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

FORM 10-Q

(Mark One)

[X] **Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2010

[ ] **Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ________ to ________

Commission File Number: **333-135585**

Cleartronic, Inc.
(Exact name of registrant as specified in it's charter)

Commission File Number: **333-135585**

Cleartronic, Inc.
(Exact name of registrant as specified in it's charter)

Florida	**65-0958798**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8000 North Federal Highway, Boca Raton, Florida	**33487**
(Address of principal executive offices)	(Zip Code)

561-939-3300
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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. Yes _X___ No _____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes_ ___ No _X_

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ____	Accelerated filer ____
Non-accelerated filer ____	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 ___ No _X_

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ___ No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 132,309,756 shares as of August 16, 2010

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2010 (Unaudited)	September 30, 2009 (Audited)
Current assets:		
Cash	$ 9,817	$ 8,273
Accounts receivable, net	-	1,140
Inventory	49,720	35,820
Prepaid expenses and other current assets	17,568	39,671
Total current assets	**77,105**	**84,904**
Property and equipment, net	**69,667**	**89,719**
Total assets	**$ 146,772**	**$ 174,623**

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	June 30, 2010 (Unaudited)	September 30, 2009 (Audited)
Current liabilities:		
Accounts payable	$ 262,424	$ 279,405
Accrued expenses	60,974	223,135
Deferred revenue, current portion	12,253	23,503
Notes payable - stockholders	121,745	137,459
Total current liabilities	**457,396**	**663,502**
Long Term Liabilities		
Notes payable - stockholders	25,000	
Deferred revenue, net of current portion	2,126	5,314
Total long term liabilities	**27,126**	**5,314**
Total liabilities	**484,522**	**668,816**
Stockholders' equity (deficit):		
Series A preferred stock -$.001 par value; 200,000,000 shares authorized, no shares issued and outstanding	**-**	**-**
Common stock - $.001 par value; 750,000,000 shares authorized, 125,458,108 and 77,717,454 shares issued and outstanding, respectively	125,457	71,717
Additional paid-in capital	5,719,153	4,830,648
Accumulated Deficit	(6,182,360)	(5,396,558)
Total stockholders' equity (deficit)	**(337,750)**	**(494,193)**

Total liabilities and stockholders' equity (deficit)	$ 146,772	$ 174,623

See accompanying notes to financial statements.

CLEARTRONIC, INC. AND SUBSIDIARIES
(UNAUDITED)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three months ended June 30, 2010	For the three months ended June 30, 2009	For the nine months ended June 30, 2010	For the nine months ended June 30, 2009
Revenue	$ 104,421	$ 532,213	$ 194,712	$ 1,593,395
Cost of revenue	50,049	347,581	93,436	1,027,254
Gross profit	54,372	184,632	101,276	566,141
Operating Expenses:				
Selling expenses	20,955	50,555	70,632	135,521
Administrative expenses	217,496	91,650	588,447	514,577
Research and development	90,635	32,447	157,496	86,286
Depreciation	6,356	7,602	20,896	22,697
Total operating expenses	335,442	182,254	837,471	759,081
Interest and other expenses	(15,947)	(11,548)	(45,824)	(23,607)
(Loss) from sale of equipment	-	-	-	(230)
Loss from operations	(297,017)	(9,170)	(782,019)	(216,777)
Net loss	$ (297,017)	$ (9,170)	$ (782,019)	$ (216,777)
(Loss) per share - basic and diluted	$ (0.003)	$ (0.000)	$ (0.006)	$ (0.004)
Weighted average of shares outstanding:				
Basic and diluted	100,502,930	60,129,249	122,076,026	51,874,795

See accompanying notes to financial statements.

