

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2019

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 000-55329

CLEARTRONIC, INC.

(Exact name of registrant as specified in its charter)

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

8000 North Federal Highway, Suite 100 **33487**
Boca Raton, Florida
(Address of principal executive offices) (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Common stock, par value \$0.00001 per share	CLRI	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement 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 [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [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. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer []

Accelerated filer []

Non-accelerated filer [X]

Smaller reporting company [X]

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant on March 29, 2019 (based on the closing sale price of \$0.0101 per share of the registrant's common stock, as reported on the OTC/PINK operated by The OTC Markets Group, Inc. on that date) was approximately \$1,117,129. The stock price of \$0.0101 at March 29, 2019, takes into account a one for 3,000 reverse stock split on December 28, 2012. Common stock held by each officer and director and by each person known to the registrant to own five percent or more of the outstanding common stock has been excluded in that those persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes. Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. At January 10, 2020 the registrant had outstanding 211,994,635 shares of common stock, par value \$0.00001 per share.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In light of the risks and uncertainties inherent in all projected operational matters, the inclusion of forward-looking statements in this Form 10-K, should not be regarded as a representation by us or any other person that any of our objectives or plans will be achieved or that any of our operating expectations will be realized. Our revenues and results of operations are difficult to forecast and could differ materially from those projected in the forward-looking statements contained in this Form 10-K, as a result of certain risks and uncertainties including, but not limited to, our business reliance on third parties to provide us with technology, our ability to integrate and manage acquired technology, assets, companies and personnel, changes in market condition, the volatile and intensely competitive environment in the business sectors in which we operate, rapid technological change, and our dependence on key and scarce employees in a competitive market for skilled personnel. These factors should not be considered 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 hereof or to reflect the occurrence of unanticipated events.

PART I

Except for historical information, this report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our business strategy, future revenues and anticipated costs and expenses. Such forward-looking statements include, among others, those statements including the words "expects," "anticipates," "intends," "believes" and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances taking place after the date of this document.

Item 1. Business.

The Company

We were initially incorporated on November 15, 1999, as Menu Sites, Inc., a Florida corporation. On March 9, 2001, we changed our name to CNE Communications, Inc. On October 1, 2004, we changed our name to CNE Industries, Inc. On March 29, 2005, we changed our name to GlobalTel IP, Inc. On May 9, 2008, we changed our name to Cleartronic, Inc.

All of our operations are conducted through our wholly owned subsidiary ReadyOp Communications, Inc. ("ReadyOp") a Florida corporation, incorporated on September 15, 2014, which facilitate the marketing and sales of *ReadyOp*™ software and AudioMate IP gateways, discussed below.

In March 2018, the Company approved the spin-off VoiceInterop, Inc. ("Voiceinterop") into a separate company under a Form S-1 registration to be filed with the United States Securities and Exchange Commission. On May 13, 2019, VoiceInterop filed an S-1 registration with the United States Securities and Exchange Commission. All VoiceInterop transactions have been recorded as discontinued operations.

The Company's history is being reviewed by the Financial Industry Regulatory Authority ("FINRA") and as of the date of this filing the review has not been completed. No dividends can be distributed until that review is completed and approved by FINRA.

Business Overview

We do not currently have sufficient capital to conduct the present or proposed business activities described below. The costs to operate our business are approximately \$115,000 per month. In order for us to cover our monthly operating expenses, we must generate revenues of approximately \$175,000 per month. Accordingly, in the absence of revenues, we must secure \$115,000 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 must secure \$1,380,000 in equity or debt capital. If we are unsuccessful in securing sufficient capital or revenues, we will be unable to continue any business activities. We have not obtained any commitments for additional capital, and we may not be able to obtain any additional capital on terms not unfavorable to us, if at all.

From March 2005 to October 2007, we were primarily engaged in providing telecommunications services to our customers employing Voice over Internet Protocol (VoIP) technology. In October 2007, we sold substantially all of our assets utilized in that business. Prior to 2005, we were a website development company.

We are now a provider of Internet Protocol, or IP, unified group communication solutions. The products used in our solutions include our own proprietary products as well as products from other software and hardware vendors.

Revenues have been generated from the design, construction and installation of the group communication systems. We have also generated revenues from maintenance and support contracts, once a unified group communication solution has been installed and tested. While we no longer sell *WAVE* based systems we will continue to support the installations that we have previously installed. We also sell our proprietary line of Internet Protocol Gateways which we have branded the *AudioMate 360 IP Gateway*, discussed below. These units are currently being sold directly to end-users and by Value Added Resellers ("VARs"). As of the date of this filing, we have approximately 10 active VARs, and we have sold our gateways to more than 1,000 end-users in the United States and 18 foreign countries.

We have developed an Internet Protocol Gateway which we call the *AudioMate 360 IP Gateway*. The *AudioMate 360 IP Gateway* has been designed to provide an Internet Protocol Gateway to users of unified group communications. The *AudioMate 360 IP Gateway* is available in different configurations which enable it to be used with various types of communications equipment.

Although other devices are available that perform the same or similar functions, we believe that our price for the *AudioMate 360 IP Gateway* is substantially lower than the prices others are presently charging for similar devices. If we are unable to provide the *AudioMate 360 IP Gateway* to our prospective customers at substantially lower prices than others are charging for similar gateways, our business will be materially adversely affected.

We do not have any other products at this time.

Need for Unified Group Communications

Unified group communications and coordination within and between agencies for response actions to incidents and emergencies has been a challenge for many years. The result has been inefficiencies and in some cases the loss of lives, time and money during response activities. Governmental agencies, hospitals and other organizations experience these same interoperability failures.

We believe that *ReadyOp*TM software is a new approach to communication, coordination and interoperability that is simple, flexible, low-cost and is already in use by many agencies and enterprises in the governmental and private sectors.

***ReadyOp*TM Software**

ReadyOp is a simple, innovative web-based planning and communications platform for efficiently and effectively planning, managing, communicating, and directing activities within a single organization or in a unified command structure. *ReadyOp* is a comprehensive solution with multiple means of communications in a single program, including interoperable communications for radios and other devices. *ReadyOp*'s flexibility supports daily operations, exercises and response activities including multi-agency and multi-location operations. *ReadyOp* is a single platform that provides communications, coordination, collaboration and critical response capabilities for first responders and other organizations.

Communication challenges and coordination failures within and between organizations have been well documented and remain a part of the final report for most every exercise and major incident. This is especially evident when multiple agencies are involved in a response effort. In 2003, Homeland Security Presidential Directive-5 (HSPD-5) created the National Incident Management System (NIMS). NIMS is intended to provide a consistent template for government, private sector, and nongovernment organizations to work together during incidents and emergencies.

NIMS was used to create the Incident Command System (ICS) for first responders. ICS is essentially an organizational chart with assigned roles for responsibilities during incident response. Each role has assigned tasks to be accomplished, the goal being that all persons assuming the various roles complete their assigned tasks. Use of ICS is mandated for all law enforcement, fire and other government agencies at all levels plus seaports, airports, universities and hospitals. *ReadyOp* was initially designed based on the structure of ICS, but has evolved into a full response and communications platform.

Patents and Intellectual Property

If we are able to continue our business activities, our business will be dependent on our intellectual property, some of which we have developed for our software and hardware applications. We do not have any trade secret confidentiality agreements. For projects that are in development, we intend to rely on intellectual property rights afforded by trademark and trade secret laws, as well as confidentiality procedures and licensing arrangements, to establish and protect our rights to our technology and other intellectual property. We cannot foretell if these procedures and arrangements will be adequate in protecting our intellectual property.

We have filed a patent application with the United States Patent and Trademark Office in connection with various configurations of our *AudioMate 360 IP Gateway*. We may file similar patent applications in additional countries. The claims in the patent application relate to various aspects of the *AudioMate 360 IP Gateway*. On March 13, 2012, the United States Patent Office notified us that U.S. Patent number 8,135,001 B1 had been granted for the 34 claims of our patent application for Multi Ad Hoc Interoperable Communicating Networks. It may be that one or more of our claims are not meaningful. Furthermore, the validity of issued patents is frequently challenged by others. One or more patent applications may have been filed by others previous to our filing, which encompass the same or similar claims.

A patent application does not in and of itself grant exclusive rights. A patent application must be reviewed by the Patent Office of each relevant country prior to issuing as a patent and granting exclusive rights.

We have obtained a trademark on *ReadyOp*.

Because of our limited resources, we may be unable to protect a patent, either owned or licensed, or to challenge others who may infringe upon a patent. Because many holders of patents in our industry have substantially greater resources than we do and patent litigation is very expensive, we may not have the resources necessary to successfully challenge the validity of patents held by others or withstand claims of infringement or challenges to any patent we may obtain. Even if we prevail, the cost and management distraction of litigation could have a material adverse effect on us.

Because Internet Protocol Gateways and their related manufacturing processes are covered by a large number of patents and patent applications, infringement actions may be instituted against us if we use or are suspected of using technology, processes or other subject matter that is claimed under patents of others. An adverse outcome in any future patent dispute could subject us to significant liabilities to third parties, require disputed rights to be licensed or require us to cease using the infringed technology.

If trade secrets and other means of protection upon which we rely may not adequately protect us, our intellectual property could become available to others. Although we may rely on trade secrets, copyright law, employee and third-party nondisclosure agreements and other protective measures to protect some of our intellectual property, these measures may not provide meaningful protection to us.

The laws of many foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States, if at all.

Exclusive Licensing Agreement

On May 5, 2017, the Company entered into an Exclusive Licensing Agreement with Sublicensing Terms (the "Agreement") with the University of Southern Florida Research Foundation, Inc. ("USFRF") relating to an exclusive license of certain patent rights in connection with one of USFRF's U.S. Patent Applications. Both parties recognize that the research and development work provided by the Company was sufficient for USFRF to enter into the Agreement with the Company.

The Agreement is effective April 25, 2017 and continues until the later of the date that no Licensed Patent remains a pending application or an enforceable patent or the date on which the Licensee's obligation to pay royalties expires.

The Company paid USFRF a License Issue Fee of \$3,000 and \$7,253.50 as reimbursement of expenses associated with the filing of the Licensed Patent. The Company agreed to complete the first commercial sale of products to the retail customer on or before January 31, 2019 or USFRF has the right to terminate the agreement. In addition, the Company agreed that it will have made and tested a prototype by August 31, 2018 or USFRF has the right to terminate the agreement. The company agreed to pay USFRF a royalty of 3% for sales of all Licensed Products and Licensed Processes and agreed to pay USFRF minimum royalty payments as follows:

Payment	Year
\$1,000	2019
\$4,000	2020
\$8,000	2021

-and every year thereafter on the same date, for the life of the agreement.

In the event the Company proposes to sell any Equity Securities, then USFRF will have the right to purchase 5% of the securities issued in such offering on the same terms and conditions as are offered to other purchasers in such financing.

Rapid Technological Change Could Render Our Products Obsolete

Our markets are characterized by rapid technological changes, frequent new product introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies and the emergence of new industry standards could render our existing products obsolete. Our future success will depend upon our ability to continue to develop and introduce a variety of new products and product enhancements to address the increasingly sophisticated needs of our customers. We may experience delays in releasing new products and product enhancements in the future. Material delays in introducing new products or product enhancements may cause customers to forego purchases of our products and purchase those of our competitors.

Seasonality of Our Business

We do not anticipate that our business will be affected by seasonal factors.

Impact of Inflation

We are affected by inflation along with the rest of the economy. Specifically, our costs to complete our products could rise if specific components needed incur a rise in cost.

Manufacturing and Suppliers

We have outsourced the manufacturing of our *AudioMate 360 IP Gateway*. This outsourcing has allowed us to:

- Avoid costly capital expenditures for the establishment of manufacturing operations;
- Focus on the design, development, sales and support of our hardware products; and
- Leverage the scale, expertise and purchasing power of specialized contract manufacturers.

Currently, we have arrangements for the production of our gateways with a contract manufacturer in Florida. Our reliance on contract manufacturers involves a number of potential risks, including the absence of adequate capacity, ownership of certain elements of electronic designs, and reduced control over delivery schedules. Our contract manufacturers can provide us with a range of operational and manufacturing services, including component procurement and performing final testing and assembly of our products. We intend to depend on our contract manufacturers to procure components and to maintain adequate manufacturing capacity.

We have also relied on a small number of suppliers for several key components utilized in the assembly of our *AudioMate 360 IP Gateway*. For example, our contract manufacturer has purchased a key component that is essential to the production of our gateways from a single source supplier. We have not identified any alternative suppliers for that component. Our contract manufacturer has maintained relatively low inventories and acquired components only as needed. As a result, our ability to efficiently respond to customer orders, if any, may be constrained by, among other things, the then-current availability or terms and pricing of necessary components. We may be unable to obtain a sufficient quantity of these components in a timely manner to meet the demands of our customers. In addition, we have no control over the prices of these components. Any delays or any disruption of the supply of these components could also materially and adversely affect our operating results.

Competition

The unified group communications industry is extremely competitive. Over the past year, the number of companies entering our industry has increased dramatically. Competitive pricing pressures can negatively impact profit margins, if any. Competitors include Cisco Systems, Inc., Tyco Electronics Ltd., Catalyst Communications Technologies, Inc., Telex, Inc., Federal Signal Corporation and Mutual-Link, Inc. as well as Motorola and its authorized dealers. These and other potential competitors are generally large and well capitalized and have substantially more experience than we do in our industry. Consequently, in order for Cleartronic to be successful in its intended operations, it must be able to compete effectively against its competitors. If Cleartronic cannot effectively compete for whatever reason, we will not be successful.

Sales and Marketing

We have marketed our unified group communication solutions and *AudioMate 360 IP Gateway* through a commissioned sales person. The majority of our sales leads have come through sales persons, VARs and our website. If we are able to continue our business activities, we intend to expand the use of commissioned sales representatives to market and sell the *ReadyOp™* software solution along with our *AudioMate 360 IP Gateway* line of Internet Protocol Gateways. We will continue to use our network of VARs to market our *AudioMate 360 IP Gateway*.

Key Personnel of Cleartronic

Our future financial success depends to a large degree upon the personal efforts of our key personnel. , Michael M. Moore, our Chief Executive Officer and Director, and Larry M. Reid, our President, Chief Financial Officer, Principal Accounting Officer, and Secretary and Director, and their intended designees will play the major roles in securing the services of those persons deemed capable to develop and execute upon our business strategy. While we intend to employ additional executive, development, and technical personnel in order to minimize the critical dependency upon any one person, we may not be successful in attracting and retaining the persons needed.

At present, Cleartronic has two executive officers, Larry M. Reid and Michael M. Moore. In March 2015, the Company entered into a new employment agreement with the Company's CEO, Larry M. Reid (the "Agreement"). Under the Agreement, Mr. Reid agreed to remit 2.0 billion shares of common stock back to the Company in exchange for 200,000 shares of Series C Convertible Preferred stock with a fair value of \$252,000.

Unless Cleartronic shall have given Mr. Reid and Mr. Moore written notice at least 30 days prior to the Termination Date, the Agreement shall automatically renew and continue in effect for additional one-year periods, provided, however, that we may, at our election at any time after the expiration of the initial term of the Agreement, give Mr. Reid notice of Termination.

Mr. Reid will be paid a base salary of \$8,000 per month. A copy of the employment agreement with Mr. Reid has been previously filed on March 18, 2015 with the SEC as an exhibit to a Form 8-K.

Mr. Moore will be paid a base salary of \$16,667 per month. A copy of the employment agreement with Mr. Moore has been previously filed on January 13, 2016 as an exhibit to a Form 10-K. See Item 13. Certain Relationships and Related Transactions and Director Independence."

Adequacy of Working Capital for Cleartronic

We estimate that we will need at least \$1.4 million to continue operations over the next 12 months. We will apply great efforts to raise through equity or debt offerings what we feel is sufficient working capital for our intended business plan by various means. If we are not able to raise additional capital, we will not be able to continue operations and our business may fail.

The Financial Results for Cleartronic May Be Affected by Factors Outside of Our Control

Our future operating results may vary significantly from quarter to quarter due to a variety of factors, many of which are outside our control. Our anticipated expense levels are based, in part, on our estimates of future revenues and may vary from projections. We may be unable to adjust spending rapidly enough to compensate for any unexpected revenues shortfall. Accordingly, any significant shortfall in revenues in relation to our planned expenditures would materially and adversely affect our business, operating results, and financial condition. Further, we believe that period-to-period comparisons of our operating results are not necessarily a meaningful indication of future performance.

