cash and assigned substantially all of its assets, other than certain excluded assets provided therein, and license or sublicense certain rights to the Company s intellectual property, subject to performance and payment obligations of the Joint Venture and to the terms of the License Agreement entered into between the Company and the Joint Venture. The Company assigned such assets to the Joint Venture pursuant to the Assignment Agreement.

Accordingly, the Company has reported the assets assigned as discontinued operations, and prior periods have been restated in the Company s financial statements and related footnotes to conform to this presentation

Fair value of Financial Instruments

The Company adopted ASC topic 820, Fair Value Measurements and Disclosures (ASC 820), formerly SFAS No. 157 Fair Value Measurements, effective January 1, 2009. ASC 820 defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There was no impact relating to the adoption of ASC 820 to the Company s financial statements.

ASC 820 also describes three levels of inputs that may be used to measure fair value:

Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management s best estimate of fair value.

Financial instruments consist principally of cash, prepaid expenses, accounts payable, and accrued liabilities. The carrying amounts of such financial instruments in the accompanying balance sheets approximate their fair values due to their relatively short-term nature. It is management s opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments.

Recent accounting Pronouncements

In October 2009, the FASB issued Accounting Standards Update (ASU) ASU No. 2009-13 (ASC Topic 605) which provides authoritative guidance for revenue recognition with multiple deliverables. This authoritative guidance impacts the determination of when the individual deliverables included in a multiple-element arrangement may be treated as separate units of accounting. Additionally, this guidance modifies the manner in which the transaction consideration is allocated across the separately identified deliverables by no longer permitting the residual method of allocating arrangement consideration. The Company will adopt this authoritative guidance prospectively commencing in its first quarter of fiscal 2010. The implementation is not expected to have a material impact on the Company s financial position or results of operations.

In October 2009, the FASB issued ASU No. 2009-14 (ASC Topic 985) which provides authoritative guidance for the accounting for certain revenue arrangements that include software elements. This authoritative guidance amends the scope of pre-existing software revenue guidance by removing from the guidance non-software components of tangible products and certain software components of tangible products. The Company will adopt this authoritative guidance prospectively commencing in its first quarter of fiscal 2010. The implementation is not expected to have a material impact on the Company s financial position or results of operations.

In August 2009, the FASB issued ASU No. 2009-05 (ASC Topic 820) which amends the accounting standards related to the measurement of liabilities that are recognized or disclosed at fair value on a recurring basis. This standard clarifies how a company should measure the fair value of liabilities and that restrictions preventing the transfer of a liability should not be considered as a factor in the measurement of liabilities within the scope of this standard. This standard is effective for the Company on October 1, 2009 and did not have a material impact on our financial statements.

In June 2009, the FASB issued ASU No. 2009-17 (ASC Topic 810) that revises the guidance on variable interest entities, which becomes effective the first annual reporting period after November 15, 2009 and will be effective for the Company in fiscal 2011. This authoritative guidance requires revised evaluations of whether entities represent variable interest entities, ongoing assessments of control over such entities, and additional disclosures for variable interests. The Company is evaluating the potential impact of the implementation of this authoritative guidance on its financial statements, but would not expect it to have a material impact.

Subsequent Events

(Included in Accounting Standards Codification (ASC) 855 Subsequent Events , previously SFAS No. 165 Subsequent Events) SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued (subsequent events). An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the financial statements are issued. SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after June 15, 2009 and did not impact the Company s financial statements. The Company evaluated for subsequent events through the issuance date of the Company s financial statements. No recognized or non-recognized subsequent events were noted.

Determination of the Useful Life of Intangible Assets

(Included in ASC 350 Intangibles Goodwill and Other , previously FSP SFAS No. 142-3 Determination of the Useful Lives of Intangible Assets)

FSP SFAS No. 142-3 amended the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under previously issued goodwill and intangible assets topics. This change was intended to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset under topics related to business combinations and other GAAP. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. FSP SFAS No. 142-3 became effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP SFAS No. 142-3 did not impact the Company s financial statements.