GLOBALTEL IP, INC. AND SUBSIDIARIES
(Unaudited)

Condensed Consolidated Statements of Cash Flows

	For the nine months ended June 30, 2010	For the nine months ended June 30, 2009
NET LOSS	$ (785,803)	$ (216,777)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	20,896	22,082
Common stock and warrants issued for services	136,750	144,375
Loss on settlement and disposal of assets	4,220	
Amortization of notes payable discount	27,103	-
(Increase) decrease in assets:		
Accounts receivable	1,140	40,728
Inventory	(13,900)	13,546
Prepaid expenses and other current assets	(5,000)	696,886
Increase (decrease) in liabilities:		
Accounts payable	1,294	153,557
Accrued expenses	95,059	62,795
Deferred revenue	(14,437)	(1,003,496)
Net Cash Used in Operating Activities	(532,678)	(86,304)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(5,064)	-
Proceeds from sale of property and equipment	-	1,845
Net Cash Provided by Investing Activities:	(5,064)	1,845
Cash Flows From Financing Activities		
Proceeds from notes payable, net	39,286	30,000
Proceeds from issuance of common stock and warrants	500,000	30,150
Proceeds from stock subscription receivable	-	5,475
Net Cash Provided by Financing Activities	539,286	65,625
Net Increase (Decrease) In Cash	1,544	(18,834)
Cash - Beginning of Period	8,273	20,711
Cash - End of Period	$ 9,817	$ 1,877
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 4,918	$ 4,623

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

The Company issued 15,275,076 shares of common stock as consideration for cancellation of accounts payable of $56,847 and accrued expenses of $211,582 during the nine months ended June 30, 2010

The Company issued 1,761,866 shares of common stock as consideration for cancellation of notes payable of $32,066 during the nine months ended June 30, 2010

CLEARTRONIC, INC. AND SUBSIDARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2010

NOTE 1 - ORGANIZATION

Cleartronic, Inc. (the "Company") was incorporated in Florida on November 15, 1999. The Company was originally formed as a website developer under the name Menu Sites, Inc., which ceased operations in 2002. In 2005, the Company became a provider of Voice Over Internet Protocol (VOIP) services and re-seller of international pre-paid telecommunication services through Interactive Media Technologies, Inc., ("IMT"), a related party, and was renamed GlobalTel IP, Inc. In August 2008, the Company ceased re-selling international pre-paid telecommunication services and sold back to IMT certain VoIP assets and began to transition its remaining VoIP business into managed unified group communication operations and development of VoIP related products and services.

In November 2007, the Company formed, as Florida corporations, two wholly-owned subsidiaries: Gulf Telco, Inc. and VoiceInterop, Inc. VoiceInterop, Inc. is the operating subsidiary of the Company and Gulf Telco, Inc. is currently inactive. In May 2008, the Company changed its name to Cleartronic, Inc. The Company now designs, builds and installs unified group communication solutions, including unique hardware and customized software, for public and private enterprises and markets those services and products under the VoiceInterop brand name. The Company introduced its (patent pending) line of AudioMate360 IP gateway appliances in 2008 and continues to develop an Application Service Provider solution for voice interoperability to be marketed as a hosted interoperability solution for potential customers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION
The accompanying unaudited interim consolidated financial statements contain the consolidated accounts of Cleartronic, Inc., VoiceInterop, Inc. and Gulf Telco, Inc. All material intercompany transactions and balances have been eliminated.

BASIS OF PRESENTATION
The accompanying unaudited interim consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q of Regulation S-K. They may not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended September 30, 2009 included in the Company's Annual Report on Form 10-K filed with the United States Securities and Exchange Commission. The unaudited interim consolidated financial statements should be read in conjunction with those financial statements included in the Form 10-K. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting solely of normal and recurring adjustments have been made. Operating results for the three months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2010.

USE OF ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and operations for the reporting period. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

ACCOUNTS RECEIVABLE

The Company provides an allowance for uncollectible accounts based upon a periodic review and analysis of outstanding accounts receivable balances. Uncollectible receivables are charged to the allowance when deemed uncollectible. Recoveries of accounts previously written off are used to credit the allowance account in the periods in which the recoveries are made.