Employees

As of the date of this report, we have eight employees, Michael M. Moore, our Chief Executive Officer and Director, Larry M. Reid, our President, Chief Financial Officer, Principal Accounting Officer, Secretary, and Director, John Ohl, Engineering Director ReadyOp communications, Inc., Gene Hubbard, Technical Assistant ReadyOp Communications, Inc, Jennifer Ohl, Customer Service Manager, ReadyOp Communications, Inc. and Gabriel Saffold, Director Research and Development.

Transfer Agent

Our transfer agent is ClearTrust, LLC, whose address is 16540 Pointe Village Drive, Suite 206, Lutz, Florida 33558, and telephone number is (813) 235-4490.

Company Contact Information

Our principal executive offices are located at 8000 North Federal Highway, Suite 100, Boca Raton, Florida 33487, telephone (561) 939-3300. Our email address is info@cleartronic.com. The Cleartronic Internet website is located at www.cleartronic.com. The information contained in our website shall not constitute part of this report.

Item 1A. Risk Factors.

Not applicable.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We lease approximately 1,700 square feet for our principal offices in Boca Raton, Florida, from an unaffiliated party at a monthly rental of approximately \$3,630. The lease expires on November 30, 2021.

Item 3. Legal Proceedings.

Cleartronic is not engaged in any litigation at the present time, and management is unaware of any claims or complaints that could result in future litigation. Management will seek to minimize disputes with our customers but recognizes the inevitability of legal action in today's business environment as an unfortunate price of conducting business.

Item 4. (Removed and Reserved).

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock has been traded on the OTC PINK since May 1, 2015, under the symbol "CLRI." Previously, the shares of our common stock were traded on the OTCQB from May 16, 2013 until May 1, 2015.

The following table sets forth, taking into consideration the one for 3,000 reverse split of our common stock which occurred on December 28, 2012, the high and low bid prices for our common stock on the OTCQB and OTC PINK as reported by various market makers. The quotations do not reflect adjustments for retail mark-ups, mark-downs, or commissions and may not necessarily reflect actual transactions.

	High	Low
Fiscal 2018 Quarter Ended:		
December 31, 2017	\$0.06492	\$0.037
March 31, 2018	\$0.085	\$0.0351
June 30, 2018	\$0.085	\$0.025
September 30, 2018	\$0.05	\$0.0201
Fiscal 2019 Quarter Ended:		
December 31, 2018	\$0.035	\$0.0201
March 31, 2019	\$0.0285	\$0.02
June 30, 2019	\$0.0285	\$0.0071
September 30, 2019	\$0.06	\$0.0275

As of December 30, 2019, we were authorized to issue 5,000,000,000 shares of our common stock, of which 211,994,635 shares were outstanding. Our shares of common stock are held by approximately 200 stockholders of record. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners of our common stock whose shares are held in the names of various securities brokers, dealers, and registered clearing agencies. In addition to our authorized common stock, Cleartronic is authorized to issue 200,000,000 shares of preferred stock, par value \$0.00001 per share, of which 8,617,275 shares are issued or outstanding. There is no trading market for the shares of our preferred stock.

Dividends

As of September 30, 2019 we have converted \$87,800 of accrued dividends into common stock. We do not anticipate paying any cash dividends or other distributions on our common stock in the foreseeable future. Any future dividends will be declared at the discretion of our board of directors and will depend, among other things, on our earnings, if any, our financial requirements for future operations and growth, and other facts as our board of directors may then deem appropriate. See "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," for a description of our preferred stock and dividend rights pertaining to the preferred stock.

The Company is obligated to pay dividends on its Series A Convertible Preferred Stock. Each Series A Preferred Holder is entitled to receive cumulative dividends at the rate of 8% of \$1.00 per annum for each outstanding share of Series A Preferred then held by such Series A Preferred Holder, on a pro rata basis. As of September 30, 2019 and 2018, the cumulative arrearage of undeclared dividends totaled \$41,921 and \$88,683, respectively.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	-0-	-0-	-0-
Equity compensation plans not approved by security holders	-0-	-0-	-0-
Total	-0-	-0-	-0-

Recent Sales of Unregistered Securities

On the dates specified below, we have issued unregistered securities to various creditors and investors.

- On December 18, 2018, the Company sold 3,333,334 shares of common stock to two investors for \$100,000 cash.
- On June 18, 2019 a shareholder converted a \$25,000 promissory note, \$9,712 of accrued interest, and \$7,204 of accrued dividends into 1,397,211 shares of common stock at a conversion price of \$0.03 per share.
- On June 18, 2019, a shareholder and director converted a \$40,000 promissory note and \$12,590 of accrued interest into 1,752,988 shares of common stock at a conversion price of \$0.03 per share.
- On September 30, 2019, a shareholder and director converted \$80,596 of accrued dividends into 1,611,912 shares of common stock at a conversion price of \$0.05 per share.

Our unregistered securities were issued in reliance upon an exemption from registration pursuant to Section 4(a)(2) of the Securities Act or Rule 506(c) of Regulation D promulgated under the Securities Act. Each investor took his securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. Our securities were sold only to an accredited investor, as defined in the Securities Act, and after a thorough discussion. Finally, our stock transfer agent has been instructed not to transfer any of such securities, unless such securities are registered for resale or there is an exemption with respect to their transfer.

All of the above described investors who received shares of our common stock or preferred stock were provided with access to our filings with the SEC, including the following:

- The information contained in our annual report on Form 10-K under the Exchange Act.
- The information contained in any reports or documents required to be filed by Cleartronic under sections 13(a), 14(a), 14(c), and 15(d) of the Exchange Act since the distribution or filing of the reports specified above.
- A brief description of the securities being offered, and any material changes in our affairs that were not disclosed in the documents furnished.

Purchases of Equity Securities by the Registrant and Affiliated Purchasers

There were no purchases of our equity securities by Cleartronic.

- On June 18, 2019 a shareholder converted a \$25,000 promissory note, \$9,712 of accrued interest, and \$7,204 of accrued dividends into 1,397,211 shares of common stock at a conversion price of \$0.03 per share.
- On June 18, 2019, a shareholder and director converted a \$40,000 promissory note and \$12,590 of accrued interest into 1,752,988 shares of common stock at a conversion price of \$0.03 per share.
- On September 30, 2019, a shareholder and director converted \$80,596 of accrued dividends into 1,611,912 shares of common stock at a conversion price of \$0.05 per share.

Item 6. Selected Financial Data.

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

THE FOLLOWING DISCUSSION SHOULD BE READ TOGETHER WITH THE INFORMATION CONTAINED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES INCLUDED ELSEWHERE IN THIS ANNUAL REPORT ON FORM 10-K.

The following discussion reflects our plan of operation. This discussion should be read in conjunction with the financial statements which are attached to this report. This discussion contains forward-looking statements, including statements regarding our expected financial position, business and financing plans. These statements involve risks and uncertainties. Our actual results could differ materially from the results described in or implied by these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this report, particularly under the headings "Special Note Regarding Forward-Looking Statements."

Unless the context otherwise suggests, "we," "our," "us," and similar terms, as well as references to "Cleartronic," all refer to Cleartronic, Inc. and our subsidiaries as of the date of this report.

Going Concern

On September 30, 2019, we had current assets of \$282,628 and current liabilities of \$1,329,725. Our independent certified public accountants have stated in their report on our audited consolidated financial statements for the fiscal year end that there is a substantial doubt about our ability to continue as a going concern. In the absence of significant revenue and profits, we will be completely dependent on additional debt and equity financing. If we are unable to raise needed funds on acceptable terms, we will not be able to execute our business plan, develop or enhance existing services, take advantage of future opportunities, if any, or respond to competitive pressures or unanticipated requirements. If we do not obtain sufficient capital, we will not be able to continue operations.

As of September 30, 2019, Cleartronic had an accumulated deficit of \$16,221,110, which included a net loss of \$176,598 reported for the year ended September 30, 2019. Also, during the year ended September 30, 2019, we used net cash of \$69,357 for operating activities. These factors raise substantial doubt about our ability to continue as a going concern.

While we are attempting to generate revenues, our cash position may not be significant enough to support our daily operations. Management intends to raise additional funds by way of an offering of our debt or equity securities. Management believes that the actions presently being taken to further implement our business plan and generate revenues provide the opportunity for Cleartronic to continue as a going concern. While we believe in the viability of our strategy to generate revenues and in our ability to raise additional funds, we may not be successful. Our ability to continue as a going concern is dependent upon our capability to further implement our business plan and generate revenues.

Results of Operations

Year Ended September 30, 2019, Compared to Year Ended September 30, 2018.

Revenues. Revenues increased 49% to \$1,164,191 in 2019, from \$782,232 during 2018. This increase of approximately \$381,959 was primarily due to increased sales of the ReadyOp software platform. Revenue from our other subsidiary, VoiceInterop, Inc., decreased approximately 54% to \$87,254 from \$191,635.

Cost of Revenues and Gross Margins. Cost of revenues increased from \$123,644 in 2018, to \$246,117 in 2019. Gross margins increased by approximately 39% from \$918,074 in 2019 to \$658,588 in 2018. The primary reason for the increase in gross margin was due to lowering cost of revenue related to ReadyOp software subscriptions.

Operating Expenses. Operating expenses increased approximately 11% in 2019, to \$1,225,734 compared to \$1,104,229 during 2018. Operating expenses include selling expenses, administrative expenses, research and development costs and amortization expense.

Selling Expenses. Selling expenses increased approximately 42% from \$420,123 in 2018, to \$595,825 in 2019, primarily due to increased travel expenses and trade show costs.

Administrative Expenses. Administrative expenses remain fairly consistent from \$348,330 in 2018, to \$348,960 in 2019.

Research and Development Expenses. Research and development expenses decreased approximately 7% to \$207,707 in 2019, from \$222,256 in 2018, due to decreased development expense related to a technology license agreement with the University of South Florida Research Foundation and decreased expense associated with the ReadyOP software platform.

Amortization Expenses. Amortization expense was \$73,242 in 2019 and \$113,520 in 2018 a decrease of 35%. The decrease was primarily due to the ReadyOp Customer List which was fully amortized in 2019.

Other Income and Other Expense. Interest and other expense increased from \$13,324 in 2018 to \$17,871 in 2019. The increase was primarily due to an increase in interest expense. Other income of approximately \$253,480 was attributable to the settlement of old accounts payable.

Net Loss. Net losses were \$176,598 and \$532,809 for 2019 and 2018, respectively.

Liquidity and Capital Resources

Cash and cash equivalents increased by \$27,285 during the fiscal year ended September 30, 2019, to \$27,698. Net cash used in operating activities for the fiscal year ended September 30, 2019, was \$69,357 as compared to \$21,365 for the fiscal year ended September 30, 2018. We funded our operating activities during the most recent fiscal year through investing and financing activities that generated net proceeds of approximately \$96,642.

At September 30, 2019, our total liabilities were \$1,479,543, which included \$264,855 in accounts payable, \$123,300 in accrued expenses, \$92,869 in notes payable stockholders, \$26,756 in customer deposits and \$776,537 in deferred revenue.

Based on our VoiceInterop business and the acquisition of the ReadyOp software platform and the Collabria client list we have developed a business plan. The business plan calls for us to continue to market and sell unified communications hardware and software directly to enterprise customers. We intend to market the *ReadyOp*TM software through commissioned sales representatives. We believe these sales will increase the sales of the *AudioMate 360 IP Gateway*

We believe that in order to fund our business plan, we will need approximately \$1,380,000 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 have also had discussions with several securities broker-dealers with respect to a private or public offering of our securities. Although none of such discussions has resulted in any funding, we intend to continue to have such discussions in the future. We also intend to continue to seek private financing from certain of our existing stockholders and others.

Our current operating expenses are approximately \$115,000 per month. In order for us to cover our monthly operating expenses, we must generate approximately \$175,000 per month in revenue. Accordingly, in the absence of sufficient revenues, we must raise \$115,000 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 must secure \$1,380,000 in equity or debt capital. If we are unsuccessful in securing sufficient capital or revenues, we will be unable to continue our business activities.

Investing Activities

Net cash used in investing activities was \$0 for fiscal year ended September 30, 2019, and \$0 in 2018.

Financing Activities

Net cash provided by financing activities was \$96,642 during fiscal 2019. This included \$43,810 from installment loan-discontinued operations less repayment of installment loan of \$39,964, proceeds from the issuance of common stock of \$100,000 less dividends paid of \$7,204. Net cash provided by financing activities was approximately \$14,218 during fiscal year 2018. This included proceeds from Note Payable Stockholders of \$30,000 less repayment of notes payable stockholder of \$15,782.

Critical Accounting Policies

Our consolidated financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. Critical accounting policies include revenue recognition and impairment of long-lived assets.

Revenue Recognition and Deferred Revenues

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which supersedes the revenue recognition requirements in Accounting Standards Codification 605, "Revenue Recognition." This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU No. 2015-14, which deferred the effective date of the new revenue standard by one year, and allowed entities the option to early adopt the new revenue standard as of the original effective date. There have been multiple standards updates amending this guidance or providing corrections or improvements on issues in the guidance. The requirements for these standards relating to Topic 606 are effective for interim and annual periods beginning after December 15, 2017. This standard permitted adoption using one of two transition methods, either the retrospective or modified retrospective transition method. The Company adopted these standards at the beginning of fiscal year 2019 using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of these standards did not have a material impact on the Company's consolidated statements of operations during the year ended September 30, 2019.

The Company revenue recognition policy follows guidance from Accounting Standards Codification (ASC) 606, Revenue from contract with customers. Revenue is recognized when the Company transferred promised goods and services to the customer and in the amount that reflect the consideration to which the company expected to be entitled in exchange for those goods and services.

-The Company applies the following five-step model in order to determine this amount:

-Identification of Contact with a customer;

-Identify the performance obligation of the contract

-Determine transaction price;

-Allocation of the transaction price to the performance obligations; and

-Recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company generates revenue primarily through the sale of integrated hardware and software licenses. The portion of the contract that is associated with ongoing hosting and related customer service is amortized monthly over the license period. The Company incurs certain incremental contract costs (referred to as deferred subscriber acquisition costs, net) including selling expenses (primarily commissions) related to acquiring customers. Deferred subscriber acquisition costs, net are included in prepaid and expenses and other current assets on the consolidated balance sheet. Commissions paid in connection with acquiring new customers are determined based on the value of the contractual fees. Deferred subscriber acquisition costs will be amortized over the license period.

In transactions in which hardware is sold to the customer, the Company recognizes revenue over the related software license period as the hardware cannot be used without a license and has no other alternative use.

The Company allocates the transaction price to each performance obligation based on a relative standalone selling price. Revenue associated with the sale and installation of system licenses is recognized once installation is complete.

Customer billings for services not yet rendered are deferred and recognized as revenue as services are provided. These fees are recorded as current deferred revenue on the consolidated balance sheet as the Company expects to satisfy any remaining performance obligations as well as recognize the related revenue within the next twelve months. Accordingly, the Company has applied the practical expedient regarding deferred revenue to exclude the value of remaining performance obligations if (i) the contract has an original expected term of one year or less or (ii) the Company recognizes revenue in proportion to the amount it has the right to invoice for services performed.

The adoption of this standard did not have a material impact on the Company's consolidated statements of operations during the year ended September 30, 2019.

Inventory

Inventory consists of finished goods to be shipped along with completed circuit boards and parts necessary for final assembly of finished product. All existing inventory is considered current and usable and no reserve for obsolescence was carried for the years ended September 30, 2019 and 2018.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The adoption of ASU 2016-02 will have a material impact on its balance sheet as the Company will record material assets and obligations primarily related to its office space lease. The Company expects to record right-of-use and the corresponding operating lease liability of approximately \$79,000 based on the present value of the remaining minimum rental payments using discount rates as of the application date. The Company also expects to record the right of use assets of approximately \$75,000 based upon the operations lease liability adjusted deferred rent. The amount will be included in assets and liabilities from discontinued operations. The Company does not expect to have a material impact on its statement of income or statement of cash flows.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which supersedes the revenue recognition requirements in Accounting Standards Codification 605, "Revenue Recognition." This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU No. 2015-14, which deferred the effective date of the new revenue standard by one year, and allowed entities the option to early adopt the new revenue standard as of the original effective date. There have been multiple standards updates amending this guidance or providing corrections or improvements on issues in the guidance. The requirements for these standards relating to Topic 606 are effective for interim and annual periods beginning after December 15, 2017. This standard permitted adoption using one of two transition methods, either the retrospective or modified retrospective transition method. The Company adopted these standards at the beginning of fiscal year 2019 using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of these standards did not have a material impact on the Company's consolidated statements of operations during the year ended September 30, 2019.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

The financial statements and related notes are included as part of this report as indexed in the appendix on page F-1, *et seq.*

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None

Item 9A. Controls and Procedures.