Non-controlling Interests

(Included in ASC 810 Consolidation , previously SFAS No. 160 Non-controlling Interests in Consolidated Financial Statements an amendment of ARB No. 51)

SFAS No. 160 changed the accounting and reporting for minority interests such that they will be recharacterized as non-controlling interests and classified as a component of equity. SFAS No. 160 became effective for fiscal years beginning after December 15, 2008 with early application prohibited. The Company implemented SFAS No. 160 at the start of fiscal 2010 and no longer records an intangible asset when the purchase price of a non-controlling interest exceeds the book value at the time of buyout. Any excess or shortfall for buyouts of non-controlling interests is recognized as an adjustment to additional paid-in capital in stockholders equity. Any shortfall resulting from the early buyout of non-controlling interests will continue to be recognized as a benefit in partner investment expense up to the initial amount recognized at the time of buy-in. Additionally, operating losses can be allocated to non-controlling interests even when such allocation results in a deficit balance (i.e. book value can go negative).

The Company presents non-controlling interests (previously shown as minority interest) as a component of equity on its consolidated balance sheets. Minority interest expense is no longer separately reported as a reduction to net income on the consolidated income statement, but is instead shown below net income under the heading net income attributable to non-controlling interests. The company adopted SFAS No. 160 as of fiscal 2010.

Note C - Investment in Brand Builders Rx, LLC

On November 11, 2008, the Company, entered into certain agreements with Brand Builders International, LLC, a Delaware limited liability company (Harezi) relating to a joint venture between the Company and Harezi to be formed as Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture). The Joint Venture was formed for the purpose of designing, marketing, selling, and managing certain technologies and products including, but not limited to, those contributed by the Company.

The terms of the Joint Venture s business and contractual relationship are governed by the following agreements, all of which are dated as of October 1, 2008: (i) Capital Contribution and Joint Venture Agreement (the Contribution Agreement); (ii) Assignment and Assumption Agreement (the Assignment Agreement); (iii) License Agreement; (iv) Limited Liability Company Agreement (LLC Agreement); (v) Buy-Sell Agreement; and (vi) Management Services Agreement (collectively, the Joint Venture Documents).

Pursuant to the Capital Contribution Agreement, the Company contributed Two Hundred Thousand Dollars ($200,000) in cash and assigned substantially all of its assets, other than certain excluded assets provided therein, and license or sublicense certain rights to the Company s intellectual property, subject to performance and payment obligations of the Joint Venture and to the terms of the License Agreement entered into between the Company and the Joint Venture. The Company assigned such assets valued at $490,303 to the Joint Venture pursuant to the Assignment Agreement.

As contemplated by the Joint Venture Documents and discussed with Harezi, Harezi will contribute cash, financing, a new headquarters, marketing expertise, including public relations, filming of television commercials, print media production and the building of a domestic and international sales force.

Pursuant to the Company s LLC Agreement, the Company and Harezi each own a fifty percent (50%) member interest in the Joint Venture. The Joint Venture is controlled by the board of managers composed of four (4) managers, three of which are appointed by Harezi and one of which shall be appointed by the Company. The Company initially appointed Richard Banakus, the Company s Chairman and Interim President as its initial manager. Certain major decisions will require the unanimous approval of the Joint Venture s board of managers.

The Management Services Agreement between the Joint Venture and the Company entitles Harezi to a management fee in exchange for Harezi s marketing, administrative and management services. The management fee is equal to an additional ten percent (10%) of the total amount of distributions made to the members of the Joint Venture, other than distributions made for the purpose of paying taxes.

The Company and Harezi entered into a Buy-Sell Agreement providing for restrictions on transfer of its respective member interests in the Joint Venture, including right of first refusals, come-along rights and drag-along rights.

Assets assigned to the joint venture consisted of the following:

Trade accounts receivable	$	(12,000)
Inventories		457,601
Prepaid expenses		19,737
Property and equipment, net		108,036
Intangible assets, net		128,359
Deposits		5,699
Accounts Payable		(72,252)
Deferred revenues		(65,247)
Accrued liabilities		(27,998)
		541,935
Loss on discontinued assets		(51,632)
Assets assigned to joint venture		**490,303**
Cash contributed		200,000
Investment in joint venture		**690,303**

		December 31, 2009		**September 30, 2009**
Investment in joint venture	**$**	**226,394**	**$**	**690,303**
Gain (Loss) from interest in joint venture		**21,333**		**(237,517)**
		247,727		**452,786**
Loss on impairment of investment in joint venture				**(226,392)**
Investment in joint venture	**$**	**247,727**	**$**	**226,394**

Management is still analyzing details of the transaction that may require future adjustments.

