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

FORM10-Q

(Mark One)

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

For the quarterly period ended December 31, 2011

[ ] **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)

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 than the registrant was required to submit and post such files). _X__ No ___

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: 147,078,470 shares as of February 14, 2012

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARY

Condensed Consolidated Balance Sheets

ASSETS

	December 31, 2011 (unaudited)	September 30, 2011
Current assets:		
Cash	$ 34,466	$ 39,188
Inventory	43,164	45,998
Prepaid expenses and other current assets	41,656	8,656
Total current assets	**119,286**	**93,842**
Property and equipment, net	**9,713**	**12,201**
Total assets	**$ 128,999**	**$ 106,043**

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	December 31, 2011 (unaudited)	September 30, 2011
Current liabilities:		
Accounts payable	$ 421,842	$ 333,735
Accrued expenses	235,652	145,474
Deferred revenue, current portion	33,869	22,786
Convertible note payable, net of discount of $56,403 and $0	3,597	-
Derivative liability	56,785	-
Notes payable - stockholders	167,952	168,499
Total current liabilities	**919,697**	**670,494**
Long Term Liabilities		
Notes Payable - Stockholders	160,000	115,000
Deferred revenue, net of current portion	50,003	18,870
Total long term liabilities	**210,003**	**133,870**
Total liabilities	**1,129,700**	**804,364**
Stockholders' equity (deficit):		
Series A preferred stock - $.001 par value; 200,000,000 shares authorized, 1,074,000 shares issued and outstanding	1,074	1,074
Common stock - $.001 par value; 1,250,000,000 shares authorized, 138,328,470 and 134,657,169 shares issued and outstanding, respectively	138,330	134,657
Additional paid-in capital	6,857,231	6,853,558
Accumulated Deficit	(7,997,336)	(7,687,610)
Total stockholders' equity (deficit)	**(1,000,701)**	**(698,321)**
Total liabilities and stockholders' equity (deficit)	**$ 128,999**	**$ 106,043**

See the accompanying notes to these condensed consolidated financial statements

CLEARTRONIC, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For three months ended December 31, 2011	For three months ended December 31, 2010
Revenue	$ 99,129	$ 180,442
Cost of Revenue	64,099	86,095
Gross Profit	35,030	94,347
Operating Expenses:		
Selling expenses	35,920	34,477
Administrative expenses	217,326	208,513
Research and development	56,976	26,398
Depreciation	2,488	3,971
Total Operating Expenses	312,710	273,359
(Loss) from operations	(277,680)	(179,012)
Gain on derivative financial instrument	6,532	-
Interest and other expenses	(38,615)	(16,087)
Net (loss)	$ (309,763)	$ (195,099)
(Loss) per share - basic and diluted	$ (0.0023)	$ (0.0015)
Weighted average of shares outstanding:		
Basic and diluted	135,814,427	132,307,758

See the accompanying notes to these condensed consolidated financial statements

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CLEARTRONIC, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For three months ended December 31, 2011	For three months ended December 31, 2010
Net (Loss)	$ (309,763)	$ (195,099)
Adjustments to reconcile net (loss) to net cash (used) in operating activities:		

Depreciation	2,488	3,971
Change in fair value of derivative liability	(3,215)	-
Amortization of notes payable discount	3,597	937
(Increase) decrease in assets:		
Accounts receivable	-	(58,768)
Inventory	2,834	(18,335)
Prepaid expenses and other current assets	(33,000)	7,778
Increase (decrease) in liabilities:		
Accounts payable	88,146	(2,181)
Accrued expenses	97,522	32,890
Customer deposits	-	783
Deferred revenue	42,216	29,840
Net Cash Used in Operating Activities	**(109,175)**	**(198,184)**
Cash Flows From Investing Activities:		
Purchase of property and equipment	-	-
Net Cash (Used In) Investing Activities	**-**	**-**
Cash Flows From Financing Activities:		
Principal payments on notes payable	(547)	**(686)**
Proceeds from issuance of preferred stock	-	250,000
Proceeds from notes payable	60,000	
Proceeds from notes payable - stockholders	45,000	-
Net Cash Provided by Financing Activities	**104,453**	**249,314**
Net Decrease in Cash	**(4,722)**	**51,130**
Cash - Beginning of Period	**39,188**	**22,348**
Cash - End of Period	**$ 34,466**	**$ 73,478**
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 3,666	$ 5,149