Evaluation of Disclosure and Controls and Procedures. We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined) in Exchange Act Rules 13a – 15(c) and 15d – 15(e)). Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2019, our disclosure controls and procedures were effective (1) to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (2) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to us, including our Chief Executive and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a, *et seq.*) is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, internal control over financial reporting may not prevent or detect misstatements, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the registrant have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management’s Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

The term internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2019. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO-2013) in Internal Control-Integrated Framework.

Changes in Internal Control Over Financial Reporting. There have been no changes in the registrant's internal control over financial reporting through the date of this report or during the quarter ended September 30, 2019, that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Independent Registered Accountant's Internal Control Attestation. This report does not include an attestation report of the registrant's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the registrant's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the registrant to provide only management's report in this report.

Remediation plans for material weaknesses over internal controls. Our plans to mitigate material weaknesses in disclosure controls and procedures for future filings will be dependent on our ability to obtain adequate financing to fund development of our financial reporting infrastructure. At this time it is not cost beneficial for us to utilize capital to focus on mitigating financial reporting weaknesses; however, we expect to implement a plan for remediation of these deficiencies when sufficient funding to implement such a plan is available.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth information concerning the directors and executive officers of Cleartronic as of the date of this report:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Director Since</u>
Richard J. Martin	60	Chairman and Director	2016
Michael M. Moore	65	Chief Executive Officer and Director	2015
Larry M. Reid	75	President, Chief Financial Officer, Secretary and Director	1999

The members of our board of directors are subject to change from time to time by the vote of the stockholders at special or annual meetings to elect directors. Our current board of directors consists of three directors, who have expertise in the business of Cleartronic. Upon receipt of sufficient funds either from revenues or through receipt of funds from debt or sales of our common stock and preferred stock, we intend to seek directors and officers who would be able to assist in the execution of our business plan.

The foregoing notwithstanding, except as otherwise provided in any resolution or resolutions of the board, directors who are elected at an annual meeting of stockholders, and directors elected in the interim to fill vacancies and newly created directorships, will hold office for the term for which elected and until their successors are elected and qualified or until their earlier death, resignation or removal.

Whenever the holders of any class or classes of stock or any series thereof are entitled to elect one or more directors pursuant to any resolution or resolutions of the board, vacancies and newly created directorships of such class or classes or series thereof may generally be filled by a majority of the directors elected by such class or classes or series then in office, by a sole remaining director so elected or by the unanimous written consent or the affirmative vote of a majority of the outstanding shares of such class or classes or series entitled to elect such director or directors. Officers are elected annually by the directors. There are no family relationships among our directors and officers.

We may employ additional management personnel, as our board of directors deems necessary. Cleartronic has not identified or reached an agreement or understanding with any other individuals to serve in management positions, but does not anticipate any problem in employing qualified staff.

A description of the business experience for the directors and executive officers of Cleartronic is set forth below.

Richard J. Martin currently serves as Chairman and Director of Cleartronic, Inc. Prior to joining the Cleartronic team, Martin served as CEO of SMARTLogix, Inc., a petroleum logistics technology company which he founded in 2000. With Martin at the helm for 15 years, SMARTLogix was positioned as the dominant player in the market and was acquired by a private equity firm in 2015. Graduating with an Engineering degree from The University of Buffalo's School of Engineering, Martin was immediately recruited by Exxon to join their Management Development Program where he quickly rose through the ranks. Following a considerable tenure at Exxon, he leaped into entrepreneurship by purchasing a small Exxon distributorship in the Carolinas. As a result of his capable management, Culp Petroleum was transformed into a large southeast regional distribution company. While at Culp, Martin developed and implemented several disruptive technologies that have since become industry standards. Martin sold the petroleum business in 2005 and focused his efforts on his technology ventures including the SMARTank division of SMARTLogix. SMARTank grew substantially and the technology was later sold to a public company in 2011. A proven leader in building companies and incorporating innovations, as well as a current member of several boards driving technology and growth, Martin will prove instrumental in guiding Cleartronic's future.

Michael M. Moore is currently Chief Executive Officer and a Director of Cleartronic, Inc. He was founder and CEO of Collabria, LLC, a private software development company. Prior to founding Collabria in 2008, Moore for 13 years was CEO of DTNet Group and for seven years served as CEO of Payroll Transfers, Inc. He also was an assistant vice president with both Kidder Peabody and Merrill Lynch. Mr. Moore is an honors graduate of the United States Air Force Academy and served as an Air Force fighter pilot for eight years, flying F-4 and F-16 fighter jets. He is also one of six entrepreneurs profiled in the book; Daring Visionaries, How Entrepreneurs Build Companies, Inspire Allegiance, and Create Wealth.

Larry Reid is the founder of Cleartronic and a co-founder of VoiceInterop. With over thirty years of executive management experience including sales and marketing, operations management, and financial management, from 2001 to 2005 Mr. Reid served as CFO and director of Connectivity, Inc., a manufacturer and distributor of emergency call boxes. He was instrumental in Connectivity's acquisition by CNE Group, Inc., (an American Stock Exchange listed company) and served as Executive Vice President and Director of CNE from 2003 to 2005. Mr. Reid has broad experience in venture start-ups, raising capital, building organizational synergies, creating and developing joint ventures and strategic partnerships, opening new markets, and driving key business initiatives. Early in his professional career in corporate financial management, Mr. Reid was responsible for raising more than \$5 million in start-up capital for Ocurest Laboratories, Inc., a company he co-founded to package and distribute over-the-counter eye drops in a new (patented) eye drop dispenser. He forged Ocurest's successful IPO in 1996 and helped lead the company's achieving an estimated 80% market penetration of optical supply retail outlets in the United States.

Committees of the Board

We do not currently have an Audit, Executive, Finance, Compensation, or Nominating Committee, or any other committee of the Board of Directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, our directors and certain of our officers, and persons holding more than 10 percent of our common stock are required to file forms reporting their beneficial ownership of our common stock and subsequent changes in that ownership with the United States Securities and Exchange Commission. Such persons are also required to furnish Cleartronic with copies of all forms so filed.

Based solely upon a review of copies of such forms filed on Forms 3, 4, and 5, and amendments thereto furnished to us, we believe that as of the date of this report, our executive officers, directors and greater than 10 percent beneficial owners have not complied on a timely basis with all Section 16(a) filing requirements.

Communication with Directors

Stockholders and other interested parties may contact any of our directors by writing to them at Cleartronic, Inc., at 8000 North Federal Highway, Suite 100, Boca Raton, Florida 33487, Attention: Corporate Secretary.

Our board has approved a process for handling letters received by us and addressed to any of our directors. Under that process, the Secretary reviews all such correspondence and regularly forwards to the directors a summary of all such correspondence, together with copies of all such correspondence that, in the opinion of the Secretary, deal with functions of the board or committees thereof or that he otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by us that are addressed to members of the board and request copies of such correspondence.

Conflicts of Interest

With respect to transactions involving real or apparent conflicts of interest, we have not adopted any written policies and procedures.

Code of Ethics for Senior Executive Officers and Senior Financial Officers

We have not adopted a Code of Ethics for Senior Executive Officers and Senior Financial Officers.

Item 11. Executive Compensation.

Summary of Cash and Certain Other Compensation

At present, Cleartronic has two one executive officers, Michael M. Moore and Larry M. Reid. We executed an Employment Agreement with Mr. Reid on March 13, 2015. The Employment Agreement replaces our previously executed Employment Agreement with Mr. Reid. Pursuant to the Employment Agreement (the "Agreement"), Cleartronic and Mr. Reid agreed that for a one year period beginning on March 13, 2015, we employed Mr. Reid to perform services for us both on and offsite. The last day of the one year period shall be the "Termination Date" for purposes of the Agreement. Termination of the agreement can be made by either party without penalty upon 10 days written notice.

Unless Cleartronic shall have given Mr. Reid written notice at least 30 days prior to the Termination Date, the Agreement shall automatically renew and continue in effect for additional one-year periods (and all provisions of this anniversary from such original Termination Date shall thereafter be designated as the "Termination Date" for all purposes under the Agreement, provided, however, that we may, at our election at any time after the expiration of the initial term of the Agreement, give Mr. Reid notice of Termination, in which event he shall continue to receive, as severance pay, six months of his base salary, if any, or the amount due through the next "Termination Date", whichever is less. Mr. Reid may terminate the Agreement without severance pay upon 10 days written notice to the Company. Under the Agreement, Mr. Reid agreed that he shall carry out the strategic plans and policies as established by our business plan. Mr. Reid will advise us from time to time on organization, hiring, mergers, and execution of our business plan.

Mr. Reid is paid a base salary of \$8,000 per month. In addition, Mr. Reid agreed to cancel 2,000,000,000 shares of common stock previously issued to him for conversion of Series C Preferred stock. As additional consideration for the cancellation of the common shares the Company agreed to issue Mr. Reid 200,000 shares of Series C Preferred stock.

Michael M. Moore is the Chief Executive Officer of the Company. We executed an Employment Agreement with Mr. Moore on November 28, 2016. Pursuant to the Employment Agreement (the "Agreement"), Cleartronic and Mr. Reid agreed that for a one year period beginning on November 28, 2016, we employed Mr. Reid to perform services for us both on and offsite. The last day of the one year period shall be the "Termination Date" for purposes of the Agreement. Termination of the agreement can be made by either party without penalty upon 10 days written notice. Mr. Moore is paid a base salary of \$16,667 per month.

Unless Cleartronic shall have given Mr. Moore written notice at least 30 days prior to the Termination Date, the Agreement shall automatically renew and continue in effect for additional one-year periods (and all provisions of this anniversary from such original Termination Date shall thereafter be designated as the "Termination Date" for all purposes under the Agreement, provided, however, that we may, at our election at any time after the expiration of the initial term of the Agreement, give Mr. Moore notice of Termination, in which event he shall continue to receive, as severance pay, six months of his base salary, if any, or the amount due through the next "Termination Date", whichever is less. Mr. Moore may terminate the Agreement without severance pay upon 10 days written notice to the Company. Under the Agreement, Mr. Moore agreed that he shall carry out the strategic plans and policies as established by our business plan. Mr. Moore will advise us from time to time on organization, hiring, mergers, and execution of our business plan.

Summary Compensation Table

The following table sets forth, for our named executive officers for the two completed fiscal years ended September 30, 2019, and 2018:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified deferred compensation earnings (\$)	All Other Compensation (\$)	Total (\$)
Larry M. Reid (1)	2018	96,000	-0-	-0-	-0-	-0-	-0-	-0-	96,000
	2019	96,000	-0-	-0-	-0-	-0-	-0-	-0-	96,000
Michael Moore(2)	2018	200,000	-0-	-0-	-0-	-0-	-0-	-0-	200,000
	2019	200,000	-0-	-0-	-0-	-0-	-0-	-0-	200,000

(1) Mr. Reid is our President, Chief Financial Officer, Principal Accounting Officer, Secretary, and a director.
 (2) Mr. Moore is our CEO and a director.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information for each of our named executive officers as of the end of our last completed fiscal year, September 30, 2019:

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Larry M. Reid (1)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Michael Moore (2)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

(1) Mr. Reid is our president, chief financial officer, principal accounting officer, secretary, and a director.
 (2) Mr. Moore is our CEO and a director.

Employment Agreements

See "Summary of Cash and Certain Other Compensation," above.

Director Compensation

See "Summary of Cash and Certain Other Compensation," above.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table presents information regarding the beneficial ownership of all shares of our common stock and preferred stock as of the date of this report by:

- Each person who owns beneficially more than five percent of the outstanding shares of our common stock;
- Each person who owns beneficially outstanding shares of our preferred stock;
- Each director;
- Each named executive officer; and
- All directors and officers as a group.

Name of Beneficial Owner (1)	Shares of Common Stock Beneficially Owned (2)		Shares of Preferred Stock Beneficially Owned (2)	
	Number	Percent	Number	Percent
Larry M. Reid (3)	<u>5,016,325</u>	<u>2.37%</u>	<u>511,225</u>	<u>5.93%</u>
Marc Moore(4)	<u>5,702,988</u>	<u>2.69%</u>	<u>3,000,000</u>	<u>34.18%</u>
Richard J. Martin	<u>-0-</u>	<u>-0-</u>	<u>1,582,966</u>	<u>18.37%</u>
All directors and officers as a group (one person)	<u>10,719,313</u>	<u>5.06%</u>	<u>5,094,199</u>	<u>59.12%</u>

(1) Unless otherwise indicated, the address for each of these stockholders is c/o Cleartronic, Inc., at 8000 North Federal Highway, Suite 100, Boca Raton, Florida 33487. Also, unless otherwise indicated, each person named in the table above has the sole voting and investment power with respect to our shares of common stock or preferred stock which he beneficially owns.

(2) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. As of the date of this report, we have 5,000,000,000 authorized shares of common stock, par value \$0.00001 per share, of which 211,994,635 shares were issued and outstanding. As of the date of this report, we have 71,250,010 authorized and designated shares of preferred stock, par value \$0.00001 per share, of which 8,617,275 shares were issued and outstanding. Mr. Reid owns 511,525 shares of Series C Preferred stock. See below for a description of our preferred stock and voting rights. Mr. Martin owns 512,996 shares of our Series A Preferred stock and 1,070,000 shares of our Series C Preferred stock.

(3) Mr. Reid is our president, chief financial officer, principal accounting officer, secretary, and director.

(4) Mr. Moore is our chief executive officer and a director. Mr. Moore owns 5,702,988 shares of our common stock and 3,000,000 shares of our Series E Preferred stock.

Other than as stated herein, there are no arrangements or understandings, known to us, including any pledge by any person of our securities:

- The operation of which may at a subsequent date result in a change in control of Cleartronic; or
- With respect to the election of directors or other matters.

Preferred Stock

As of the date of this report, we have 200,000,000 authorized shares of preferred stock, par value \$0.00001 per share, of which 8,617,275 shares were issued and outstanding. There are currently 5 series of preferred stock designated as follows:

- 1,250,000 shares have been designated as Series A Preferred Stock, 512,996 of which are issued and outstanding;
- 10 shares have been designated as Series B Preferred Stock, none of which is issued and outstanding;
- 50,000,000 shares have been designated as Series C Preferred Stock, 4,433,375 of which are issued and outstanding; and
- 10,000,000 shares have been designated as Series D Preferred Stock, 670,904 of which are issued and outstanding.
- 10,000,000 shares have been designated Series E Preferred stock, of which 3,000,000 are issued and outstanding.

Pursuant to our Articles of Incorporation establishing our preferred stock:

- A holder of shares of the Series A Preferred Stock is entitled to the number of votes equal to the number of shares of the Series A Preferred Stock held by such holder multiplied by one on all matters submitted to a vote of our stockholders. Each one share of our Series A Preferred Stock shall be convertible into 100 shares of our common stock. Each holder of Series A Preferred Stock is entitled to receive cumulative dividends at the rate of 8% of \$0.50 per annum on each outstanding share of Series A Preferred Stock then held by such holder, on a pro rata basis.
- A holder of shares of the Series B Preferred Stock is entitled one vote per share on all matters submitted to a vote of our stockholders. If at least one share of Series B Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series B Preferred Stock at any given time, regardless of their number, shall have voting rights equal to two times the sum of the total number of shares of our common stock which are issued and outstanding at the time of voting, plus the total number of shares of any shares of our preferred stock which are issued and outstanding at the time of voting. A holder of shares of the Series B Preferred Stock shall have no conversion rights or rights to dividends.

· A holder of shares of the Series C Preferred Stock is entitled, to the number of votes equal to the number of shares of the Series C Preferred Stock held by such holder multiplied by 5 on all matters submitted to a vote of our stockholders. In addition, the holders of our Series C Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. No dividends have been declared. Finally, each one share of our Series C Preferred Stock shall be convertible into five shares of our common stock.

· A holder of shares of the Series D Preferred Stock is entitled, to the number of votes equal to the number of shares of the Series D Preferred Stock held by such holder multiplied by 5 on all matters submitted to a vote of our stockholders. In addition, the holders of our Series D Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. No dividends have been declared. Finally, each one share of our Series D Preferred Stock shall be convertible into five shares of our common stock.