Due From Joint Venture

Amounts due to the Company from the joint venture consisted of the following :

		December 31,2009		September 30,2009
Accounts Receivable	$	120,812	$	120,005
Less : Allowance for doubtful accounts		(116,041)		(116,041)
Accounts receivable net	$	4,771	$	3,964

The Company s allowance for doubtful accounts was $116,041 at December 31, 2009 and September 30, 2009.

Note D Share Based Compensation

The Company recognized $950 and $7,800 in share based compensation expense for the three month period ended December 31, 2009 and 2008, respectively. An option to purchase 25,000 shares was granted to a director during the three months ended December 31, 2009. An option to purchase 400,000 shares was granted to a consultant during the three months ended December 31, 2008 which were subsequently forfeited.

For the stock-based awards granted on or after January 1, 2006, the Company is amortizing stock-based compensation expense on a straight-line basis over the requisite service period, which is generally a one year vesting period.

The fair value of the options is the estimated value at October 23, 2009 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: Exercise price of $0.038; expected volatility of 827% a risk free interest rate of 2.5%; and expected term of 5 years.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. As the Company s stock options have characteristics significantly different than those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in Management s opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

Note E Accrued Liabilities

Accrued liabilities represent expenses that apply to the reported period and have not been billed by the provider or paid by the Company.

Accrued liabilities consisted of the following:

	December 31, 2009	September 30, 2009
Dividends payable	$ 83,163	$ 83,163
Director fee payable	162,270	157,270
Professional fees	29,213	19,760
Interest	21,651	21,651
Other	748	748
	$ 297,045	$ 282,592

Note F Equity

Common Stock

For the three month period ended December 31, 2009 and 2008, the Company recorded stock-based compensation expense of $950 and $7,800 respectively

Note G Management s Plan

As a consequence of its participation in the Joint Venture, the Company s need for cash is no longer tied to funding the working capital and other capital requirement of an operating business. Other than the obligation to pay dividends on the Series A Preferred Shares to the extent of distributions received from the Partnership from funds legally available, the Company will have only certain administrative costs, including legal and accounting costs relating to the preparation and filing of periodic reports with the Securities and Exchange Commission. As a result, the Company believes that its current capital balances will be sufficient to meet its working capital needs for at least the next year. Additionally, while the Company has retained certain liabilities, it has retained sufficient cash to meet them should they become payable and due.

The Company s working capital was approximately ($183,000) at December 31, 2009, including cash and cash equivalents of approximately $119,000. Cash used by continuing operating activities was $1,200 during the period ended December 31, 2009.

Hydron Continuing Operations

The Company s continuing operations include:

1. Its 50% investment in the Joint Venture

2. Its ownership and licensing of its patented intellectual property

Investment in Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture)

The Company owns a 50% interest in the Joint Venture and under the terms of the Joint Venture Agreement, will share in 50% of the Joint Venture net profits if earned. The Company s risk is limited to its original investment.

Licensing of the Company s Patented Intellectual Property

The Company continues to own its patented intellectual property (IP) but has licensed its user according to the terms agreed to in the Joint Venture Agreement. With the exception of the super-oxygenation technology the licensing is royalty free to the Joint Venture. The Joint Venture is however responsible to the Company for any royalties required to be paid by Hydron under the Hydron Agreement.

Majority ownership of Hydron Royalty Partners Ltd., LLLP (the Partnership)

The Company will continue to serve as General Partner and own the majority ownership percentage of the Partnership.

Note H Related Party

During the year ended September 30, 2008, the Company borrowed $40,000 from Hydron Royalty Partners Ltd., LLLP, a Florida limited liability partnership (the Partnership); The Company is the general partner of the Partnership which includes three directors of the Company and several significant shareholders of the Company as limited partners. Under the terms of the promissory note evidencing the loan, the partnership may, but is not obligated to, lend up to an aggregate $40,000 in principal amount to the Company. Amounts lent bear interest at 10% per annum. The outstanding principal and interest on the note is payable on December 6, 2008. The loan is still outstanding as of December 31, 2009.