NONCASH FINANCING ACTIVITY

During the 3 months ended December 31, 2011, the Company issued 3,671,301 shares of common stock for conversion of accrued expenses of $7,342

See the accompanying notes to these condensed consolidated financial statements

CLEARTRONIC, INC. AND SUBSIDARY

Notes to Condensed Consolidated Financial Statements
December 31, 2011

NOTE 1 -ORGANIZATION

Cleartronic, Inc. (the “Company”) was incorporated in Florida on November 15, 1999 originally formed as a website developer under the name Menu Sites, Inc., which 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, and was renamed GlobalTel IP, Inc.

In November 2007, the Company formed, as Florida corporations, two wholly-owned subsidiaries: Gulf Telco, Inc. and VoiceInterop, Inc.

In May 2008, the Company changed its name to Cleartronic, Inc.

In August 2008, the Company ceased re-selling international pre-paid telecommunication services, sold certain of its VoIP assets, and discontinued all business in its subsidiary Gulf Telco. The Company began to transition its remaining VoIP business into managed unified group communication operations and the development of VoIP related products in its subsidiary, VoiceInterop, 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.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying unaudited interim consolidated financial statements contain the consolidated accounts of Cleartronic, Inc.and VoiceInterop, 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, 2011 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 December 31, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2012.

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.

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one banking institution. Beginning December 31, 2010 through December 31, 2012, deposits held in noninterest-bearing transaction accounts are fully insured, regardless of the amount in the account, at all FDIC-insured institutions.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred. For the three months ending December 31, 2011 and 2010, the Company had $56,976 and $26,398, respectively, in research and development costs from continuing operations.

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 five 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 December 31, 2011 and 2010, we had outstanding options and warrants exercisable for an aggregate 34,538,487 and 22,336,265 shares of common stock, 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 December 31, 2011.

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. ASC 718-10 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.

DERIVATAVE INSTRUMENTS

The Company evaluates its convertible debt, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 810-10-05-4 of the FASB Accounting Standards Codification and paragraph 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the Statement of Operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of $3,431 during the three months ended December 31, 2011, and $4,533 during the three months ended December 31, 2010.

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 - NOTE PAYABLE TO STOCKHOLDER

On December 9, 2011, the Company received an additional $45,000 from an existing noteholder per the terms of an amendment to a secured promissory note payable executed in June 2011. Total principal due at December 31, 2011 under the amended note is $160,000. The original note and the amendment call for interest payable at 10% quarterly with a maturity date of December 31, 2012. Under the terms of the note, the Company will receive its final funding in March 2012.

NOTE 5 - CONVERTIBLE PROMISSORY NOTE AND EMBEDDEDED DERIVATIVE LIABILITIES

On November 15, 2011 the Company entered into securities purchase agreement (the "Purchase Agreement") with an investor and issued a convertible promissory note. The note bears interest at 8% per annum and matures on August 15, 2012. The note may be converted into unregistered shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), at the Conversion Price, as defined below, in whole, or in part, at any time beginning 180 days after the issuance of the note. The Conversion Price shall be equal to 58% multiplied by the Variable Conversion Rate which is equal to the average of the three (3) lowest closing bid prices of the Common Stock during the ten (10) trading day period prior to the date of conversion. The Notes also contains prepayment options whereby the Company may make payments to the holder based on the length of time the note has been outstanding, upon three (3) trading days' prior written notice to the holder. During the first 60 days the Company may make a payment to the holder equal to 130% of the then outstanding unpaid principal and interest, from days 61 until 120 days the Company may make a payment to the holder equal to 135% of the then outstanding unpaid principal and interest, from days 121 until 180 days the Company may make a payment to the holder equal to 140% of the then outstanding unpaid principal and interest, after 180 days the Company has no right of prepay. In any event of default before the maturity date payment is immediately due in the amount 150% of the outstanding unpaid principal along with interest and any penalties.