The Company has an Accounts Receivable Purchase and Security Agreement with Bridgeport Capital Resources of Birmingham, AL. Under the terms of the agreement the Company sells certain acceptable accounts receivable to Bridgeport Capital at a discount to the receivable face value. Discounts can range between 2.25 and 6.25 percent depending on the length of time the receivable remains outstanding.

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one banking institution. FDIC deposit insurance has temporarily increased from $100,000 to $250,000 per depositor through December 31, 2013. The Company did not have cash balances excess the FDIC limits at March 31, 2010 and September 30, 2009.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred. For the three months ending June 30, 2010 and 2009, the Company had $90,635 and $32,447 in research and development costs, respectively. For the nine months ending June 30, 2010 and 2009, the Company had $157,496 and $86,286 in research and development costs, respectively.

REVENUE RECOGNITION AND DEFERRED REVENUES

Unified group communication solutions consist of three elements to be provided to customers: software licenses and equipment purchased from third-party vendors, proprietary hardware that is manufactured on contract to required specifications and installation and integration of the hardware and software into the cohesive communication source.

The Company's revenue recognition policies are in accordance with Accounting Standards Codification 605-10 "Revenue Recognition" (ASC 605-10). Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the contract price is fixed or determinable, and collectability is reasonably assured. No right of return privileges are granted to customers after shipment. The Company recognizes revenue for the elements separately as the sales of the equipment and software, installation and integration, and support services represent separate earnings processes that are generally specified under separate agreements.

Revenue from the resale of equipment utilized in unified group communication solutions is recognized when shipped. For software licenses, the Company does not provide any services that are considered essential to the functionality of the software, and therefore revenue is recognized upon delivery of the software, provided (1) there is evidence of an arrangement, (2) collection of the fee is considered probable and (3) the fee is fixed and determinable.

The Company also provides support to customers under separate contracts varying from one to three years. The Company's obligations under its service contracts vary by the length of the contract. In all cases the Company is the primary obligor to provide first level support to the client. If the contract has less than one year of service and support remaining on the contract it is classified as a current liability, if longer it is classified as a non-current liability.

Installation and integration services are recognized upon completion.

EARNINGS PER SHARE

Basic income (loss) per common share is calculated using the weighted average number of shares outstanding during the periods reported. Diluted earnings per share include the weighted average effect of all dilutive securities outstanding during the periods presented. Diluted per share loss is the same as basic per share loss when there is a loss from continuing operations. Accordingly, for purposes of dilutive earnings per share, the Company excluded the effect of warrants and options as of June 30, 2010 and 2009 and there were 22,471,265 and 8,585,000 options and warrants outstanding, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash, accounts receivable, accounts payable, accrued expenses and notes payable. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

INVENTORY

Inventory consists of components held for assembly and finished goods held for resale or to be utilized for installation in projects. Inventory is valued at lower of cost or market on a first-in, first-out basis. The Company's policy is to record a reserve for technological obsolescence or slow-moving inventory items. No reserve was made for inventory balances as of June 30, 2010.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. For financial statement purposes depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the asset.

Expenditures for replacements, maintenance and repairs that do not extend the lives of the respective assets are charged to expense as incurred. When assets are retired, sold or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are recognized.

STOCK-BASED COMPENSATION

Effective January 1, 2006, the Company adopted the fair value recognition provisions of Accounting Standards Codification 718-10 “Compensation” (ASC 718-10) using the modified retrospective transition method. SFAS 123R requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods. The Company has estimated the fair value of each award as of the date of grant or assumption using the Black-Scholes option pricing model, which was developed for use in estimating the value of traded options that have no vesting restrictions and that are freely transferable. The Black-Scholes option pricing model considers, among other factors, the expected life of the award and the expected volatility of the Company's stock price. In March 2005, the SEC issued SAB No. 107, Share-Based Payment ("SAB 107") which provides guidance regarding the interaction of ASC 718-10 and certain SEC rules and regulations. The Company has applied the provisions of SAB 107 in its adoption of ASC 718-10.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of $3,746 during the three months ended June 30, 2010 and $3,469 during the three months ended March 31, 2009. For the nine months ending June 30, 2010 and 2009, the Company had $26,181 and $7,362 in advertising costs, respectively.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management is currently seeking funding from significant shareholders and outside funding sources sufficient to meet its minimal operating expenses. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 - EQUITY