Note I Discontinued Operations

As described in Note A, on November 11, 2008, the Company, entered into certain agreements with Brand Builders International, LLC, a Delaware limited liability company (Harezi) relating to a joint venture between the Company and Harezi to be formed as Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture). The Joint Venture was formed for the purpose of designing, marketing, selling, and managing certain technologies and products including, but not limited to, those contributed by the Company.

Pursuant to the Capital Contribution Agreement, the Company has agreed to contribute Two Hundred Thousand Dollars ($200,000) in cash and assign substantially all of its assets, other than certain excluded assets provided therein, and license or sublicense certain rights to the Company s intellectual property, subject to performance and payment obligations of the Joint Venture and to the terms of the License Agreement entered into between the Company and the Joint Venture. The Company assigned such assets valued at $490,303 to the Joint Venture pursuant to the Assignment Agreement. The Company realized a loss from discontinued operations of $51,632 during the three months ended December 31, 2008.

Note J Subsequent Events

We have evaluated subsequent events through February 12, 2010, the date of issuance of the unaudited consolidated financial statements. During this period we did not have any material recognizable subsequent events.

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

FORWARD LOOKING INFORMATION

The following discussion and analysis of the Company s financial condition and results of operations should be read with the consolidated financial statements and related notes contained in this quarterly report on Form 10-Q (Form 10-Q). All statements other than statements of historical fact included in this Form 10-Q are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company s actual results, levels of activity, performance or achievements to be materially different than any expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, continue, or the or other comparable terminology. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include: 1. General economic factors including, but not limited to, changes in interest rates and trends in disposable income; 2. Information and technological advances; 3. Cost of products sold; 4. Competition; and 5. Success of marketing, advertising and promotional campaigns. The Company is subject to specific risks and uncertainties related to its business model, strategies, markets and legal and regulatory environment You should carefully review the risks described in this Form 10-Q and in other documents the Company files from time to time with the SEC. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Form 10-Q. The Company undertakes no obligation to publicly release any revisions to the forward-looking statements to reflect events or circumstances after the date of this document.

Business

In November 2003, the Company was granted a patent on its new oxygenation technology that provides a method for delivering oxygen into the skin and tissue at depths considered medically therapeutic. This unique technology utilizes topical applications, eliminating reliance on the blood stream. Preliminary research was conducted at the University of Massachusetts and Florida Atlantic University and the process to obtain FDA approval was initiated. Management plans to research additional medical applications if and when Hydron obtains FDA approval.

The Company raised $1.1 million in December 2003 in a non-brokered private placement exempt from registration under the Securities Act to fund the initial research and initiate the lengthy FDA approval process. As research results begin to quantify the broad applications of this technology and the FDA hurdles are passed, management anticipates that Hydron will attract key strategic partners and new investment money will become available. Management also expects that product development will accelerate in medical areas such as wound and burn treatment, and skin care applications such as scar reduction, acne, and diaper rash treatment, oral health, etc.

In August 2004, Hydron, as general partner, formed the Partnership for the purpose of funding existing royalty obligations and a portion of future royalty obligations in consideration of sharing future royalty income that may arise from Hydron s agreement with Valera. The Partnership completed a non-brokered private placement of Limited Partnership Interest to ten accredited investors including Hydron s Chairman, Richard Banakus and three other Hydron Directors, Ronald J. Saul, Regis Synan and Donna M. Murphy. Each limited partner invested $30,000 or an aggregate of $300,000 for a 49.999% interest in the Partnership. The establishment of the Partnership allowed Hydron to meet its current and future royalty obligations and retain the possibility of a significant royalty income stream opportunity.

In late January 2005, the Company refocused its efforts to skin care formulations and sales. On July 1, 2005, the Company purchased CRI, Inc. and BRI, Inc., related companies providing both skin care formulation consulting and a newly started contract manufacturing business. The Company believed that the vertical capabilities added by this acquisition would be beneficial to the Company as it expands beyond its historical base.

In January 2006, the Company was granted U.S. Patent Number 6,984,391 for its Compositions and Method for Delivery of Skin Cosmeceuticals, which also applies to a new acne treatment system. The Company believes that this unique emulsion system has significant advantages over the widely used surfactant emulsions employed by most skin care formulators and manufacturers, and will seek licensing opportunities whenever possible.