· A holder of shares of the Series E Preferred Stock is entitled, to the number of votes equal to the number of shares of the Series E Preferred Stock held by such holder multiplied by 100 on all matters submitted to a vote of our stockholders. In addition, the holders of our Series E Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. No dividends have been declared. Finally, each one share of our Series E Preferred Stock shall be convertible into 100 shares of our common stock.

Item 13. Certain Relationships and Related Transactions and Director Independence.

See "Summary of Cash and Certain Other Compensation," above.

Item 14. Principal Accounting Fees and Services.

Audit Fees

The aggregate fees billed by Liggett & Webb P A for professional services rendered for the audit and reviews of our financial statements for the fiscal years ended September 30, 2019 and 2018 were \$46,000 and \$26,000, respectively.

Audit Related Fees

The aggregate audit-related fees billed by Liggett & Webb PA for professional services rendered for the audit of our annual financial statements for the fiscal years ended September 30, 2019 and 2018 was \$27,500 and \$0, respectively.

Tax Fees

The aggregate tax fees billed by Liggett & Webb PA professional services rendered for tax services for the fiscal years ended September 30, 2019 and 2018 was \$1,200 and \$1,200, respectively.

All Other Fees

There were no other fees billed by Liggett & Webb PA for professional services rendered during the fiscal years ended September 30, 2019 and 2018, other than as stated under the captions Audit Fees, Audit-Related Fees, and Tax Fees.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

Given the small size of our Board, our Board acts as our Audit Committee. Our Board pre-approves all audit and permissible non-audit services. These services may include audit services, audit-related services, tax services, and other services. Our Board approves these services on a case-by-case basis.

Item 15. Exhibits, Financial Statement Schedules.

- (a) All financial statements are included in Item 8 of this report.
- (b) All financial statement schedules required to be filed by Item 8 of this report and the exhibits contained in this report are included in Item 8 of this report.
- (c) The following exhibits are attached to this report:

Exhibit No.	Identification of Exhibit
<u>3.1**</u>	Articles of Incorporation, filed as exhibit 3.01 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.2**</u>	Articles of Amendment to Articles of Incorporation filed March 12, 2001, filed as exhibit 3.02 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.3**</u>	Articles of Amendment to Articles of Incorporation filed October 4, 2004, filed as exhibit 3.03 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.4**</u>	Articles of Amendment to Articles of Incorporation filed March 31, 2005, filed as exhibit 3.04 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.5**</u>	Articles of Amendment to Articles of Incorporation filed May 9, 2008, filed as exhibit 3.02 to the registrant's registration statement on Form S-1 on May 28, 2008, Commission File Number 333-135585.
<u>3.6**</u>	Articles of Amendment to Articles of Incorporation filed June 28, 2010, filed as exhibit 3.7 to the registrant's Form 10-Q on February 14, 2011, Commission File Number 333-135585.
<u>3.7**</u>	Articles of Amendment to Articles of Incorporation filed May 6, 2011, filed as exhibit 3.1 to the registrant's Form 8-K on May 6, 2011, Commission File Number 333-135585.
<u>3.8**</u>	Articles of Amendment to Articles of Incorporation filed April 19, 2012, filed as exhibit 3.09 to the registrant's Form 10-Q on May 14, 2012, Commission File Number 333-135585.
<u>3.9**</u>	Articles of Amendment to Articles of Incorporation filed September 7, 2012, filed as exhibit 3.1 to the registrant's Form 8-K on September 7, 2012, Commission File Number 333-135585.
<u>3.10**</u>	Articles of Amendment to Articles of Incorporation filed September 19, 2012, filed as exhibit 3.1 to the registrant's Form 8-K on September 19, 2012, Commission File Number 333-135585.
<u>3.11**</u>	Articles of Amendment to Articles of Incorporation filed October 5, 2012, filed as exhibit 3.1 to the registrant's Form 8-K on October 5, 2012, Commission File Number 333-135585.

- [3.12**](#) Articles of Amendment to Articles of Incorporation filed December 28, 2013, filed as exhibit 3.12 to the registrant's Form 8-K on January 14, 2014, Commission File Number 333-135585.
- [3.13**](#) Bylaws, filed as exhibit 3.05 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
- [3.14**](#) Amended and Restated Bylaws, filed as exhibit 3.1 to the registrant's Form 8-K on July 26, 2010, Commission File Number 333-135585.
- [10.1**](#) Employment Agreement dated October 5, 2012, between Larry M. Reid and the registrant, filed as exhibit 10.1 to the registrant's Form 8-K on October 12, 2012, Commission File Number 333-135585.
- [10.2**](#) Lease Agreement dated November 30, 2014, between BGNP Associates, LLC and Cleartronic, Inc, filed as Exhibit 10.10 to the registrant's Form 10-K on January 13, 2015, Commission File Number 000-55329
- [10.3**](#) Employment Agreement dated March 13, 2015, between Larry M. Reid and the registrant, filed as Exhibit 10.1 to the registrant's Form 8-K on March 18, 2015, Commission File Number 000-55329
- [10.4**](#) Subscription Agreement between registrant and private accredited investor dated March 31, 2015 for purchase of 278,743 shares of Series D Convertible Preferred stock, filed as exhibit 10.1 to the registrant's Form 8-K on April 10, 2015, Commission File Number 000-55329
- [10.5**](#) Subscription Agreement between registrant and private accredited investor dated March 31, 2015 for purchase of 270,024 shares of Series D Convertible Preferred stock, filed as exhibit 10.2 to the registrant's Form 8-K on April 10, 2015, Commission File Number 000-55329
- [10.6**](#) Subscription Agreement between registrant and private accredited investor dated March 31, 2015 for purchase of 278,743 shares of Series D Convertible Preferred stock, filed as exhibit 10.3 to the registrant's Form 8-K on April 10, 2015, Commission File Number 000-55329

[10.7**](#) Promissory Note date November 24, 2015 in the original amount of \$50,000 issued to Mr. Marc Moore filed as exhibit 10.18 to the registrant's Form 10-K on January 13, 2016, Commission File 000-55329.

[10.8**](#) Asset Purchase Agreement dated November 29, 2016 between the registrant and Collabria LLC. Filed as an exhibit to the registrant's Form 8-K on December 5, 2016.

[10.9**](#) Employment Agreement dated November 28, 2016 between the registrant and Mr. Moore.

[10.10*](#) Promissory Note dated September 27, 2017 in the amount of \$35,000 issued to Richard Martin.

[10.11*](#) Promissory Note dated October 12, 2017 in the amount of \$15,000 issued to Richard Martin

[10.12*](#) Installment Note dated September 30, 2019 in the amount of \$75,279 issued to Richard Martin

[10.13*](#) Lease Agreement dated December 1, 2018 , between BGNP Associates, LLC and VoiceInterop, Inc.

[10.14*](#) Promissory Note dated December 2, 2019 in the amount of \$50,000 issued to Mr. John F. Marek. Filed herewith.

[31.1*](#) Certification of Michael M. Moore, Chief Executive Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.

[31.2*](#) Certification of Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.

[32.1*](#) Certification of Michael M. Moore, Chief Executive Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.

[32.1*](#) Certification of Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.

101 XBRL Documents

*Filed herewith.

**Previously filed.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEARTRONIC, INC.

Date: January 14, 2020

By /s/ Michael M. Moore
Michael M. Moore, Chief Executive Officer

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

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

Date: January 14, 2020

By /s/ Michael M. Moore
Michael M. Moore, Chief Executive Officer

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of:
Cleartronic, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cleartronic, Inc. and Subsidiaries (the "Company") as of September 30, 2019 and 2018, the related consolidated statements of operations, changes in stockholders' deficit and cash flows for each of the two years in the period ended September 30, 2019 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019 and 2018, and the results of its operations and its cash flows for the years ended September 30, 2019 and 2018, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has a net loss, a working capital deficit of and an accumulated deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal controls over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

LIGGETT & WEBB, P.A.
Certified Public Accountants

We have served as the Company's auditor since 2016.

Boynton Beach, Florida
January 14, 2020

CLEARTRONIC, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
Current assets:		
Cash	\$ 27,698	\$ 413
Accounts receivable, net	215,956	109,660
Inventory	19,838	13,790
Prepaid expenses and other current assets	15,000	688
Assets from discontinued operations	4,136	285
Total current assets	282,628	124,836
Other assets:		
Other assets	8,656	8,656
ReadyOp software platform (net of amortization)	10,878	76,074
ReadyOp customer list (net of amortization)	-	8,046
Total other assets	19,534	92,776
Total assets	\$ 302,162	\$ 217,612
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 264,855	\$ 502,178
Accrued expenses	123,300	169,673
Deferred revenue, current portion	676,526	354,362
Notes payable stockholders	53,729	147,589
Customer deposits	26,756	12,756
Liabilities from discontinued operations, current portion	184,559	106,806
Total current liabilities	1,329,725	1,293,364
Long Term Liabilities		
Notes payable stockholders, net of current portion	39,140	-
Deferred revenue, net of current portion	100,011	112,333
Liabilities from discontinued operations, net of current portion	10,667	-
Total long term liabilities	149,818	112,333
Total liabilities	1,479,543	1,405,697
Commitments and Contingencies (See Note 8)	-	-
Stockholders' deficit:		
Series A preferred stock - \$.00001 par value; 1,250,000 shares authorized, 512,996 issued and outstanding, respectively.	5	5
Series B preferred stock - \$.00001 par value; 10 shares authorized, 0 shares issued and outstanding, respectively.	-	-
Series C preferred stock - \$.00001 par value; 50,000,000 shares authorized, 4,433,375 shares issued and outstanding, respectively.	45	45
Series D preferred stock - \$.00001 par value; 10,000,000 shares authorized, 670,904 shares issued and outstanding, respectively.	7	7
Series E preferred stock - \$.00001 par value, 10,000,000 shares authorized, 3,000,000 shares issued and outstanding, respectively.	30	30
Common stock - \$.00001 par value; 5,000,000,000 shares authorized, 211,994,635 and 203,899,190 shares issued and outstanding, respectively	2,120	2,039
Additional paid-in capital	15,041,522	14,854,301
Accumulated Deficit	(16,221,110)	(16,044,512)
Total stockholders' deficit	(1,177,381)	(1,188,085)
Total liabilities and stockholders' deficit	\$ 302,162	\$ 217,612

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
Revenue	\$ 1,164,191	\$ 782,232
Cost of Revenue	246,117	123,644
Gross Profit	918,074	658,588
Operating Expenses:		
Selling expenses	595,825	420,123
Administrative expenses	348,960	348,330
Amortization	73,242	113,520
Research and development	207,707	222,256
Total Operating Expenses	1,225,734	1,104,229
Other expense and interest expense	(17,871)	(13,324)
Income from settlement of accounts payable	253,480	-
Total Other Income(Expense)	235,609	(13,324)
Loss from continuing operations before income taxes	(72,051)	(458,965)
Income taxes from continuing operations	-	-
Loss from continuing operations	(72,051)	(458,965)
Discontinued operations		
Loss from discontinued operations	(104,547)	(73,844)
Income taxes from discontinued operations	-	-
Loss from discontinued operations	(104,547)	(73,844)
Net loss	(176,598)	(532,809)
Preferred stock dividends Series A Preferred	(41,038)	(43,734)
Net loss attributable to common stockholders	<u>\$ (217,636)</u>	<u>\$ (576,543)</u>
Net loss per share - basic and diluted		
Loss from Continuing Operations	\$ (0.00)	\$ (0.00)
Loss from discontinued operations	\$ (0.00)	\$ (0.00)
Net loss per common share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted Average of number of shares outstanding		
basic and diluted	<u>206,414,819</u>	<u>203,899,190</u>

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
NET LOSS	\$ (176,598)	\$ (532,809)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of ReadyOp software platform	65,196	65,196
Amortization of ReadyOp customer list	8,046	48,324
Provision for bad debt	36,000	14,000
(Increase) decrease in assets:		
Accounts receivable	(142,296)	(27,164)
Inventory	(6,048)	16,469
Prepaid expenses and other current assets	(14,312)	10,000
Assets from discontinued operations	(3,851)	18,149
Increase (decrease) in liabilities:		
Accounts payable	(237,323)	47,520
Accrued expenses	(6,586)	143,610
Deferred revenue	309,842	110,100
Customer deposit	14,000	(10,000)
Liabilities from discontinued operations	84,573	75,240
Net Cash Used in Operating Activities	(69,357)	(21,365)
Cash Flows From Investing Activities		
Issuance of note receivable - discontinued operations	(25,000)	-
Repayment of note receivable - discontinued operations	25,000	-
Net Cash Used in Investing Activities	-	-
Cash Flows From Financing Activities		
Proceeds from issuance of installment loan-discontinued operations	43,810	-
Repayment of installment loan - discontinued operations	(39,964)	-
Proceeds from notes payable stockholders	-	30,000
Repayment of notes payable stockholders	-	(15,782)
Proceeds from issuance of Common Stock	100,000	-
Dividends paid	(7,204)	-
Net Cash Provided by Financing Activities	96,642	14,218
Net increase (decrease) in cash	27,285	(7,147)
Cash at beginning of year	413	7,560
Cash at end of year	\$ 27,698	\$ 413
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 4,792	\$ 1,338
Cash paid for taxes	\$ -	\$ -
Supplemental disclosure of non-cash investing and financing activities:		
Common stock issued for conversion of note payable, accrued interest and accrued dividends - related parties	<u>\$ 94,506</u>	<u>\$ -</u>
Accrued interest converted into note payable	<u>\$ 10,279</u>	<u>\$ -</u>

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEAR ENDED SEPTEMBER 30, 2019 AND 2018

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Series E Preferred Stock		Common Stock		Additional paid-in capital	Accumulated deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at September 30, 2017	566,496	\$ 6	1	\$ -	2,563,375	\$ 26	670,904	\$ 7	3,000,000	\$ 30	203,899,190	\$ 2,039	14,854,319	\$ (15,511,703)	\$ (655,276)
Series A Convertible Preferred shares exchanged for Series C Convertible Preferred shares	(53,500)	(1)	-	-	1,070,000	11	-	-	-	-	-	-	(10)	-	-
Series b Convertible Preferred shares exchanged for Series C Convertible Preferred shares	-	-	(1)	-	800,000	8	-	-	-	-	-	-	(8)	-	-
Net loss for the year ended September 30, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	(532,809)	(532,809)
Balance at September 30, 2018	512,996	\$ 5	-	\$ -	4,433,375	\$ 45	670,904	\$ 7	3,000,000	\$ 30	203,899,190	\$ 2,039	14,854,301	\$ (16,044,512)	\$ (1,188,085)
Common stock issued for cash	-	-	-	-	-	-	-	-	-	-	3,333,334	33	99,967	-	100,000
Common stock issued for conversion of note payable, accrued interest and dividend-related parties	-	-	-	-	-	-	-	-	-	-	3,150,199	32	94,474	-	94,506
Common stock issued for conversion of accrued dividends	-	-	-	-	-	-	-	-	-	-	1,611,912	16	(16)	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(7,204)	-	(7,204)
Net loss for the year ended September 30, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	(176,598)	(176,598)
Balance at September 30, 2019	512,996	\$ 5	-	\$ -	4,433,375	\$ 45	670,904	\$ 7	3,000,000	\$ 30	211,994,635	\$ 2,120	15,041,522	\$ (16,221,110)	\$ (1,177,381)

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

CLEARTRONIC, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

NOTE 1 - ORGANIZATION

Cleartronic, Inc. (the "Company") was incorporated in the state of Florida on November 15, 1999. The Company's subsidiaries are VoiceInterop ("VoiceInterop") and ReadyOp Communications, Inc. ("ReadyOp").

In September 2014, the Company formed ReadyOp Communications, Inc. (a Florida corporation), as a wholly owned subsidiary to facilitate the marketing of ReadyOp software. The Company's only operating subsidiary is ReadyOp Communications, Inc.

In November 2016, the Company cancelled its Licensing Agreement with Collabria LLC of Tampa, Florida ("Collabria") and acquired all of the intellectual property related to Collabria's command and control software, trade-named ReadyOp. In addition the Company acquired Collabria's client list. In exchange for these assets the Company issued Collabria 3,000,000 restricted shares of the Company's Series E Convertible Preferred stock. The Company assumed none of Collabria's liabilities.