Preferred Stock

In June 2010, the Board of Directors authorized 200,000,000 shares of Series A Convertible Preferred Stock. The Series A preferred stock has no par value and each share is convertible after two years from the date of issuance into 100 shares of fully paid and non-assessable Common Stock at the sole option of the holder. Each share of Series A Preferred stock also receives cumulative dividends at the rate of eight percent (8%) of $1.00 per annum payable in cash or common stock at the sole option of the Company. There were no Series A preferred shares issued or outstanding at June 30, 2010

As discussed further in note 6, subsequent to June 30, 2010, the Company issued 250,000 shares of Series A preferred stock.

Common Stock

During the quarter ended June 30, 2010, the Company sold 5,494,506 units consisting of two shares of common stock and one warrant for a total of $200,000. The warrants are exercisable for three years at a price $1.00 per share. The value of the warrants was calculated using the Black Scholes model. The following assumptions were used: The stock price at date of issuance was approximately $0.13, the risk-free rate of return was 1.40% based on 3 year treasury notes at time of issuance, volatility was 45% and the expected life of the warrants was 2 years. Based on the valuation model, the value of each warrant issued was calculated to be $.00004. The value assigned to the common stock issued was approximately $.18 per share.

During the quarter ended June 30, 2010, the Company issued 989,100 shares of common stock to two consultants for services valued at $18,000.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company leases its office space from another entity that is also a stockholder. Rent expense paid to the related party was $26,184 and $24,901 for the three months ended June 30, 2010 and 2009, respectively.

NOTE 6 - SUBSEQUENT EVENTS

In May 2009, the FASB issued accounting guidance now codified as FASB ASC Topic 855, "*Subsequent Events,"* which establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. FASB ASC Topic 855 is effective for interim or fiscal periods ending after June 15, 2009. Accordingly, we adopted the provisions of FASB ASC Topic 855 on June 30, 2009. The Company has evaluated subsequent events for the period from June 30, 2010, the date of these financial statements, through August 12, 2010, the date of issuance of these condensed, consolidated financial statements.

Issuance of preferred and common stock:

In July 2010, the Company issued 250,000 shares of Series A Convertible Preferred stock at $1.00 per share for $250,000 in cash.

During August, 2010, the Company issued 851,647 shares of common stock to two consultants for services valued at $15,500.

Item 2. Management's Discussion and Analysis or Plan of Operation.

FORWARD-LOOKING STATEMENTS

The information set forth in this Management's Discussion and Analysis contains certain "forward-looking statements," including, among others (i) expected changes in the Company's revenues and profitability, (ii) prospective business opportunities and (iii) its strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes," "anticipates," "intends" or "expects." These forward-looking statements relate to the Company's plans, objectives and expectations for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this prospectus should not be regarded as a representation that the Company's objectives or plans will be achieved. In light of the risks and uncertainties, there can be no assurance that actual results, performance or achievements will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

Overview

Cleartronic, Inc. (the "Company," formerly GlobalTel IP, Inc.) was incorporated in Florida on November 15, 1999. Originally formed as a website developer, the Company ceased operations in 2002. In 2005, the Company commenced operations as a provider of Voice Over Internet Protocol (VoIP) services. In 2007, the Company elected to exit the international VoIP business and concentrate on providing unified group communication solutions. The Company, through its wholly owned subsidiary, VoiceInterop, Inc., now designs, sells and installs unified group communication solutions for public and private enterprises and is developing an Application Service Provider solution for voice interoperability.