On November 11, 2008, the Company entered into certain agreements with Brand Builders International, LLC, a Delaware limited liability company (Harezi) effective October 1, 2008, relating to a joint venture between the Company and Harezi to be formed as Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture). The Joint Venture was formed for the purpose of designing, marketing, selling, and managing certain technologies and products including, but not limited to, those contributed by the Company.

Liquidity

As a consequence of its participation in the Joint Venture, the Company s need for cash is no longer tied to funding the working capital and other capital requirement of an operating business. Other than the obligation to pay dividends on the Series A Preferred Shares to the extent of distributions received from the Partnership from funds legally available, the Company will only have certain administrative costs, including legal and accounting costs relating to the preparation and filing of periodic reports with the Securities and Exchange Commission. As a result, the Company believes that its current capital balances will be sufficient to meet its working capital needs for at least the next two years. Additionally, while the Company has retained certain liabilities, it has retained sufficient cash to meet them should they become payable and due.

The Company s working capital was approximately ($183,000) at December 31, 2009, including cash and cash equivalents of approximately $119,000. Cash used by continuing operating activities was $1,200 during the period ended December 31, 2009.

Hydron Continuing Operations

The Company s continuing operations include:

1. Its 50% investment in the Joint Venture

2. Its ownership and licensing of its patented intellectual property

Investment in Brand Builders Rx, LLC, a Delaware limited liability company (the Joint Venture)

The Company owns a 50% interest in the Joint Venture and under the terms of the Joint Venture Agreement, will share in 50% of the Joint Venture net profits if earned. The Company s risk is limited to its original investment.

Licensing of the Company s Patented Intellectual Property

The Company continues to own its patented intellectual property (IP) but has licensed its use according to the terms agreed to in the Joint Venture Agreement. With the exception of the super-oxygenation technology the licensing is royalty free to the Joint Venture. The Joint Venture is however responsible to the Company for any royalties required to be paid by Hydron under the Hydron Agreement.

Majority ownership of Hydron Royalty Partners Ltd., LLLP (the Partnership)

The Company will continue to serve as General Partner and own the majority ownership percentage of the Partnership.

Results of Operations

Results of Operations - 2009 versus 2008

Royalty expenses for the three months ended December 31, 2009 were $0 representing a decrease of $5,590 or 100% from royalty expense of $5,590 for the three months ended December 31, 2008. The decrease is due to The Company being reimbursed from Brand Builders Rx in the amount of $3,964 for the royalty expenses in the three months ended December 2009. An aggregate of $4,629 was accrued and unpaid as of December 31, 2009. This amount is adequate to cover any royalties that are payable through December 2009.

Selling, general and administrative (SG&A) expenses for the three months ended December 31, 2009 were $19,180 representing a decrease of $9,837 or 34% from SG&A expenses of $29,017 for the three months ended December 31, 2008. The decrease is due primarily to decreased professional fees due to the joint venture in 2008.

Amortization expense was $2,937 for the three months ended December 31, 2009, a decrease of $1,222 or 29% from $4,159 for the three months ended December 31, 2008.

Net interest income was $106 for the three months ended December 31, 2009 a decrease of $539 or 84% compared to net interest income of $645 for the three months ended December 31, 2008.

Gain (Loss) from interest in joint venture for the three months ended December 31, 2009 was $21,333 compared to ($52,537) the three months ended December 31, 2008. This interest is created from a 50% interest in Brand Builders Rx, LLC, increase is due to better operating results in Brand Builders Rx, LLC.

The Company had a net loss from continuing operations of $678 for the three months ended December 31, 2009, representing a decrease of $89,980 or 99% from the net loss of $90,658 for the three months ended December 31, 2008, primarily as a result of the factors discussed above.

The Company had a net loss from discontinuing operations of $0 for the three months ended December 31, 2009, representing a decrease of $51,632 or 100% compared to $51,632 for the three months ended December 31, 2008. This decrease was due to the Company discontinuing operations due to the formation of the joint venture.

Net income attributable to non-controlling interest for the three months ended December 31, 2009 was $3,401 compared to $6,388 for the three months ended December 31, 2008. This non-controlling interest is created from a consolidated limited liability partnership, Hydron Royalty Partners Ltd., LLLP, established by the Company in August 2004.