In March 2018, the Company approved the spin-off VoiceInterop into a separate company under a Form S-1 registration to be filed with the United States Securities and Exchange Commission. On May 13, 2019, VoiceInterop filed an S-1 registration with the United States Securities and Exchange Commission. All VoiceInterop transactions have been recorded as discontinued operations. (See Note 9)

The Company's history is being reviewed by the Financial Industry Regulatory Authority ("FINRA") and as of the date of this filing the review has not been completed. No dividends can be distributed until that review by FINRA is completed and approved.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements contain the consolidated accounts of Cleartronic, Inc. and its subsidiaries, ReadyOp Communications, Inc. and VoiceInterop, Inc. All material intercompany transactions and balances have been eliminated. All VoiceInterop transactions have been recorded as discontinued operations. (See Note 9)

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.

Significant estimates include the assumptions used in valuation of deferred tax assets, estimated useful life of intangible assets, valuation of inventory and allowance for doubtful accounts.

CASH AND CASH EQUIVALENTS

For financial statement purposes, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company did not own any cash equivalents at September 30, 2019 and September 30, 2018.

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 provided \$52,000 and \$16,000 allowances for doubtful accounts as of September 30, 2019 and September 30, 2018, respectively.

ASSET ACQUISITION

In November 2016, the Company acquired the ReadyOp software platform and the Collabria customer base from Collabria LLC. In exchange for these assets the Company issued 3,000,000 shares of restricted Series E Convertible Preferred stock valued at \$292,240. This valuation was based on internal calculations and validated by a third party valuation expert. The ReadyOp software platform was valued at \$195,600 to be amortized over three years, amortization expense recognized for the years ended September 30, 2019 and 2018 was \$65,196 and \$65,196, respectively.

The Collabria customer base was valued at \$96,640 to be amortized over two years, amortization expense recognized for the years ended September 30, 2019 and 2018 was \$8,046 and \$48,324, respectively. As of September 30, 2019, the Collabria customer base has been fully amortized.

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one FDIC-insured banking institution. Deposits held in noninterest-bearing transaction accounts are insured up to a maximum of \$250,000 at all FDIC-insured institutions.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred. For the years ended September 30, 2019 and 2018, the Company had \$207,707 and \$222,256, respectively, in research and development costs from continuing operations.

REVENUE RECOGNITION AND DEFERRED REVENUES

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which supersedes the revenue recognition requirements in Accounting Standards Codification 605, "Revenue Recognition." This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU No. 2015-14, which deferred the effective date of the new revenue standard by one year, and allowed entities the option to early adopt the new revenue standard as of the original effective date. There have been multiple standards updates amending this guidance or providing corrections or improvements on issues in the guidance. The requirements for these standards relating to Topic 606 are effective for interim and annual periods beginning after December 15, 2017. This standard permitted adoption using one of two transition methods, either the retrospective or modified retrospective transition method. The Company adopted these standards at the beginning of fiscal year 2019 using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of these standards did not have a material impact on the Company's consolidated statements of operations during the year ended September 30, 2019.

The Company revenue recognition policy follows guidance from Accounting Standards Codification (ASC) 606, Revenue from contract with customers. Revenue is recognized when the Company transferred promised goods and services to the customer and in the amount that reflect the consideration to which the company expected to be entitled in exchange for those goods and services.

The Company applies the following five-step model in order to determine this amount:

- i. Identification of Contact with a customer;
- ii. Identify the performance obligation of the contract;
- iii. Determine transaction price;
- iv. Allocation of the transaction price to the performance obligations; and
- v. Recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company generates revenue primarily through the sale of integrated hardware and software licenses. The portion of the contract that is associated with ongoing hosting and related customer service is amortized monthly over the license period. The Company incurs certain incremental contract costs (referred to as deferred subscriber acquisition costs, net) including selling expenses (primarily commissions) related to acquiring customers. Deferred subscriber acquisition costs, net are included in prepaid and expenses and other current assets on the consolidated balance sheet. Commissions paid in connection with acquiring new customers are determined based on the value of the contractual fees. Deferred subscriber acquisition costs will be amortized over the license period.

In transactions in which hardware is sold to a customer, the Company recognizes the revenue when the hardware has been shipped to the customer. The hardware supplied by the Company does not require a related software license and can be operated and fully functional without the Company's software.

The Company allocates the transaction price to each performance obligation based on a relative standalone selling price. Revenue associated with the sale and installation of system licenses is recognized once installation is complete.

Customer billings for services not yet rendered are deferred and recognized as revenue as services are provided. These fees are recorded as current deferred revenue on the consolidated balance sheet as the Company expects to satisfy any remaining performance obligations as well as recognize the related revenue within the next twelve months. Accordingly, the Company has applied the practical expedient regarding deferred revenue to exclude the value of remaining performance obligations if (i) the contract has an original expected term of one year or less or (ii) the Company recognizes revenue in proportion to the amount it has the right to invoice for services performed.

The adoption of this standard did not have a material impact on the Company's consolidated statements of operations during the year ended September 30, 2019.

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 September 30, 2019 and 2018, we had no options and warrants outstanding. As of September 30, 2019 and 2018, the Company had 512,996 shares of Series A Convertible Preferred stock outstanding, which are convertible into 51,299,600 shares of common stock.

As of September 30, 2019 and 2018, we had 4,433,375 shares of Series C Convertible Preferred stock outstanding, which are convertible into 22,166,875 shares of common stock.

As of September 30, 2019 and 2018, we had 670,904 shares of Series D Preferred stock outstanding which are convertible into 3,354,520 shares of common stock.

As of September 30, 2019 and 2018, we had 3,000,000 shares of Series E Convertible Preferred stock outstanding which are convertible into 300,000,000 shares of common stock.

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

- Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are generally observable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial instruments consist principally of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses and deferred revenue. The carrying amounts of such financial instruments in the accompanying consolidated balance sheet approximate their fair values due to their relatively short-term nature. The fair value of long-term debt is based on current rates at which the Company could borrow funds with similar remaining maturities. The carrying amounts approximate fair value. It is management's opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments.

The Company's fair value hierarchy for intangible assets as of September 30, 2019 and 2018, respectively, was as follows:

	September 30,			
	2019	Level 1	Level 2	Level 3
ReadyOp software platform, net of amortization	10,878	-	-	10,878
Total	\$ <u>10,878</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,878</u>
	September 30,			
	2018	Level 1	Level 2	Level 3
ReadyOp software platform, net of amortization	\$ 76,074	\$ -	\$ -	\$ 76,074
ReadyOp customer list, net of amortization	8,046	-	-	8,046
Total	\$ <u>84,120</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>84,120</u>

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 net realizable value on a first-in, first-out basis. The Company's policy is to record a reserve for technological obsolescence or slow-moving inventory items. The Company only carries finished goods to be shipped along with completed circuit boards and parts necessary for final assembly of finished product. All existing inventory is considered current and usable. The Company recorded no reserve for obsolete inventory as of September 30, 2019 and September 30, 2018, respectively.

EQUITY INSTRUMENTS ISSUED TO PARTIES OTHER THAN EMPLOYEES FOR ACQUIRING GOODS OR SERVICES

The Company accounts for stock-based instruments issued for services in accordance with ASC 718 "Compensation – Stock Compensation." ASC 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued. The value of the portion of a stock award that is ultimately expected to vest is recognized as an expense over the requisite service periods using the straight-line attribution method.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of \$15,073 and \$13,263 during the years ended September 30, 2019 and 2018, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The adoption of ASU 2016-02 will have a material impact on its balance sheet as the Company will record material assets and obligations primarily related to its office space lease. The Company expects to record right-of-use and the corresponding operating lease liability of approximately \$79,000 based on the present value of the remaining minimum rental payments using discount rates as of the application date. The Company also expects to record the right of use assets of approximately \$75,000 based upon the operations lease liability adjusted deferred rent. The amount will be included in assets and liabilities from discontinued operations. The Company does not expect to have a material impact on its statement of income or statement of cash flows.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which supersedes the revenue recognition requirements in Accounting Standards Codification 605, "Revenue Recognition." This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU No. 2015-14, which deferred the effective date of the new revenue standard by one year, and allowed entities the option to early adopt the new revenue standard as of the original effective date. There have been multiple standards updates amending this guidance or providing corrections or improvements on issues in the guidance. The requirements for these standards relating to Topic 606 are effective for interim and annual periods beginning after December 15, 2017. This standard permitted adoption using one of two transition methods, either the retrospective or modified retrospective transition method. The Company adopted these standards at the beginning of fiscal year 2019 using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of these standards did not have a material impact on the Company's consolidated statements of operations during the year ended September 30, 2019.

NOTE 3 - GOING CONCERN

The Company's consolidated 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 reported a net loss of approximately \$176,000 and \$532,000 for the years ended September 30, 2019 and 2018, respectively. As of September 30, 2019, the Company has an accumulated deficit of approximately \$16.2 million and a working capital deficit of approximately \$1.05 million. The Company believes the acquisition of the ReadyOp software platform in 2016 was a prudent purchase by the Company. Additional revenue has been generated for the Company and management believes revenue will continue to increase each quarter. 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 capital funding 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 consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 - DEFERRED INCOME TAXES

The Company calculates its deferred tax assets based upon its consolidated net operating loss (NOL) carryovers available to offset future taxable income, net of other tax credit(s) or tax deferred liabilities, if any. No deferred tax assets for the years ended September 30, 2019 and 2018 have been recorded since any available deferred tax assets are fully offset by increases in its valuation allowances. The Company increased its valuation allowance based on its history of consolidated net losses. At September 30, 2019, the Company has an adjusted net operating loss carryforward of approximately \$14,739,000 that expire through 2039. Should a cumulative change in the ownership of more than 50% occur within a three-year period, there could be an annual limitation on the use of the net operating loss carryforwards.

Deferred income taxes reflect the tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes plus any available consolidated, net deferred tax credits. Significant components of the Company's net deferred income tax assets at September 30, 2019 and 2018, respectively are as follows:

	<u>2019</u>	<u>2018</u>
Amortization and impairment of license agreement	\$ 424,296	\$ 382,593
Allowance for doubtful account	13,177	4,053
Net operating loss carryforward	3,735,719	3,066,449
Net deferred income tax asset	4,173,192	3,453,095
Less: valuation allowance	(4,173,192)	(3,453,095)
Total deferred income tax assets	<u>\$ -</u>	<u>\$ -</u>

A reconciliation of the Federal and respective State income tax rate as a percentage of income before taxes is as follows:

	<u>2019</u>	<u>2018</u>
Federal statutory taxes	\$ (35,046)	\$ (101,415)
State income taxes, net of federal benefit	(9,713)	(26,561)
Change in tax rate estimates	-	1,620,004
Less: Valuation allowance, non-deductible items	496	495,021
Change in valuation allowance	<u>44,263</u>	<u>(1,987,049)</u>
	<u>\$ -0-</u>	<u>\$ -0-</u>

	<u>2019</u>	<u>2018</u>
Federal statutory Income tax rate	21.00%	21.00%
State taxes, net of federal benefit	4.35%	4.35%
Effective rate of deferred tax asset	25.35%	25.35%
Less: Valuation allowance	(25.35%)	(25.35%)
Effective income tax rate	<u>0.00%</u>	<u>0.00%</u>

Management has determined that it is more likely than not that the Company will not use the NOL carryforward and has a 100% valuation allowance against the deferred asset. The reserve is based on historical experience of the Company's operations as it has not recognized net income in its current incarnation and there is no indication of any events or conditions that would show that trend will not continue due to the Company's current expectation of expense requirements.

NOTE 5 - NOTES PAYABLE

Notes payable to Stockholders

As of September 30, 2019 and September 30, 2018, the Company had unsecured notes payable to stockholders totaling \$92,869 and \$147,589, respectively. These notes range in interest from 8% to 15% which are payable quarterly. One note with a principal balances of \$17,588 is due on December 31, 2019.

On September 30, 2019, the note holder converted \$65,000 of note payable and \$10,279 of accrued interest into an installment promissory note with a principal balance of \$75,279. The note is due on September 30, 2021 and bears an interest rate of 8%. This note requires a monthly payment of \$3,405 for the next 24 months.

On June 18, 2019, two note holders converted \$65,000 of notes payable, \$22,302 of accrued interest and \$7,204 of accrued dividends into 3,150,199 shares of common stock at a conversion price of \$0.03 per share. (See Note 6 and 7).

In October 2017 and February 2018, the Company repaid the principal amount of a note payable totaling \$15,782 to a shareholder.

In October 2017, the Company issued two promissory notes to a shareholder and director in the amount of \$15,000 each. The notes bear 8% interest and mature on June 30, 2019. The note was converted to installment promissory note on September 30, 2019 (See an installment promissory note dated September 30, 2019 above).

Interest expense on the notes payable to stockholders was \$11,155 and \$13,324 for the years ended September 30, 2019 and 2018, respectively.

Installment Loan Payable

On December 14, 2018, VoiceInterop entered into a Business Loan Agreement with WebBank whereby VoiceInterop borrowed \$59,751, of this amount \$15,491 was recorded as debt issuance cost. The agreement calls for 308 installments of \$194 paid over 432 days. The debt issuance cost is amortized over the life of the loan. As of September 30, 2019, the loan balance is \$14,587, net of debt issuance cost of \$5,200. The amount is included in liabilities from discontinued operations (see Note 9).

NOTE 6 - EQUITY TRANSACTIONS

Common stock issued for cash

In December 2018, the Company sold 3,333,334 shares of common stock to unrelated parties for \$100,000 in cash.

Common stock issued for notes payable

On June 18, 2019, the note holders converted \$65,000 of notes payable, \$22,302 of accrued interest and \$7,204 of accrued dividends into 3,150,199 shares of common stock (See Note 5).

Preferred Stock Dividends

As of September 30, 2019 and September 30, 2018, the cumulative arrearage of undeclared dividends for Series A Preferred stock totaled \$41,921 and \$88,683, respectively.

As discussed above, on June 18, 2019, the shareholder converted \$7,204 of accrued dividends into shares of common stock (See Note 7).

On September 20, 2019, the shareholder converted \$80,596 of accrued dividends into 1,611,912 shares of common stock (See Note 7).

As of September 30, 2019 and 2018, the cumulative arrearage of undeclared dividends for Series A Preferred stock totaled \$41,920 and \$88,683, respectively.

Subscription Agreements between VoiceInterop, Inc., our wholly-owned subsidiary and private investors

During the year ended September 30, 2018, Voiceinterop committed to sell 600,000 shares of its common stock to private investors for \$68,000. The shares issuance is contingent upon a spin-off of the Company from Cleartronic, Inc. into a separate company. As of September 30, 2019, \$68,000 is recorded as due to unrelated parties as the spin-off has not been completed and the shares have not been issued. This amount is included in liabilities from discontinued operations (See Note 9).

Declaration of Stock Dividend

On April 23, 2018, the board of Directors declared a stock dividend for common stock shareholders and for certain classes of preferred stock shareholder of the Company. That each common shareholder would receive .075 shares of VoiceInterop common stock for each one (1) share of Cleartronic stock held by the shareholder, and that each shareholder of Series C and D Preferred stock shall receive .375 shares of VoiceInterop common stock for each one (1) share of Series C or Series D Preferred stock held by the shareholder.

The record date of the dividend distribution shall be defined as the first business day following an effective statement from the United States Securities and Exchange Commission ("SEC") regarding a pending S-1 filing. On May 13, 2019 Voiceinterop filed an S-1 registration statement with the SEC. The Company will distribute 17,819,548 shares of VoiceInterop common stock to its shareholders.

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 \$46,192 and \$57,534 for the years ended September 30, 2019 and 2018, respectively.

In October 2017 and February 2018, the Company repaid the principal amount of a note payable totaling \$15,782 to a shareholder.

In October 2017, the Company issued two promissory notes to a shareholder and director in the amounts of \$15,000 each. The notes bear interest at 8% per annum and mature June 30, 2019. The note was converted to an installment promissory note on September 30, 2019 (See below and Note 5).

On September 30, 2019, the note holder converted \$65,000 of note payable and \$10,279 of accrued interest into an installment promissory note. The note is due on September 30, 2021 and bears an interest rate of 8%. The note requires a monthly payment of \$3,405 for the next 24 months (See Note 5).

On June 18, 2019, the note holders converted \$65,000 of notes payable, \$22,302 of accrued interest and \$7,204 of accrued dividends into 3,150,199 shares of common stock (See Note 5 and 6).

On September 20, 2019, the shareholder converted \$80,596 of accrued dividends into 1,611,912 shares of common stock (See Note 6).