COMPARISON OF THE THREE MONTHS ENDED JUNE 30, 2010 AND THE THREE MONTHS ENDED JUNE 30, 2009

Revenues

Revenues decreased to $104,421 for the three months ended June 30, 2010 as compared to $532,213 for the three months ended June 30, 2009. The decrease was due to a decline in sales of equipment and software due to decreased sales of unified communications solutions. Total revenue in the three months ended June 30, 2009 included approximately $376,000 in software sales previously recorded as deferred revenue.

Cost of Revenues

Cost of revenues was $50,049 for the three months ended June 30, 2010 as compared to $347,581 for the three months ended June 30, 2009. The decrease was due to decreased sales of unified communications solutions.

Operating Expenses

Operating expenses for the three months ended June 30, 2010 were $335,442 compared to $182,254 for the three months ended June 30, 2009. The primary reasons for the increase was administrative expenses, which increased from $91,650 to $217,496, and research and development expenses, which increased from $32,447 to $90,635, for the three months ended June 30, 2009 and 2010, respectively.

Net Loss

The Company's net loss increased to $297,017 during the three months ended June 30, 2009 as compared to $9,170 for the three months ended June 30, 2009. The reason for this increase was due to a significant decrease in revenue for the period. Net loss per common share was $0.003 and $0.000 for the three months ended June 30, 2010 and 2009, respectively.

COMPARISON OF THE NINE MONTHS ENDED JUNE 30, 2010 AND THE NINE MONTHS ENDED JUNE 30, 2009

Revenues

Revenues from operations were $194,712 for the nine months ended June 30, 2010 as compared to $1,593,395 for the nine months ended June 30, 2009. The decrease was primarily due to a decline in sales of equipment and software due to decreased sales of unified communications solutions.

Cost of Revenues

Cost of revenues was $93,436 for the nine months ended June 30, 2010, as compared to $1,027,254 for the nine months ended June 30, 2009. Due to decreased sales of unified communications software and equipment the Company incurred substantial decreased costs for both software and equipment. Gross profits were $101,276 and $566,141 for the nine months ended June 30, 2010 and 2009, respectively.

Operating Expenses

Operating expenses for the nine months ended June 30, 2010 were $837,471 compared to $759,081 for the nine months ended June 30, 2009. This increase was due to increased administrative and research and development expenses.

Net Loss

The Company’s net loss increased to $782,019 during the nine months ended June 30, 2010 as compared to a loss of $216,777 for the nine months ended June 30, 2009. The primary reason for this increase were decreased revenues. Net loss per common share was $0.006 and $0.004 for the nine months ended June 30, 2010 and 2009, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $532,678 for the nine months ended June 30, 2010 compared to $86,304 for the nine months ended June 30, 2009, due to an increase in net loss for the period and recognition of $1,003,496 in deferred revenue in 2009.

Net cash used in investing activities was $5,064 for the nine months ended June 30, 2010 compared to $1,845 provided by investing activities for the nine months ended June 30, 2009.

Net cash provided by financing activities was $539,286 for the nine months ended June 30, 2010 compared to $65,625 for the nine months ended June 30, 2009. The increase was due to increased debt and equity financing activity.

Our obligations are being met on a month-to-month basis as cash becomes available. There can be no assurance that the Company's present flow of cash will be sufficient to meet current and future obligations.

We have incurred losses since our inception and continue to require additional capital to fund operations and development. As such, our ability to pay our already incurred obligations is mostly dependent on the Company being able to have substantially increased revenues and raising substantial additional capital through the sale of its equity or debt securities. There can be no assurance that the Company will be successful in accomplishing any of the foregoing.

We believe that in order to fund our business plan, we will need approximately $1 million in new equity or debt capital. In the past, in addition to revenues and deferred revenues, we have obtained funds from the private sale of our debt and equity securities. We intend to continue to seek private financing from existing stockholders and others.