Application of Critical Accounting Policies

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these estimates, including those related to bad debts, investments, intangible assets, income taxes, restructuring, and contingencies and litigation. Management bases these estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies are significant in preparation of our financial statements.

Share Based Payments

The Company uses the fair value recognition provision of ASC 718, Compensation-Stock Compensation, which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of such instruments. The Company uses the Black-Scholes option pricing model to calculate the fair value of any equity instruments on the grant date.

The Company also uses the provisions of ASC 505-50, *Equity Based Payments to Non-Employees,* to account for stock-based compensation awards issued to non-employees for services. Such awards for services are recorded at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the measurement date guidelines enumerated in ASC 505-50.

Item 4T. Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

The Company has established and maintains disclosure controls and other procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), that are designed to provide reasonable assurance that material information relating to the Company required to be disclosed in its reports filed or submitted 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 accurately to the Company s management, including its Chairman of the Board and Interim President who also acts as our principal financial and principal accounting officer, as appropriate, to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can only provide reasonable, not absolute assurance, that the objectives of the disclosure controls and procedures are met.

For the quarter ended December 31, 2009, management, with the participation of the Company s Chairman of the Board and Interim President who also acts as our principal financial and principal accounting officer, has evaluated the effectiveness of the design and operation of the Company s disclosure controls and procedures. Based on such evaluation of these disclosure controls and procedures, the Company s Chairman of the Board and Interim President who also acts as our principal financial and principal accounting officer have concluded that the Company s disclosure controls and procedures were effective during the period covered by this Quarterly Report on Form 10-Q.

The Company has also established and maintains internal control over financial reporting as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States. In the ordinary course of business, the Company routinely enhances its internal controls and procedures for financial reporting by either upgrading its current systems or implementing new systems. During the fiscal quarter ended December 31, 2009, there was no change in the Company s internal controls over financial reporting (as defined in Rule 13a-5(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

The Company is not a party to, and its property is not the subject of, any material pending legal proceedings.

Item 2. Unregistered Sales Of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

Subsequent to March 31, 2009, the Company and BBRX became aware of potentially fraudulent transactions and both parties are investigating the nature, perpetrators, and scope of the fraudulent activity. Based on our findings to date, the Company believes that the financial statements as reported herein and previously reported are not materially misstated as a result of these suspected fraudulent transactions.

Item 6. Exhibits

The following documents are filed as a part of this report or are incorporated by reference to previous filings, if so indicated:

3.1 Restated Certificate of Incorporation of Dento-Med Industries, Inc. (Dento-Med), as filed with the Secretary of State of New York on March 4, 1981. (1)

3.2 Certificate of Amendment of the Certificate of Incorporation of Dento-Med as filed with the Secretary of State of New York on September 7, 1984. (2)

3.3 By-laws of the Company, as amended March 17, 1988. (3)

3.4 Certificate of Change of Dento-Med as filed with the Secretary of State of New York on July 14, 1988. (2)

3.5 Certificate of Amendment of the Restated Certificate of Incorporation of Dento-Med, as filed with the Secretary of State of New York on November 14, 1988. (4)

3.6 Certificate of Amendment of the Restated Certificate of Incorporation of Dento-Med, as filed with the Secretary of State of New York on July 30, 1993. (5)

3.7 Certificate of Amendment of the Restated Certificate of Incorporation of Hydron Technologies, Inc., as filed with the Secretary of State of New York on April 10, 2002. (2)

3.8 Certificate of Amendment of the Certificate of Incorporation dated July 30, 2008, as filed with the Secretary of State of the State of New York. (24)

4.1 Non-Qualified Stock Option Plan. (6)

4.2 Registration Rights Agreement dated July 11, 2002, by and between Hydron Technologies, Inc. and Life International Products, Inc. (2)

4.3 Warrant Agreement dated November 14, 2003 between Hydron Technologies, Inc. and the parties named therein. (2)

5.02 Departure of a director (26)

5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year. (18)

7.1 Letter of Sherb & Co LLP dated May 25, 2007 addressed to the United States Securities Exchange Commission. (15)

10.1 Subscription Agreement dated November 22, 2002 between Hydron Technologies, Inc. and the subscribers named therein. (2)