On December 17, 2018, VoiceInterop entered into an unsecured promissory note with a shareholder which bears interest at 8% plus a issue discount and matures on February 10, 2019. On February 14, 2019 the Company granted a 30 day extension to the shareholder. On March 6, 2019, the shareholder repaid the full principal amount of \$25,000 along with \$1,770 in interest of a promissory note held by the Company. The interest income is included in income from discontinued operations (See Note 9).

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Obligation Under Operating Lease

The Company leases approximately 1,700 square feet for its principal offices in Boca Raton, Florida at a monthly rental of approximately \$3,500, which expired in November 2018. VoiceInterop executed a new 3-year lease with its current landlord on December 1, 2018 for the same office space. The lease provided one month free as a concession. The monthly rent is \$3,630 and provides for annual increases of base rent of 4% until the expiration date. The lease expires on November 30, 2021.

Rent expense incurred during the years ended September 30, 2019 and 2018 was \$46,192 and \$57,534, respectively.

VoiceInterop subleases part of its office space to two entities for approximately \$1,150 per month. Sublease rental income received during years ended September 30, 2019 was \$11,488 and \$0, respectively.

Future lease commitments are as follows for the years ended September 30:

2020	45,157
2021	46,812
2022	<u>7,852</u>
	<u>\$99,821</u>

Revenue and Accounts Receivable Concentration

No customer accounted for more than 10% of the Company's revenue for the years ended September 30, 2019 and 2018. As of September 30, 2019, no customer accounted for more than 10% of the Company's total outstanding accounts receivable. As of September 30, 2018, two customers accounted for 24% of the Company's total outstanding accounts receivable.

Major Supplier and Sole Manufacturing Source

During 2014, the Company developed a proprietary interoperable communications solution. The Company relies on no major supplier for its products and services. The Company has contracted with a single local manufacturing facility to provide completed circuit boards used in the assembly of its IP gateway devices. Interruption to the manufacturing source presents additional risk to the Company. The Company believes that other commercial facilities exist at competitive rates to match the resources and capabilities of its existing manufacturing source.

Employment Agreements

In December 2016, the Board of Directors accepted the resignation of Larry M. Reid as Chief Executive Officer of the corporation and appointed Mr. Reid as Chief Financial Officer. The Board also appointed Michael M. Moore as Chief Executive Officer.

Under the terms of an employment agreement effective on November 28, 2016, Mr. Moore as CEO receives an annual salary of \$200,000. The term of agreement is for a one-year period beginning on the effective date and shall automatically renew and continue in effect for additional one-year periods.

Under the terms of an employment agreement effective on March 13, 2015, Mr. Reid as CFO receives an annual salary of \$96,000. The term of agreement is for a one-year period beginning on the effective date and shall automatically renew and continue in effect for additional one-year periods.

Exclusive Licensing Agreement

On May 5, 2017, the Company entered into an Exclusive Licensing Agreement with Sublicensing Terms (the "Agreement") with the University of Southern Florida Research Foundation, Inc. ("USFRF") relating to an exclusive license of certain patent rights in connection with one of USFRF's U.S. Patent Applications. Both parties recognize that the research and development work provided by the Company was sufficient for USFRF to enter into the Agreement with the Company.

The Agreement is effective April 25, 2017 and continues until the later of the date that no Licensed Patent remains a pending application or an enforceable patent or the date on which the Licensee's obligation to pay royalties expires.

The Company paid USFRF a License Issue Fee of \$3,000 and \$7,253 as reimbursement of expenses associated with the filing of the Licensed Patent. The Company agreed to complete the first commercial sale of products to the retail customer on or before January 31, 2019 or USFRF has the right to terminate the agreement. In addition, the Company agreed that it will have made and tested a prototype by August 31, 2018 or USFRF has the right to terminate the agreement. The company agreed to pay USFRF a royalty of 3% for sales of all Licensed Products and Licensed Processes and agreed to pay USFRF minimum royalty payments as follows:

Payment	Year
\$1,000	2019
\$4,000	2020
\$8,000	2021

-and every year thereafter on the same date, for the life of the agreement.

In the event the Company proposes to sell any Equity Securities, then USFRF will have the right to purchase 5% of the securities issued in such offering on the same terms and conditions are offered to other purchasers in such financing.

As of September 30, 2019, the Company has recorded \$1,000 for the minimum royalty for the fiscal year ended 2019.

NOTE 9 – DISCONTINUED OPERATIONS

In March 2018, the Company approved the spin-off Voiceinterop into a separate company under a Form S-1 registration to be filed with the United States Securities and Exchange Commission.

On April 23, 2018, the board of Directors declared a stock dividend for certain shareholders of the Company. The Company will distribute to its shareholders owning Common Stock and Series C and D Preferred stock an aggregate of 17,819,548 shares of shares of Common Stock of Voiceinterop. That each common shareholder would receive .075 shares of Voiceinterop common stock for each one (1) share of Cleartronic stock held by the shareholder, and that each shareholder of Series C and D Preferred stock shall receive .375 shares of Voiceinterop common stock for each one (1) share of Series C or Series D Preferred stock held by the shareholder.

The record date of the dividend distribution shall be defined as the first business day following an effective statement from the United States Securities and Exchange Commission (“SEC”) regarding a pending S-1 filing. On May 13, 2019 Voiceinterop filed an S-1 registration statement with the SEC. On November 14, 2019, Voiceinterop, Inc.’s, S-1 Registration Statement was declared effective by Securities and Exchange Commission.

The Company’s history is being reviewed by the Financial Industry Regulatory Authority (“FINRA”) and as of the date of this filing the review is not been completed. No dividends can be distributed until that review is completed and approved by FINRA..

As of September 30, 2019 and September 30, 2018, assets and liabilities from discontinued operations are listed below:

	September 30, 2019	September 30, 2018
Current assets:		
Cash	\$ 4,136	\$ 285
Assets from discontinued operations	\$ 4,136	\$ 285
Current liabilities:		
Accounts payable and accrued expenses	\$ 77,584	\$ 10,086
Deferred revenue, current portion	23,492	28,720
Deferred rent, current portion	896	-
Installment loan, net, current portion	14,587	-
Due to unrelated parties	68,000	68,000
Current liabilities from discontinued operations	184,559	106,806
Long Term Liabilities		
Deferred revenue, net of current	9,987	-
Deferred rent, long term portion	680	-
Long term liabilities from discontinued operations	10,667	-
Liabilities from discontinued operations	\$ 195,226	\$ 106,806

The following table illustrates the reporting of the discontinued operations included in the Statements of Operations for the years ended September 30, 2019 and 2018.

	For the year ended September 30, 2019	For the year ended September 30, 2018
Revenue	\$ 87,254	\$ 191,635
Cost of Revenue	38,910	80,604
Gross Profit	48,344	111,031
Operating Expenses:		
Selling expenses	17,032	28,300
Administrative expenses	71,770	64,200
Professional fees	66,968	60,817
Acquisition costs	-	35,000
Total Operating Expenses	155,770	188,317
Loss from operations	(107,426)	(77,286)
Other Income (Expense)		
Other Income	23,358	3,442
Interest and other (expense)	(20,479)	-
Total Other Income	2,879	3,442
Loss Before Income Taxes	(104,547)	(73,844)
Provision for Income Taxes	-	-
Loss from discontinued operations	\$ (104,547)	\$ (73,844)

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NOTE 10 – SUBSEQUENT EVENTS

On December 2, 2019, the Company issued a promissory note to an unrelated party in the amount of \$50,000. The note bear 6% interest and mature on February 29, 2020.

On October 8, 2019, VoiceInterop entered into a Business Loan Agreement with WebBank whereby VoiceInterop borrowed \$43,600, of this amount \$13,080 was recorded as debt issuance cost. The debt issuance cost is amortized over the life of the loan. The agreement calls for 308 installments of \$184 paid over 432 days. The Company used \$18,429 of loan proceeds to pay off the remaining loan balance of WebBank loan dated December 14, 2018.

In March 2018, the Company approved the spin-off VoiceInterop into a separate company under a Form S-1 registration to be filed with the United States Securities and Exchange Commission. On May 13, 2019, VoiceInterop filed an S-1 registration with the United States Securities and Exchange Commission. All VoiceInterop transactions of been recorded as discontinued operations. (See Note 9).

Cleartronic is distributing all shares of VoiceInterop's common stock held by it to its shareholders owning common stock, Class C preferred stock and Class D preferred stock. Each shareholder of Cleartronic common stock on November 20, 2019 (the "Record Date") will receive .075 shares of VoiceInterop's common stock for each one share of Cleartronic common stock (1,000 shares of Cleartronic common stock will receive 75 shares of VoiceInterop common stock). Shareholders owning Series C preferred stock and Series D preferred stock on the Record Date will receive .375 shares of VoiceInterop's common stock for one share of Series C preferred stock or Series D preferred stock (1,000 shares of Cleartronic Series C or Series D preferred stock will receive 375 shares of VoiceInterop common stock). In the event that anyone is entitled to receive a fractional share, the number of shares will be rounded up.

The Company's history is being reviewed by the Financial Industry Regulatory Authority ("FINRA") and as of the date of this filing the review has not been completed. No dividends can be distributed until that review is completed and approved by FINRA.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael M. Moore, certify that:

1. I have reviewed this Form 10-K, 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 present 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2020

/s/ Michael M. Moore
Michael M. Moore, Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Larry M. Reid, certify that:

1. I have reviewed this Form 10-K, 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 present 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2020

/s/Larry M. Reid,

Larry M. Reid, Chief Financial Officer and Principal Accounting Officer

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

In connection with the accompanying Annual Report on Form 10-K, of Cleartronic, Inc. for the fiscal year ending September 30, 2019, I, Michael M. Moore, Chief Executive Officer of Cleartronic, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fairly presents, in all material respects, the financial condition and results of operations of Cleartronic, Inc.

Date: January 14, 2020

/s/ Michael Moore

Michael M. Moore, Chief Executive Officer of Cleartronic, Inc.

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

In connection with the accompanying Annual Report on Form 10-K, of Cleartronic, Inc. for the fiscal year ending September 30, 2019, I, Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fairly presents, in all material respects, the financial condition and results of operations of Cleartronic, Inc.

Date: January 14, 2020

/s/ Larry M. Reid

Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc.

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION UNDER THAT ACT IS AVAILABLE.

PROMISSORY NOTE

\$ 35,000.00
Boca Raton, Florida
September 28, 2017

FOR VALUE RECEIVED, the undersigned, Cleartronic, Inc., a Florida corporation (the "Obligor"), promises to pay to the order of Richard J. Martin (said party and any subsequent holders hereinafter being collectively called the "Holder") at 8000 North Federal Highway, Suite 100, Boca Raton, Florida (or at such other place in the Palm Beach County, Florida as the Holder may designate) the sum of \$ 35,000.00 (the "Principal Amount").

The Principal Amount and any then accrued and unpaid interest shall be due (the "Due Date") on December 31, 2018.

This Promissory Note shall bear interest at the rate of 8 % per annum on the unpaid Principal Amount and such interest shall be payable on December 31, 2018.

This Promissory Note may be prepaid without penalty at any time.

1. **Default.** The happening of any of the following events shall constitute a default hereunder:

- (a) Failure of Obligor to pay in full the Principal Amount when it becomes due'
- (b) Fifteen days after the Holder correctly gives notice to the Obligor to the effect that any interest payment required to be made under this Promissory Note has not been paid in full and such payment is not thereafter made within such fifteen day period.
- (c) The Obligor becomes bankrupt, insolvent or if any bankruptcy (voluntary or involuntary) or insolvency proceedings (as said terms "insolvent" and "insolvency proceedings" are defined in the Uniform Commercial Code of Florida) are instituted or made by or against Obligor, or if application is made for the appointment for a receiver for the Obligor or for any of the assets of any Obligor, or an assignment is made for the benefit of the Obligor's creditors.

Upon the happening of any event of default as defined herein, the Holder, at his, her or its option, may declare the entire unpaid Principal Amount to be immediately due and payable without notice or demand. In the event of default, the then unpaid Principal Amount shall bear interest from the time of such default at the maximum legal rate permissible.

In addition to payment of the Principal Amount, if there is a default in this Promissory Note, the Holder shall be entitled to recover from the Obligor all the Holder's costs of collection, including the Holder's attorneys' fees, paralegals' fees and legal assistants' fees (whether incurred in connection with any judicial, bankruptcy, reorganization, administrative, appeals or other proceedings and whether such fees or expenses arise before proceedings are commenced or after entry of any judgment), and all other costs or expenses incurred in connection therewith.

2. **Waiver.** With respect to the payment hereof, the Obligor waives the following:

- All rights of exemption of property from levy or sale under execution or the process for the collection of debts under the Constitution or laws of the United States or of any state thereof;
- Demand, presentment, protest, notice of dishonor, suit against any party, and all other requirements necessary to charge or hold any Obligor liable hereunder; and
- All statutory provisions and requirements for the benefit of Obligor now or hereafter in force (to the extent that same may be waived).

3. **Fees and Costs.** The Obligor agrees to pay all filing fees and taxes, and all costs of collection or securing or attempting to collect or secure the payment thereof, including attorneys' fees, whether or not involving litigation and/or appellate proceedings.

4. **Remedies.** The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid, unless in writing and signed by the Holder. All rights and remedies of the Holder shall be cumulative. Furthermore, the Holder shall be entitled to all the rights of a holder in due course of a negotiable instrument.

5. **Governing Law.** This Promissory Note shall be governed by and construed in accordance with the laws of Florida.

6. **Enforceability.** Any provision of this Promissory Note that may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.

7. **Notice.** Any notice required to be given to any person shall be deemed sufficient if mailed, postage prepaid, to such person's address as set forth in this Promissory Note.

8. **Successors and Assigns.** The provisions of this Promissory Note are binding on the assigns and successors of Obligor and shall inure to the benefit of the Holder and the Holder's successors and assigns. This Promissory Note is executed under the seal of the Obligor.

9. **Collection.** If this Promissory Note is not paid upon demand or according to the tenor hereof and strictly as above provided, it may be placed in the hands of an attorney at law for collection. In such event, each party liable for payment thereof, as obligor, maker, endorser, guarantor or otherwise, hereby agrees to pay the holder hereof, in addition to the sums above stated, a reasonable attorneys' fee, whether or not suit be initiated, which fee shall include attorneys' fees at the trial level and on appeal, together with all costs incurred.

Notwithstanding anything to the contrary, in no event, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the amount taken, reserved or paid, charged or agreed to be paid, for the use, forbearance or detention of money advanced pursuant hereto or pursuant to any other document executed in connection herewith, exceed the maximum rate allowed by Florida law. If, for any circumstances whatsoever, fulfillment of any obligation hereunder shall cause the effective rate of interest to exceed the maximum lawful rate allowed under Florida law, then, ipso facto, the obligation shall be reduced to the limit of such validity, and any amounts received by the Holder as interest that would exceed the maximum lawful rate allowed under Florida law shall be applied to the reduction of the unpaid principal balance and not the payment of interest. If such excessive interest exceeds the unpaid principal balance, the excess shall be refunded. In determining whether or not the interest paid or payable hereunder exceeds the maximum lawful rate, the Holder may utilize any law, rule or regulation in effect from time to time and available to the Holder. This provision shall control every other provision of all agreements between the undersigned and Holder.

THE PROPER DOCUMENTARY STAMP TAX, IF REQUIRED, HAS BEEN PAID ON THIS PROMISSORY NOTE BY OBLIGOR.

Cleartronic, Inc.

By: /s/ Larry M. Reid, President & CFO

Exhibit 10.11

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION UNDER THAT ACT IS AVAILABLE.

PROMISSORY NOTE

\$ 15,000.00
Boca Raton, Florida
October 12, 2017

FOR VALUE RECEIVED, the undersigned, Cleartronic, Inc., a Florida corporation (the "Obligor"), promises to pay to the order of Richard J. Martin (said party and any subsequent holders hereinafter being collectively called the "Holder") at 8000 North Federal Highway, Suite 100, Boca Raton, Florida (or at such other place in the Palm Beach County, Florida as the Holder may designate) the sum of \$ 15,000.00 (the "Principal Amount").

The Principal Amount and any then accrued and unpaid interest shall be due (the "Due Date") on December 31, 2018.

This Promissory Note shall bear interest at the rate of 8 % per annum on the unpaid Principal Amount and such interest shall be payable on December 31, 2018.

This Promissory Note may be prepaid without penalty at any time.