Derivative analysis

The convertible note is convertible into common stock of the Company at variable conversion rates that provides a fixed return to the note-holder. Under the terms of the notes, the Company could be required to issue additional shares in the event of a default. Due to these provisions, the conversion feature is subject to derivative liability treatment under Section 815-40-15 of the FASB Accounting Standard Codification ("Section 815-40-15") (formerly FASB Emerging Issues Task Force ("EITF") 07-5). The notes have been measured at fair value using a lattice model at each reporting period with gains and losses from the change in fair value of derivative liabilities recognized on the consolidated statement of operations. The conversion feature was recorded as a discount to the notes due to the beneficial conversion feature upon origination.

The embedded derivative of these notes was re-measured at December 31, 2011 yielding a gain on change in fair value of the derivative of $6,532 for the three months ended December 31, 2011. The derivative value of these notes at December 31, 2011, yielded a derivative liability at fair value of $ 53,468 .

NOTE 6 - EQUITY

Common Stock

In December 2011, the Company issued 3,671,301 shares of the Company's common stock to a consultant in exchange for services previously accrued in the amount of approximately $7,300.

Preferred Stock

Dividends payable on Series A Convertible Preferred Stock of approximately $21,000 are included in Accrued Expenses at December 31, 2011.

NOTE 7 - 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 $19,836 and $23,820 for the three months ended December 31, 2011 and 2010, respectively.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2012, which is the date the consolidated financial statements were issued.

In January 2012, the Company entered into a Securities Purchase Agreement with a private investor in connection with the issuance of a 8% convertible note in the amount of $37,500. The note matures on October 23, 2012 and is convertible into shares of the Company's common stock at a variable conversion price (58% multiplied by the market price). The variable conversion feature of this debt will potentially result in a derivative liability, the fair value of which has not been determined as of the date of these financial statements.

In January 2012, the Company issued 5,000,000 shares of its common stock to one consultant in exchange for services valued at $12,500.

In February 2012, the Company issued 3,750,000 shares of its common stock to one consultant in exchange for service valued at $11,250.

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

Overview

Cleartronic, Inc. (the "Company," formerly GlobalTel IP, Inc.) was incorporated in Florida on November 15, 1999. Originally formed as a website developer, we ceased such operations in 2002. In 2005, we commenced operations as a provider of Voice Over Internet Protocol (VoIP) services. In 2007, we elected to exit the international VoIP business and concentrate on providing unified group communication solutions. The Company, through our 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.

Results of Operations – Three Months Ended December 31, 2011 and 2010

Revenues

Revenues decreased approximately 45% to $99,129 for the three months ended December 31, 2011 as compared to $180,442 for the three months ended December 31, 2010. The decrease was due to fewer unified communication projects completed in the three months ended December 31, 2011 than were completed in the three months ended December 31, 2010.

Cost of Revenues

Cost of revenues was $64,099 for the three months ended December 31, 2011 as compared to $86,095 for the three months ended December 31, 2010, a decrease of approximately 26%. The decrease was due to decreased sales of unified communications solutions.

Operating Expenses

Operating expenses for the three months ended December 31, 2011 were $312,710 compared to $273,359 for the three months ended December 31, 2010, an increase of approximately 14%. This increase was primarily due to an increase in research and development costs which increased 116% to $56,976 in in the three months ended December 31, 2011 compared to $26,398 primarily because of expenditures in developing new products not related to group communications.