10.2 Subscription Agreement dated September 31, 2003 between Hydron Technologies, Inc. and the subscribers named therein. (2)

10.3 Agreement dated July 11, 2002 between Hydron Technologies, Inc. and Life International Products, Inc. (2)

10.4 1997 Nonemployee Director Stock Option Plan. (7)

10.5 Bridge Loan Term Sheet for Interim Loans between Hydron Technologies, Inc and Members of the Board of Directors. (2)

10.6 2003 Stock Plan (8)

10.7 Note dated June 14, 2005 in the principal amount of $50,000 payable to Richard Banakus (9)

10.8 Note dated June 14, 2005 in the principal amount of $50,000 payable to Ronald J. Saul and Antonette G. Saul, jointly (9)

10.9 Note dated June 14, 2005 in the principal amount of $50,000 payable to Regis Synan (9)

10.10 Common Stock Purchase Warrant dated June 14, 2005 in favor of Richard Banakus (9)

10.11 Common Stock Purchase Warrant dated June 14, 2005 in favor of Ronald J. Saul and Antonette G. Saul, jointly (9)

10.12 Common Stock Purchase Warrant dated June 14, 2005 in favor of Regis Synan (9)

10.13 Purchase and Sale Agreement by and among Clinical Results, Inc., David Pollock and Douglas Reitz and Hydron Technologies, Inc., dated July 1, 2005 (10)

10.14 Employment Agreement for David Pollock (10)

10.15 Employment Agreement for Richard Douglas Reitz (10)

10.16 Form of Assignment (11)

10.17 Subscription Agreement dated January 31, 2007 between Hydron Technologies, Inc. and Richard Banakus (13)

10.18 Subscription Agreement dated January 31, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly (13)

10.19 Subscription Agreement dated February 5, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly (13)

10.20 Common stock Purchase Warrant dated February 1, 2007 in favor of Richard Banakus (13)

10.21 Common stock Purchase Warrant dated February 1, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (13)

10.22 Common stock Purchase Warrant dated February 5, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (13)

10.23 Subscription Agreement dated March 21, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly (14)

10.24 Common stock Purchase Warrant dated March 21, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (14)

10.25 Subscription Agreement dated July 18, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly (16)

10.26 Common stock Purchase Warrant dated July 18, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (16)

10.27 Promissory note dated August 14, 2007 in the principal amount of twenty five thousand dollars ($25,000) payable to Ronald J Saul and Antonette G. Saul, jointly. (17)

10.28 Subscription Agreement dated October 3, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly for the purchase of 200,000 units paid by the cancellation of $25,000 promissory note.(19)

10.29 Common stock Purchase Warrant dated October 3, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (19)

10.30 Subscription Agreement dated October 3, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly for the purchase of 100,000 units paid in cash.(19)

10.31 Common stock Purchase Warrant dated October 3, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (19)

10.32 Subscription Agreement dated October 30, 2007 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly for the purchase of 400,000 units.(20)

10.33 Common stock Purchase Warrant dated January 23, 2008 in favor of Ronald J. Saul and Antonette G. Saul, jointly (21)

10.34 Subscription Agreement dated January 23, 2008 between Hydron Technologies, Inc. and Ronald J. Saul and Antonette G. Saul, jointly for the purchase of 200,000 units.(21)

10.35 Common stock Purchase Warrant dated January 23, 2008 in favor of Richard Banakus (21)

10.36 Subscription Agreement dated January 23, 2008 between Hydron Technologies, Inc. and Richard Banakus, for the purchase of 200,000 units.(21)

10.37 Common stock Purchase Warrant dated October 30, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly (20)

10.38 Promissory note Dated April 9, 2008 between Hydron Technologies, Inc. and Richard Banakus for the principal amount of forty thousand dollars ($40,000). (22)

10.39 Subscription Agreement dated April 9, 2008 between Hydron Technologies, Inc. and Richard Banakus for the purchase of 1 unit. (22)

10.40 Common stock Purchase Warrant dated April 9, 2008 in favor of Richard Banakus (22)

10.41 OTCC Delinquency Notification dated May 21, 2008. (23)

10.42 Promissory note Dated June 6, 2008 between Hydron Technologies, Inc. and Hydron Royalty Partners Ltd, LLLP for the principal amount of forty thousand dollars ($40,000).