1. **Default.** The happening of any of the following events shall constitute a default hereunder:

- (a) Failure of Obligor to pay in full the Principal Amount when it becomes due'
- (b) Fifteen days after the Holder correctly gives notice to the Obligor to the effect that any interest payment required to be made under this Promissory Note has not been paid in full and such payment is not thereafter made within such fifteen day period.
- (c) The Obligor becomes bankrupt, insolvent or if any bankruptcy (voluntary or involuntary) or insolvency proceedings (as said terms "insolvent" and "insolvency proceedings" are defined in the Uniform Commercial Code of Florida) are instituted or made by or against Obligor, or if application is made for the appointment for a receiver for the Obligor or for any of the assets of any Obligor, or an assignment is made for the benefit of the Obligor's creditors.

Upon the happening of any event of default as defined herein, the Holder, at his, her or its option, may declare the entire unpaid Principal Amount to be immediately due and payable without notice or demand. In the event of default, the then unpaid Principal Amount shall bear interest from the time of such default at the maximum legal rate permissible.

In addition to payment of the Principal Amount, if there is a default in this Promissory Note, the Holder shall be entitled to recover from the Obligor all the Holder's costs of collection, including the Holder's attorneys' fees, paralegals' fees and legal assistants' fees (whether incurred in connection with any judicial, bankruptcy, reorganization, administrative, appeals or other proceedings and whether such fees or expenses arise before proceedings are commenced or after entry of any judgment), and all other costs or expenses incurred in connection therewith.

2. **Waiver.** With respect to the payment hereof, the Obligor waives the following:

- All rights of exemption of property from levy or sale under execution or the process for the collection of debts under the Constitution or laws of the United States or of any state thereof;
- Demand, presentment, protest, notice of dishonor, suit against any party, and all other requirements necessary to charge or hold any Obligor liable hereunder; and
- All statutory provisions and requirements for the benefit of Obligor now or hereafter in force (to the extent that same may be waived).

3. **Fees and Costs.** The Obligor agrees to pay all filing fees and taxes, and all costs of collection or securing or attempting to collect or secure the payment thereof, including attorneys' fees, whether or not involving litigation and/or appellate proceedings.

4. **Remedies.** The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid, unless in writing and signed by the Holder. All rights and remedies of the Holder shall be cumulative. Furthermore, the Holder shall be entitled to all the rights of a holder in due course of a negotiable instrument.

5. **Governing Law.** This Promissory Note shall be governed by and construed in accordance with the laws of Florida.

6. **Enforceability.** Any provision of this Promissory Note that may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.

7. **Notice.** Any notice required to be given to any person shall be deemed sufficient if mailed, postage prepaid, to such person's address as set forth in this Promissory Note.

8. **Successors and Assigns.** The provisions of this Promissory Note are binding on the assigns and successors of Obligor and shall inure to the benefit of the Holder and the Holder's successors and assigns. This Promissory Note is executed under the seal of the Obligor.

9. **Collection.** If this Promissory Note is not paid upon demand or according to the tenor hereof and strictly as above provided, it may be placed in the hands of an attorney at law for collection. In such event, each party liable for payment thereof, as obligor, maker, endorser, guarantor or otherwise, hereby agrees to pay the holder hereof, in addition to the sums above stated, a reasonable attorneys' fee, whether or not suit be initiated, which fee shall include attorneys' fees at the trial level and on appeal, together with all costs incurred.

Notwithstanding anything to the contrary, in no event, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the amount taken, reserved or paid, charged or agreed to be paid, for the use, forbearance or detention of money advanced pursuant hereto or pursuant to any other document executed in connection herewith, exceed the maximum rate allowed by Florida law. If, for any circumstances whatsoever, fulfillment of any obligation hereunder shall cause the effective rate of interest to exceed the maximum lawful rate allowed under Florida law, then, ipso facto, the obligation shall be reduced to the limit of such validity, and any amounts received by the Holder as interest that would exceed the maximum lawful rate allowed under Florida law shall be applied to the reduction of the unpaid principal balance and not the payment of interest. If such excessive interest exceeds the unpaid principal balance, the excess shall be refunded. In determining whether or not the interest paid or payable hereunder exceeds the maximum lawful rate, the Holder may utilize any law, rule or regulation in effect from time to time and available to the Holder. This provision shall control every other provision of all agreements between the undersigned and Holder.

THE PROPER DOCUMENTARY STAMP TAX, IF REQUIRED, HAS BEEN PAID ON THIS PROMISSORY NOTE BY OBLIGOR.

Cleartronic, Inc.

By: /s/ Larry M. Reid
Larry M. Reid, President & CFO

INSTALLMENT PROMISSORY NOTE

\$75,279.66
September 30, 2019
West Palm Beach, Florida

FOR VALUE RECEIVED, Cleartronic, Inc. (the "Company") promises to pay to the order of Richard J. Martin (the "Holder"), at _____, or at such other place as the holder of this Installment Promissory Note (this "Note") may from time to time designate, the principal sum of Seventy Five Thousand Two Hundred Seventy Nine Dollars and 66/100's (\$75,279.66) (the "Principal Amount"). The Principal Amount shall be payable in twenty-four (24) monthly installments, the first of which shall be due and payable on October 30, 2019, and thereafter monthly following the first payment until fully paid.

Interest on the principal sum of this Note from time to time outstanding shall accrue at interest at the rate of 8.0% per annum. Each payment of principal hereunder shall be accompanied by payment of all interest accrued on the principal sum of this Note outstanding. The Company may prepay all or any part of the principal of this Note at any time without premium or penalty and any prepaid sums shall be applied first against the last installments thereafter coming due.

In the event any amount due under this Note is not made within thirty (30) days of the due date therefor, the Holder may, in any such case, by written notice to the Company, declare immediately due and payable the entire unpaid principal sum of this Note, together with all accrued interest.

The Company agrees to pay all costs of collection when incurred, including but not limited to reasonable attorneys' fees, whether or not suit or action is instituted. If any suit or action is instituted to enforce this Note, the Company promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees in such suit or action.

No failure on the part of the Holder hereof to exercise any right or remedy hereunder, whether before or after the happening of a default, shall constitute a waiver thereof. No waiver of any past default shall constitute waiver of any future default or of any other default. No failure to accelerate the debt evidenced hereby by reason of default hereunder, or acceptance of a past due installment of principal or interest, shall be construed to be a waiver of the right to insist upon prompt payment thereafter or the right to impose late charges retroactively or prospectively.

This Note may not be changed orally, but only by an agreement in writing signed by the party against whom such agreement is sought to be enforced. The Company, and each endorser or guarantor of this Note, hereby waives presentment, protest, demand, diligence, notice of dishonor and of nonpayment. This Note and all rights hereunder are non-transferable.

The Company agrees that the Holder of this Note may, without notice to the Company and without affecting the liability of the Company, accept security for this Note, or release any security or any party liable for this Note, or extend or renew this Note. This Note shall be governed by and construed in accordance with the laws of the State of Florida, excluding any laws that direct the application of another jurisdiction's laws.

IN WITNESS WHEREOF, the Company has executed this Note as of the date and year first above written.

CLEARTRONIC, INC., a Florida corporation

By: /s/ Larry M. Reid
Print Name: Larry M. Reid
Print Title: President

LEASE AGREEMENT

between

BGNP Associates, LLC

and

Voice-Interop, Inc.

Dated: 12/01/2018

Suite 100
8000 Building
8000 North Federal Highway
Boca Raton, FL 33487
SUMMARY OF LEASE

THIS DOCUMENT IS MERELY A SUMMARY AND ANY PROVISIONS OF THE LEASE AND OTHER AGREEMENTS BETWEEN LANDLORD AND TENANT SHALL PREVAIL OVER CONFLICTING PROVISIONS CONTAINED HEREIN.

(A) LANDLORD'S MAILING ADDRESS: BGNP Associates, LLC
8000 N Federal Hwy, #200
Boca Raton, FL 33487

(B) TENANT'S NAME: Voice-Interop, Inc.

MAILING ADDRESS: 8000 North Federal Highway,
Suite 100
Boca Raton, FL 33487

(C) DEMISED PREMISES: 8000 North Federal Highway,
Suite 100
Boca Raton, FL 33487

(D) TERM: 36 Months

(E) COMMENCEMENT DATE: December 1, 2018

OCCUPANCY DATE: December 1, 2014

EXPIRATION DATE: 36 months from Commencement Date

(F) BASE RENT:

<u>LEASE TERM</u>	<u>ANNUAL BASE RENT</u>	<u>MONTHLY INSTALLMENT</u>
1 through 12 Months	\$43,560.00	\$ 3,630.00 1 st month free as concession
12 through 24 Months	\$43,302.40	\$ 3,775.00
24 through 36 Months	\$47,114.49	\$ 3,926.20

(G) SECURITY/DAMAGE DEPOSIT: \$ 3,630.00 (currently held from previous lease)

(H) LAST MONTH RENT ON DEPOSIT \$ 3,630.00 (currently held from previous lease)

(I) PERMITTED USE: General Office

Please make all checks payable to:

BGNP Associates, LLC
8000 N Federal Hwy #200
Boca Raton, Florida 33487

INSURANCE CERTIFICATES SHALL INCLUDE BGNP Associates, LLC AS AN ADDITIONAL INSURED ON ALL INSURANCE POLICIES.

LEASE AGREEMENT

THIS LEASE AGREEMENT (herein after referred to as the "Lease" is made and entered into as of the 1st of December 2018 by and between BGNP Associates, LLC, a Florida limited partnership (hereinafter referred to as "Landlord") and Voice-Interop Inc., a Florida Incorporation (herein referred to as "Tenant").

W I T N E S S E T H:

THAT LANDLORD, in consideration of the rents and agreements hereafter promised and agreed by Tenant to be paid and performed, does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the real property described herein, subject to the following terms.

ARTICLE I

DESCRIPTION OF PROPERTY; TERM

Section 1.1 Description of Property. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following space (hereinafter called the "Demised Premises" or "Premises") as shown on **Exhibit "A"** attached hereto and made a part of this Lease, in the building known as 8000 Building, located at 8000 North Federal Highway, Suite 100, Boca Raton, Florida 33487, (hereinafter called the "Building"), together with the right to use in common with other tenants of the Building, their invitees, customers and employees, the lobby areas, stairways, elevators, hallways, lavatories and all other common facilities contained in the Building and the general parking area throughout. All of the land and real property underlying the Building or adjacent thereto, with all improvements thereto including the Building, and used in connection with the operation of the Building shall be referred to herein as the "Property".

Section 1.2 Term. Tenant shall have and hold the Premises for a term of sixty (36) months (hereinafter referred to as the "Term" or "Lease Term"), commencing on December 1, 2018 (the "Commencement Date") and expiring November 30, 2021, sixty (36) months thereafter (the "Expiration Date"). If the Term of this Lease commences on any day of the month other than the first day, rent from such date to the end of such month shall be prorated according to the number of days in such month and paid on a per diem basis, in advance, on or before the Commencement Date. Tenant agrees that it will execute prior to occupancy, an Estoppel Certificate in the form attached hereto as **Exhibit "B"**, as modified by Tenant to make the statements contained herein accurate. Tenant's failure or refusal to execute said Estoppel Certificate shall constitute a default hereunder.

ARTICLE II
BASE RENT

Section 2.1 Base Rent; Late Charge; Sales Tax Tenant agrees to pay Landlord an aggregate base rent for the first year of the Lease Term in the amount of \$ 43,560.00 (the "Base Rent"), payable in twelve (12) equal monthly installments (\$3,630.00) for the first year, in the amount of \$45,302.40 (the "Base Rent"), payable in twelve (12) equal monthly installments (\$3,775.20) for the second year, in the amount of 47,114.49 (the "Base Rent"), payable in twelve (12) equal monthly installments (\$3,926.20) for the third year in advance of the first day of each and every month during the entire Lease Term. The first month's Base Rent, Additional Rent and sales tax security deposit thereon, shall be paid simultaneously with the execution of this Lease. In addition, and throughout the term of this lease, the Tenant shall be responsible for the payment of Additional Rent as provided in Article III below (the Base Rent and Additional Rent shall sometimes be collectively referred to as the "Rent". In the event any monthly Rent payment is not paid within ten (10) days after it is due, after each such occurrence in any calendar year, Tenant agrees to pay a late charge of ten (10%) percent of the amount of the payment due. If any payment made by Tenant should be returned by our bank due to non-sufficient funds or stopped payment, Tenant agrees to pay a returned items fee of thirty-five dollars (\$50.00), in addition to the aforementioned late fee.

Tenant further agrees that the late charge imposed is fair and reasonable, complies with all the laws, regulations and statutes, and constitutes an agreement between Landlord and Tenant as to the estimated compensation for the costs and administrative expenses incurred by Landlord due to the late payment of Rent to Landlord by Tenant.

Tenant further agrees that the late charges assessed pursuant to this Lease is not interest, and the late charge assessed does not constitute a lender or borrower/creditor relationship between Landlord and Tenant and may be treated by Landlord as Additional Rent owed by Tenant. Tenant shall pay to Landlord all sales or use taxes pertaining to the Rent (currently 6.8%), which shall be remitted by Landlord to the Florida Department of Revenue.

Section 2.2 Base Rental Adjustment. Intentionally left blank.

Section 2.3 Payment Without Notice or Demand The Rent called for in this Lease shall be paid to Landlord without notice or demand, and without counterclaim, offset, deduction, abatement, suspension, deferment, diminution or reduction. Tenant hereby waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or the Premises or any part hereof, or to any abatement, suspensions, deferment, diminution or reduction of the Rent on account of any such circumstances or occurrence.

Section 2.4 Place of Payment All payments of Rent shall be made and paid by Tenant to BGNP Associates, LLC, 8000 N Federal Highway, Suite 200, Boca Raton, Florida 33487 or at such other place as Landlord may, from time to time, designate in writing to Tenant. All Rent shall be payable in current legal tender of the United States, as the same is then by law constituted. Any extension, indulgence, or waiver granted or permitted by Landlord in the time, manner or mode of payment of Rent, upon any one (1) occasion, shall not be construed as a continuing extension, indulgence or waiver, and shall not preclude Landlord from demanding strict compliance herewith.

Section 2.5 Early Termination. Intentionally left blank.

Section 2.6 Option to Renew. Intentionally left blank.

Section 2.7 First Right of Offer. Intentionally left blank.

**ARTICLE III
ADDITIONAL RENT**

Section 3.1 Additional Rent Intentionally left blank.

**ARTICLE IV
SECURITY/DAMAGE DEPOSIT**

Section 4.1a Security/Damage Deposit. The parties acknowledge that the Landlord is holding the sum of \$3,630.00 to be held by Landlord as a damage deposit and/or as security for the performance by Tenant of all of the terms, covenants and conditions hereof and the payment of Rent or any other sum due Landlord hereunder. As options are exercised, this amount may increase to the current rental rate. Landlord shall have the right to apply all or any part of the security deposit against: (a) unreasonable wear and tear of the Premises; (b) loss or damage to the Premises or other property of the Landlord caused by the negligence of Tenant, Tenant's employees, agents invitee or licensees; (c) the cost of repairing the Premises, except for reasonable wear and tear, to the same condition it was in at the time Tenant began occupancy thereof; and (d) Rent payments which remain due and owing beyond any applicable grace period. Landlord shall not be limited in pursuing Landlord's remedies against Tenant for costs, losses or damages to the Premises or to any other property of Landlord for any such costs, losses or damages which are in excess of the above described security deposit amount. Subject to (a) through (d) above, Landlord shall return Tenant's Security Deposit within twenty (20) days after Lease Termination. Such security deposit shall bear no interest and may be commingled with other security deposits or funds of Landlord.

Section 4.1b Last Month Deposit. The parties acknowledge that the Landlord is holding the sum of \$3,630.00, to be held by Landlord as a deposit for the last month's rent and/or as security for the performance by Tenant of all of the terms, covenants and conditions hereof and the payment of Rent or any other sum due Landlord hereunder. As options are exercised, this amount may increase to the current rental rate. This last month deposit will be used for the last month's rent of the original lease, or any successive lease thereafter, so long as all other terms within this lease are met. Last month deposit shall bear no interest and may be commingled with other security deposits or funds of Landlord.

**ARTICLE V
USE OF PREMISES**

Section 5.1 Use of Premises. Tenant shall have the responsibility to comply with all applicable zoning codes and regulations. Tenant shall use the premises for general office and will not use the premises for any other use without first obtaining written consent of the landlord. Tenant will not use or permit the use of the Premises or any part thereof for any unlawful purpose, or in violation of any and all applicable ordinances, laws, rules or regulations of any governmental body, or the Association, and will not do or permit any act which would constitute a public or private nuisance or waste or which would be a nuisance or annoyance or cause damage to Landlord or Landlord's other tenants which would invalidate any policies of insurance or increase the premiums thereof, now or hereafter written on the Building and/or the Property.