Loss from Operations

Loss from operations for the three months ended December 31, 2011 was $277,680 compared to a loss of $179,012 for the three months ended December 31, 2010. The increase in loss from operations in 2011 versus 2010 was primarily due to a decrease in our sales. Gross profit margins declined to approximately 35% in the three months ended December 31, 2011 from approximately 52% for the three months ended December 31, 2010. This decrease was primarily due to purchasing and manufacturing our communication product in smaller quantities.

Net Loss Applicable to Common Stock

Net loss applicable to common stock was $309,763 for the three months ended December 31, 2011 compared to a net loss of $195,099 for the three months ended December 31, 2010. Net loss per common share was $0.0023 and $0.0015 for the three months ended December 31, 2011 and 2010, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $109,175 for the three months ended December 31, 2011 compared to $198,184 for the three months ended December 31, 2010.

No cash was provided by or used in investing activities during the three months ended December 31, 2011 and the three months ended December 31, 2010.

Net cash provided by financing activities was $104,453 for the three months ended December 31, 2011 compared to $249,314 for the three months ended December 31, 2010. The decrease was primarily due to the sale of $250,000 of the Company's preferred stock in the three months ended December 31, 2010 as compared with $104,453 in debt financing for the same period in 2011.

Our obligations are being met on a month-to-month basis as cash becomes available. There can be no assurance that our 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 we 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 $260,000 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.

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 our revenues and profitability, (ii) prospective business opportunities, and (iii) our strategy for financing our 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 our plans, objectives, and expectations for future operations. Although we believe that our expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of our knowledge of our 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 our 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. We undertake no obligation to release publicly the results of any future revisions we 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.

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 our chief executive officer ("CEO") and principal financial officer ("PFO") of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2011. Based on that evaluation, the CEO and PFO concluded that our controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 (i) is 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.

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

There was no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There have been no material developments during the quarter ended December 31, 2011 in any material pending legal proceedings to which we are a party or of which any of our property is the subject.

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

On November 15, 2011 the Company entered into securities purchase agreement (the "Purchase Agreement") with an investor and issued a convertible promissory note. The note bears interest at 8% per annum and matures on August 15, 2012. The note may be converted into unregistered shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), at the Conversion Price, as defined below, in whole, or in part, at any time beginning 180 days after the issuance of the note. The Conversion Price shall be equal to 58% multiplied by the Variable Conversion Rate which is equal to the average of the three (3) lowest closing bid prices of the Common Stock during the ten (10) trading day period prior to the date of conversion. The Notes also contains prepayment options whereby the Company may make payments to the holder based on the length of time the note has been outstanding, upon three (3) trading days' prior written notice to the holder. During the first 60 days the Company may make a payment to the holder equal to 130% of the then outstanding unpaid principal and interest, from days 61 until 120 days the Company may make a payment to the holder equal to 135% of the then outstanding unpaid principal and interest, from days 121 until 180 days the Company may make a payment to the holder equal to 140% of the then outstanding unpaid principal and interest, after 180 days the Company has no right of prepay. In any event of default before the maturity date payment is immediately due in the amount 150% of the outstanding unpaid principal along with interest and any penalties. The proceeds from the sales were used to fund operating expenses.

On December 9, 2011, the Company received an additional $45,000 from an existing noteholder per the terms of an amendment to a secured promissory note payable executed in June 2011. Total principal due at 12/31/2011 under the amended note is $160,000. The original note and the amendment call for interest payable at 10% quarterly with a maturity date of December 31, 2012. Under the terms of the note, the Company will receive its final funding in March 2012.

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 3. Defaults upon Senior Securities.

None.

Item 5. Other Information.

(a) None.