10.43 Subscription Agreement between Hydron Technologies and Richard Banakus for the purchase of 5,270 Series A Preferred Shares [paid in cash and cancellation of promissory notes of the Company in the original principal amounts of $50,000 and $40,000]. (24)

10.44 Subscription Agreement between Hydron Technologies and Ronald J. Saul and Antonette G. Saul, jointly for the purchase of 1,500 Series A Preferred Shares [paid in cash and cancellation of promissory notes in the original principal amounts of $100,000 and $50,000]. (24)

10.45 Subscription Agreement dated between Hydron Technologies and Karen Gray for the purchase of 100 Series A Preferred Shares (paid in cash) (24)

10.46 Subscription Agreement dated January 31, 2007 between Hydron Technologies, Inc. and Richard Banakus

10.47 Subscription Agreement dated January 31, 2007 between Hydron Technologies and Ronald J. Saul and Antonette G. Saul, jointly

10.48 Subscription Agreement dated February 5, 2007 between Hydron Technologies and Ronald J. Saul and Antonette G. Saul, jointly

10.49 Common Stock Purchase Warrant dated February 1, 2007 in favor of Richard Banakus

10.50 Common Stock Purchase Warrant dated February 1, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly

10.51 Common Stock Purchase Warrant dated February 5, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly

16. Letter from Daszkal Bolton LLP dated December 4, 2006 to the Securities and Exchange Commission (12)

23.2 Consent of Independent Registered Public Accounting Firm - Sherb & Co. LLP

31.1 Certification of Chief Executive Officer, Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Item 307 of Regulation S-K (filed herewith)

32.1 Certification of Chief Executive Officer, Principal Financial and Accounting Officer Pursuant to 18 U.S.C., Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

99. Press Release dated July 6, 2005 incorporated by reference to Form 8-K filed on July 8, 2005.

(1) Incorporated by reference to the Company s report on Form 10-K for the year ended December 31, 1985.

(2) Incorporated by reference to the Company s report on Form S-3 filed February 11, 2004.

(3) Incorporated by reference to the Company s report on Form 10-K for the year ended December 31, 1987.

(4) Incorporated by reference to the Company s report on Form 10-K for the year ended December 31, 1988.

(5) Incorporated by reference to the Company s report on Form 10-K for the year ended December 31, 1993.

(6) Incorporated by reference to the Company s report on Form 10-K for the year ended December 31, 1986.

(7) Incorporated by reference to the Company s Definitive Proxy Statement on Schedule 14A for the year ended December 31, 1996.

(8) Incorporated by reference to the Company s Definitive Proxy Statement for the year ended December 31, 2003.

(9) Incorporated by reference to Form 8-K filed June 20, 2005

(10) Incorporated by reference to Form 8-K filed July 8, 2005

(11) Incorporated by reference to Form 8-K filed November 2, 2005

(12) Incorporated by reference to Form 8-K filed December 5, 2006

(13) Incorporated by reference to Form 8-K filed February 7, 2007

(14) Incorporated by reference to Form 8-K filed March 21, 2007

(15) Incorporated by reference to Form 8-K filed May 20, 2007

(16) Incorporated by reference to Form 8-K filed July 18, 2007

(17) Incorporated by reference to Form 8-K filed August 14, 2007

(18) Incorporated by reference to Form 8-K filed September 20, 2007

(19) Incorporated by reference to Form 8-K filed October 3, 2007

(20) Incorporated by reference to Form 8-K filed October 30, 2007

(21) Incorporated by reference to Form 8-K filed January 23, 2008

(22) Incorporated by reference to Form 8-K filed April 15, 2008

(23) Incorporated by reference to Form 8-K filed May 3, 2008

(24) Incorporated by reference to Form 8-K filed August 6, 2008

(25) Incorporated by reference to Form 8-K filed November 18, 2008

(26) Incorporated by reference to Form 8-K filed October 27, 2009

SIGNATURES

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

HYDRON TECHNOLOGIES, INC.

/s/: Richard Banakus

Richard Banakus
Interim President
Principal Financial and Accounting Officer
Dated: February 12, 2010