The costs to operate our current business are approximately $90,000 per month. In order for us to cover our monthly operating expenses, we would have to generate revenues of approximately $200,000 per month. Accordingly, in the absence of revenues, we will need to secure $90,000 in equity or debt capital each month to cover our overhead expenses. In order to remain in business for one year without any revenues we would need to secure $1,080,000 in equity or debt capital. If we are unsuccessful in securing sufficient capital or revenues, we would have to cease business in approximately 60 days.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

An evaluation was conducted by the registrant’s chief executive officer (CEO) and principal financial officer (“PFO”) of the effectiveness of the design and operation of the registrant’s disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”) as of June 30, 2010. Based on that evaluation, the CEO and PFO concluded that the registrant’s controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that the registrant files or submits under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) is accumulated and communicated to our management, including our CEO and PFO, as appropriate to allow timely decisions regarding required disclosures. If the registrant develops new business or engages or hires a chief financial officer or similar financial expert, the registrant intends to review its disclosure controls and procedures.

Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general administrative and financial matters. However, at this time management has decided that considering the abilities of the employees now involved and the control procedures in place, the risk associated with such lack of segregation is low and the potential benefits of adding employees to clearly segregate duties do not justify the substantial expenses associated with such increases. Management may reevaluate this situation as circumstances dictate.

Changes in Internal Control over Financial Reporting

The was no change in the registrant's internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II - OTHER INFORMATION

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

In April 2010, we entered into subscription agreements with a private investor under which the investor purchased 5,494,506 units, each unit consisting of two shares of our common stock and a warrant for the purchase of one (1) share of our common stock, for a purchase price of $0.0364 per unit and an aggregate purchase price of $200,000, the procceds of which were used to fund operating expenses. The warrants are exercisable at $0.10 per share of common stock and expire on February 15, 2013.

In May and June of 2010, we issued 989,100 shares of common stock to two consultants for services rendered valued at approximately $18,000.

The registrant claimed exemption from the registration provisions of the Securities Act of 1933 with respect to the securities pursuant to Section 4(2) thereof inasmuch as no public offering was involved. The shares were not offered or sold by means of: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, or broadcast over television or radio, (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising, or (iii) any other form of general solicitation or advertising and the purchases were made for investment and not with a view to distribution. Each of the purchasers was, at the time of the purchaser’s respective purchase, an accredited investor, as that term is defined in Regulation D under the Securities Act of 1933, and had access to sufficient information concerning the registrant and the offering.

Item 6. Exhibits.

3.01	Articles of Incorporation.(1)
3.02	Articles of Amendment to Articles of Incorporation filed March 12, 2001. (1)
3.03	Articles of Amendment to Articles of Incorporation filed October 4, 2004. (1)
3.04	Articles of Amendment to Articles of Incorporation filed March 31, 2005. (1)
3.05	Articles of Amendment to Articles of Incorporation filed May 9, 2008. (2)
3.06	Bylaws. (1)
31.1	Rule 13a-14(a)/14d-14(a) Certification of Principal Executive Officer. (3)
31.2	Rule 13a-14(a)/14d-14(a) Certification of Principal Financial & Accounting Officer. (3)
32.1	Section 1350 Certification of Principal Executive Officer and Principal Financial & Accounting Officer (3)

---

(1) Filed as an exhibit to the registrant's registration statement on Form SB-2 and hereby incorporated by reference.
(2) Filed as an exhibit to Amendment No. 6 to the registrant's registration statement on Form S-1 and hereby incorporated by reference.
(3) Filed herewith.

SIGNATURES

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

CLEARTRONIC, INC.

Date: August 16, 2010

By: /s/ Larry Reid
Larry Reid
Chief Executive Officer and Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Larry Reid, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cleartronic, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2010

/s/ Larry Reid

Larry Reid, Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, Larry Reid, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cleartronic, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2010

/s/ Larry Reid

Larry Reid, Principal Financial & Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Cleartronic, Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 16, 2010

/s/ Larry Reid

By Larry Reid

Principal Executive Officer and Principal Financial & Accounting Officer