(b) There were no changes to the procedures by which security holders may recommend nominees to our board of directors.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Articles of Incorporation (1)
3.2	Articles of Amendment to Articles of Incorporation, filed March 12, 2001 (1)
3.3	Articles of Amendment to Articles of Incorporation, filed October 4, 2004 (1)
3.4	Articles of Amendment to Articles of Incorporation, filed March 31, 2005 (1)
3.5	Articles of Amendment to Articles of Incorporation, filed May 9, 2008 (2)
3.6	Bylaws (1)
3.7	Articles of Amendment to the Articles of Incorporation, filed June 28, 2010 *
31.1	Section 302 Certification by the Corporation's Principal Executive Officer *
31.2	Section 302 Certification by the Corporation's Principal Financial Officer *
32.1	Section 906 Certification by the Corporation's Principal Executive Officer and Principal Financial Officer *

* Filed herewith.
(1) Filed on July 3, 2006 as an exhibit to our Registration Statement on Form SB-2, and incorporated herein by reference.
(2) Filed on May 28, 2008 as an exhibit to Amendment No. 6 to our Registration Statement on Form S-1, and incorporated herein by reference.

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: February 14, 2012

By: /s/ Larry M. Reid
Larry M. Reid
Principal Executive Officer and Principal
Financial Officer and Chief Accounting Officer

Exhibit 3.7

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
CLEARTRONIC, INC.

Pursuant to Sections 607.1002 and 607.0602 of the Florida Business Corporation Act of the State of Florida, the undersigned President and Chief Executive Officer of Cleartronic, Inc. (the "Corporation"), a corporation organization and existing under and by virtue of the laws of the State of Florida and bearing Document Number P99000101137, does hereby certify:

FIRST: Whereas, by virtue of the authority contained in the Articles of Incorporation of the Corporation, the Corporation has authority to issue 200,000,000 shares of preferred stock, par value $.001 per share, the designation and amount thereof and series, together with the powers, preferences, rights, qualifications, limitations or restrictions thereof, to be determined by the Board of Directors pursuant to the applicable laws of the State of Florida.

SECOND: The Board of Directors has hereby established a Series A Convertible Preferred Stock, par value $.001 per share, authorized to be issued by the Corporation as above stated, with the designations and amounts thereof, together with the voting powers, preferences, and relative, participating, optional, and other special rights of the shares of each such series, and the qualifications, limitations, or restrictions thereof, to be as follows.

THIRD: ARTICLE SECOND of the Corporation's Articles of Incorporation shall be amended in its entirety to include the designation of Series A Convertible Preferred Stock as follows:

"The aggregate number of shares which the Corporation shall have authority to issue is 950,000,000 shares of capital, 750,000,000 shares of which shall be common stock, par value $.001 per share ("**Common Stock**"), and 200,000,000 shares of which shall be preferred stock, par value $.001 per share ("**Preferred Stock**"). Before the issuance of any Preferred Stock, the Board of Directors shall determine, in whole or in part, the preferences, limitations, and relative rights of the Preferred Stock or one or more series within the Preferred Stock.

SERIES A CONVERTIBLE PREFERRED STOCK

The Board of Directors of the Corporation desires, pursuant to its authority as aforesaid, to determine and fix the rights, preferences, privileges and restrictions relating to a class of said Preferred Stock to be designated as follows:

1. <u>Designation: Number of Shares</u>. The designation of said series of Preferred Stock shall be Series A Convertible Preferred Stock, par value $.001 per share (the "**Series A Preferred**"). The number of designated shares of Series A Preferred stock shall be 1,250,000.

2. <u>Conversion into Common Stock.</u> Shares of Series A Preferred shall have the following conversion rights and obligations:

(a) <u>Conversion at Holders' Option</u>. After a period of two (2) years following the date of issuance, each one (1) share of Series A Preferred shall be convertible into 100 shares of fully paid and nonassessable Common Stock at the sole option of the holder of Series A Preferred ("**Series A Preferred Holder**").

(b) <u>Mechanics of Conversion</u>. If the Series A Preferred Holder exercises its conversion option and at such time as the conditions described in Section 2(a) shall have occurred, the Series A Preferred Holder shall surrender the certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such Series A Preferred Holder, a certificate or certificates for the number of shares of Common Stock of the Corporation to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made on the date that the surrendered certificates are delivered in accordance with this Section 2(b) and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date.

(c) No Impairment. This Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 2 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights, as set forth herein, of the holders of the Series A Preferred against impairment.

(d) No Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred the Series A Preferred Holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(e) Notices of Record Date. In the event the Corporation takes record of the holders of any class of securities for the purpose of determining which holders are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities, property, or other right, the Corporation shall mail to each Series A Preferred Holder, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution, or right.

(f) Reservation of Stock Issuable Upon Conversion. Solely for the purpose of effecting the conversion of the shares of the Series A Preferred, the Corporation shall at all times, subject to the conditions described in Section 2(a), reserve and keep available out of its authorized but unissued shares of Common Stock, such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Corporation will take such corporate action as, in the opinion of counsel to the Corporation, may be necessary and authorized to increase its authorized but unissued shares of Common Stock to such number of shares of Common Stock to such number of shares as shall be sufficient for such purposes.

(g) Notices. Any notice required by the provisions of this Section 2 to be given to the holders of shares of Series A Preferred shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his or her address appearing on the books of this Corporation.

(h) The Corporation shall pay the amount of any and all issue taxes (but not income taxes) that may be imposed in respect of any issue or delivery of stock upon the conversion of any shares of Series A Preferred, but all transfer taxes and income taxes that may be payable in respect of any change of ownership of Series A Preferred or any rights represented thereby or of stock receivable upon conversion thereof shall be paid by the person or persons surrendering such stock for conversion.

3. Dividends. Each Series A Preferred Holder shall be entitled to receive cumulative dividends at the rate of eight percent (8%) of $1.00 per calendar quarter on each outstanding share of Series A Preferred then held by such Series A Preferred Holder, on a pro rata basis. Such dividends shall accumulate on the basis of a 365 or 366 day year, as the case may be, with respect to any share of Series A Preferred from the date of issuance of any such share. Dividends payable pursuant to this Section 3 shall be payable, at the sole option of the Corporation, in the form of (i) cash or (ii) shares of Common Stock at the VWAP for the last 10 trading days of the applicable calendar quarter, which VWAP shall not be lower than $0.01. If payable in cash, such dividends shall be due by the 5th business day following the end of the applicable calendar quarter, and, if payable in shares of Common Stock, such dividends in the form of a stock certificate shall be due by the 10th business day following the end of the applicable calendar quarter, unless there are reasonable delays in delivery by the transfer agent of the Common Stock. "**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a trading market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the trading market on which the Common Stock is then listed or quoted for trading as reported by Bloomberg Financial L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)); (b) if the Over-the-Counter Bulletin Board is not a trading market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Over-the-Counter Bulletin Board; (c) if the Common Stock is not then quoted for trading on the Over-the-Counter Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink Sheets, LLC (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported; or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Series A Preferred Holders and reasonably acceptable to the Corporation, the fees and expenses of which shall be paid equally by the Series A Preferred Holders and the Corporation.

4. Status of Converted or Redeemed. In case any shares of Series A Preferred shall be converted, redeemed, or otherwise repurchased or reacquired, the shares so redeemed, converted, or reacquired shall resume the status of authorized but unissued shares of Preferred Stock and shall no longer be designated as Series A Preferred."

FOURTH: The foregoing amendment was duly adopted by the Corporation's Board of Directors on June 24, 2010 pursuant to a unanimous written consent of the Board of Directors in accordance with Section 607.0821 of the Florida Business Corporation Act.

IN WITNESS WHEREOF, the undersigned, being the President and Chief Executive Officer of the Corporation, has executed these Articles of Amendment as of June 24, 2010.

CLEARTRONIC, INC.

/s/ Larry Reid
By: Larry Reid
Its: President and Chief Executive 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 audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: February 14, 2012

/s/ Larry M. Reid
Larry M. 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 audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: February 14, 2012

/s/ Larry M. Reid______________________

Larry M. Reid, Principal Financial 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 December 31, 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: February 14, 2012

/s/ Larry M. Reid

By Larry M. Reid
Principal Executive Officer and Principal Financial Officer