**ARTICLE VI
ALTERATIONS, ADDITIONS, IMPROVEMENTS OR RELOCATION**

Section 6.1 Leasehold Improvements. The facilities, materials and work to be furnished, installed and performed in the Premises by Landlord, at its expense, are hereinafter referred to as "Landlord's Work". Landlord shall utilize Building standard materials. In all other respects Tenant accepts the premises in their "as is" condition. Such other facilities, materials and work which may be undertaken by or for the account and at the expense of Tenant to equip, decorate and furnish the Premises for Tenant's occupancy are hereinafter referred to as "Tenant's Work". Landlord's approval of the plans, specification and working drawings for Tenant's work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities.

Recognizing that the building is large and the needs of the tenants as to space may vary from time to time, and in order for the Landlord to accommodate Tenant and prospective tenants, Landlord expressly reserves the right, prior to and during the Term, at the Landlord's sole expense, to move Tenant from the Premises and relocate Tenant in other space of the Landlord's choosing of approximately the same dimensions and size within the Building. During a relocation period, Landlord will use reasonable efforts not to unduly interfere with the Tenant's business activities and to substantially complete the relocation within a reasonable time under all then-existing circumstances.

Landlord's obligation for the expenses of relocation will be the actual cost of relocating Tenant and Tenant agrees that Landlord's exercise of its election to relocate Tenant will not release Tenant in whole or in part from its obligations hereunder for the full Term. No rights granted in this Lease to Tenant, including the right of quiet enjoyment will be deemed breached or interfered with by reason of Landlord's exercise of relocation right reserved herein.

Section 6.2 Completion by Landlord. The Premises shall be deemed ready for occupancy on the date Landlord's Work is substantially. The same shall be deemed substantially completed notwithstanding the fact that minor or insubstantial details of construction, mechanical adjustment or decoration remain to be performed, the non-completion of which does not materially interfere with Tenant's use of the Premises. Landlord shall give Tenant at least ten (10) days notice of the date on which Landlord estimates Landlord's Work will be substantially completed, and Tenant shall occupy the Premises promptly thereafter.

Section 6.3 Delay by Tenant. If substantial completion of Landlord's Work is delayed due to: (a) any act or omission of Tenant or any of its employees, agents or contractors (including, but limited to, (i) any delays due to changes in or additions to Landlord's Work, or (ii) any delays by Tenant in the submission of plans, drawings, specifications, or other information or in approving any working drawings or estimates, or in giving any authorization or approvals); or (b) any additional time needed for the completion of Landlord's Work by the inclusion in Landlord's Work of any special or unusual work, then the Premises shall be deemed ready for occupancy on the date it would have been ready, but for such delay, and Rent shall commence as of such earlier date. Any changes to floor plans after execution of the Lease shall be subject to Landlord's approval, and furthermore, Tenant shall pay for any extra costs that may be incurred by Landlord which are caused by changes so requested by Tenant.

Section 6.4 Acceptance of Premises. Tenant acknowledges that Landlord has not made any representations or warranties with respect to the condition of the Premises. The taking of possession of the Premises by Tenant shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was taken, except for the minor insubstantial details of which Tenant gives Landlord notice within 30 days after the Commencement Date. If Landlord shall give Tenant permission to enter into possession of the Premises prior to the Commencement Date, such possession or occupancy shall be deemed to be upon all terms, covenants, conditions, and provisions of this Lease, including the execution of an Estoppel certificate.

ARTICLE VII LANDLORD AND TENANT OBLIGATIONS

Section 7.1 Tenant's Repair and Maintenance. Tenant shall be responsible for all repairs, the need for which arises out of: (a) the performance or existence of Tenant's Work or alteration; (b) the installation, use or operation of Tenant's Property (defined below) in the Premises; (c) the moving of Tenant's Property in and out of the Building; or (d) the act, omission, misuse or neglect of Tenant or any of its subtenants, employees, agents, contractors or invitees. Tenant shall also be responsible for the replacement of all scratched, damaged or broken doors and glass in and about the Premises, the maintenance and replacement of wall and floor coverings in the Premises, and for the repair and maintenance of all sanitary and electrical fixtures therein. All such repairs shall be performed at such times and in such a manner as shall cause the least interference with Tenant's use of the Premises, the operation of the central systems of the Building and the use of the Building by other tenants.

Section 7.2 Landlord's Obligations Landlord shall be obligated to keep and maintain the common areas of the Building, and the systems and facilities serving the Premises, in good working order and shall make all repairs as and when needed in or about the common areas and the Premises, except for those repairs for which Tenant is responsible pursuant to any of the provisions of this Lease. Landlord shall be responsible for air conditioning, plumbing and electrical services in the Premises, as well as roof leaks, exterior maintenance and repair. Landlord shall not be liable for any damage to Tenant's Property caused by (a) water from bursting or leaking pipes, or waste water about the Property; (b) from an intentional or negligent act of any other tenant or occupant of the Building or the Property; (c) fire, hurricane or other acts of God; (d) riots or vandals; or (e) from any other cause not attributable to the negligent or wrongful act of Landlord, its agents or employees. Landlord shall not be required to furnish any services or facilities to, or to make any repairs to or replacements or alterations of, the Premises where necessitated due to the negligence of Tenant, its agents and employees, or other tenants, their agents or employees.

Section 7.3 Floor Loads; Noise and Vibration Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot, which such floor was designed to carry, or which is allowed by law. Business machines and mechanical equipment belonging to Tenant which cause noise, electrical interference or vibration that may be transmitted to the structure of the Building or to the Premises to such a degree as to be objectionable to Landlord or other tenants in the Building, shall, at Tenant's expense, be placed and maintained by Tenant in settings of cork, rubber, or spring-type vibration eliminators sufficient to eliminate such noise, electrical interference or vibration.

Section 7.4 Electricity.

(a) Landlord agrees to furnish to the Premises weekdays, exclusive of legal holidays, from 8:00 a.m. to 6:00 p.m., and Saturdays, from 8:00 a.m. to 12:00 p.m., heat and air conditioning required in Landlord's judgment for the comfortable use and occupation of the Premises and elevator service; water for lavatory and drinking at those points of supply provided for general use of tenants during the times and in the manner that such services are, in Landlord's judgment customarily furnished in comparable office buildings in the immediate market area. Landlord shall be under no obligation to provide additional or after-hours heating or air conditioning, but if Landlord elects to provide such services at Tenant's request, Tenant shall pay Landlord a charge of \$22.00 per hour for such services to be billed monthly to Tenant. Landlord in its discretion has the right to reasonably adjust the above referenced charge. Tenant agrees to keep closed all window coverings, if any, when necessary because of the sun's position, and Tenant also agrees at all times to cooperate fully with Landlord and to abide by all the regulations and requirements which Landlord may prescribe for the proper functioning and protection of said heating, ventilating, and air conditioning system and to comply with all laws, ordinances and regulations respecting the conservation of energy. In the event Tenant utilizes heat-generating machines, heat-generating equipment or excess lighting in the Premises and same affects the ability of the air conditioning system to effectively cool the premises as intended, Landlord reserves the right to install supplementary air conditioning units for the Premises, and the cost thereof, including the cost of electricity and/or water therefore and the cost of all repairs, maintenance and replacements thereto shall be paid by Tenant to Landlord upon demand.

(b) Tenant's use of electrical energy in the Premises shall not, at any time, exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Premises. In order to ensure that such capacity is not exceeded and to avert possible adverse effects upon the Building's electric service, Tenant shall not, without Landlord's prior written consent in each instance, connect major equipment to the Building, electric distribution system, telephone system or make any alteration or addition to the electric system of the Premises existing on the Commencement Date. Tenant's electrical usage under this Lease contemplates only the use of normal and customary office equipment. In the event Tenant installs any office equipment which uses substantial additional amounts of electricity, then Tenant agrees that Landlord's consent is required before the installation of such additional office equipment

Section 7.5 Energy Conservation Tenant shall undertake to use its best efforts to ensure that it will utilize energy-efficient equipment in the Premises.

Section 7.6 Janitorial Services

Landlord shall cause the Premises, including the exterior and interior of the windows thereof to be cleaned in a manner standard to the Building. Tenant shall pay to Landlord on demand, the cost incurred by Landlord for: (a) extra cleaning work in the Premises required because of (i) misuse or neglect on the part of Tenant or subtenants or its employees or visitors; (ii) the use of portions of the Premises for purposes requiring greater or more difficult cleaning work than normal office areas; (iii) interior glass partitions or unusual quantity of interior glass surfaces, and (iv) non-building standard materials or finishes installed by Tenant or at its request; (b) removal from the Premises and the Building of any refuse and rubbish of Tenant in excess of that ordinarily accumulated in business office occupancy or at times other than Landlord's standard cleaning times; and (c) the use of the Premises by Tenant other than during business hours on business days.

**ARTICLE VIII
LANDLORD'S AND TENANT'S PROPERTY**

Section 8.1 Landlord's Property. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term of this Lease, whether or not by or at the expense of Tenant, shall be and remain a part of the Premises, and shall be deemed the property of Landlord ("Landlord's Property") and shall not be removed by Tenant except as otherwise specifically set forth herein. Further, any carpeting or other personal property in the Premises on the Commencement Date, shall not be removed by Tenant.

Section 8.2 Tenant's Property.

All moveable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment, whether or not attached to or built into the Premises, which are installed in the Premises by or for the account of Tenant without expense to Landlord and which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of moveable personal property owned by Tenant and located in the Premises (hereinafter collectively referred to as "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term of this Lease, provided Tenant is not in default hereunder. In the event Tenant's Property is so removed, Tenant shall repair or pay the cost of repairing any damage to the Premises or to the Building resulting from the installation and/or removal thereof and repair the Premises to the same physical condition and layout as they existed at the time Tenant was given possession of the Premises. Any equipment or other property for which Landlord shall have granted any allowance or credit to Tenant shall not be deemed to have been installed by or for the account of Tenant without expense to Landlord, shall not be considered Tenant's property and shall be deemed the property of Landlord.

Section 8.3 Removal of Tenant's Property.

At or before the expiration date of this Lease, or within five (5) days after any earlier termination hereof, Tenant, at its expense, shall remove from the Premises all of Tenant's Property (except such items thereof as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord), and Tenant shall repair any damage to the Premises or the Building resulting from any installation and/or removal of Tenant's Property, and shall repair the Premises to the same physical condition and layout as they existed at the time tenant was given possession of the Premises, reasonable wear and tear excepted. Any other items of Tenant's Property which shall remain in the Premises after the expiration date of this Lease, or after a period of five (5) days following an earlier termination date, may, at the option of Landlord, be deemed to have been abandoned, and in such case, such items may be retained by Landlord. Landlord may request Tenant to remove and pay to Landlord the cost of repairing any damage to the Premises or the Building resulting from any installation and/or removal of Tenant's Property and the cost of repair the Premises to the same physical condition and layout as they existed at the time Tenant was given possession of the Premises, reasonable wear and tear excepted.

Section 8.4 Landlord's Lien and Security Interest As security for the performance of Tenant's obligations under this Lease, Tenant hereby grants to Landlord a security interest in and Landlord's lien upon all of Tenant's Property located in the Premises. Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact and empowers Landlord to execute on Tenant's behalf a UCC-1 Financing Statement, renewals and terminations thereof, for the purpose of perfecting Landlord's security interest.

**ARTICLE IX
INSURANCE**

Section 9.1 Tenant's Insurance.

1. Tenant shall, during the term of this Lease, maintain insurance against public liability, including that from personal injury or property damage in or about the Premises resulting from the occupation, use or operation of the Premises, insuring both Tenant and Landlord as an additional insured, in amount of not less than One Million (\$1,000,000) Dollars Combined Single Limit for both bodily injury and property damage.
2. Tenant shall maintain insurance upon all property in the Premises owned by Tenant, or for which Tenant is legally liable, and shall provide Landlord with evidence of same. The insurances specified herein shall provide protection against perils included within the standard Florida form of fire and extended coverage insurance policy, together with insurance against vandalism and malicious mischief.
3. All policies of insurance provided for in Section 9.1 shall be issued in a form acceptable to Landlord by insurance companies with general policyholder's rating of "A" as rated in the most current available "Best's Insurance Reports" and qualified to do business in Florida. Each and every such policy:
 - (a) shall be issued in the name of Tenant and shall include Landlord and any other parties in interest designated in writing by notice from landlord to Tenant as additional insured;
 - (b) shall be for the mutual and joint benefit and protection of Landlord and Tenant and any such other parties in interest as additional insured's;
 - (c) shall (or a certificate thereof shall) be delivered to Landlord and any such other parties in interest within ten (10) days before delivery of possession of the Premises to Tenant and thereafter, within thirty (30) days prior to the expiration of each policy, and as often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained in like manner and to like extent;
 - (d) shall contain a provision that the insurer will give to Landlord and such other parties in interest at least thirty (30) days notice in writing in advance of any cancellation, termination or lapse, or the effective date of any reduction in the amount of insurance;
 - (e) shall be written as a primary policy which does not contribute and is not in excess of coverage which Landlord may carry; and
 - (f) shall contain a provision that Landlord and any such other parties in interest, although named as an insured, shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of negligence of Tenant.
4. Any insurance provided for in Section 9.1 may be maintained by means of a policy or policies of blanket insurance, provided however, that: (i) Landlord and any other parties in interest from time to time designated by Landlord to Tenant shall be named as an additional insured there under as their interests may appear; (ii) the coverage afforded Landlord and any such other parties in interest will not be reduced or diminished by reason of the use of such blanket policy of insurance; and (iii) the requirements set forth in this Article are otherwise satisfied.
5. These insurance requirements are subject to modification in the event any Superior Mortgagee (hereafter defined) of Landlord requires different insurance. In such event, the reasonable requirements of such Superior Mortgagee shall control.

Section 9.2 Destruction of the Premises or Building If during the Term hereof, the Premises and/or the Building are damaged by reason of fire or other casualty, Tenant shall give immediate notice thereof to Landlord. Subject to the prior rights of any Superior Mortgagee, Landlord shall restore the Premises and/or the Building to substantially the same condition they were in immediately before said destruction. If the restoration can be accomplished within 120 working days after the date Landlord receives notice of the destruction, such destruction shall not serve to terminate this Lease. If the restoration cannot be performed within the time stated in this section, then within ninety (90) days after the parties determine that the restoration cannot be completed within said time, either party may terminate this Lease upon thirty (30) days notice to the other party. If Tenant fails to terminate this Lease and restoration is permitted under existing laws, Landlord, at its election, may restore the Premises and/or the Building within a reasonable period of time, and this Lease shall continue in full force and effect. Landlord shall use diligent effort in restoring the Premises and/or Building. Rent shall be abated during the period in which the Premises (or portion thereof on a prorated basis) are rendered untenable as a result of such damage, unless said damage was caused by the intentional wrongful act of Tenant or its employees, agents or invitees. Should Landlord elect to terminate this Lease, the entire amount of Landlord's insurance proceeds shall be and remain the outright property of Landlord, subject to the prior rights of any mortgagee and except any proceeds received for Tenant's Property that are covered under Tenant's insurance.

Section 9.3 Landlord's Insurance. Landlord represents and warrants that Landlord shall provide and maintain insurance against the property, including personal injury and property damage for the building, including hazard and windstorm.

ARTICLE X ALTERATIONS AND MECHANIC'S LIENS

Section 10.1 Alterations by Tenant. No alterations shall be made by Tenant unless the following conditions are met:

- (a) Tenant shall have received the prior written consent of Landlord, which consent shall not be unreasonably withheld.
- (b) All such alterations or improvements shall be performed by Landlord at Tenant's expense, or by a contractor approved by Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's Work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Any work by Landlord shall be performed at a fee competitive with local contractors.
- (c) Tenant shall have procured all permits, licenses and other authorizations required for the lawful and proper undertaking thereof;
- (d) all alterations when completed shall be of such a nature as not to (i) reduce or otherwise adversely affect the value of the Premises; (ii) diminish the general utility or change the general character thereof; (iii) result in an increase of the Operating Expenses, or (iv) adversely affect the mechanical, electrical, plumbing, security or other such systems of the Building or the Premises;
- (e) all alterations made by Tenant shall remain on and be surrendered with the Premises on expiration or earlier termination of this Lease, except that Landlord can elect, within thirty (30) days before expiration or earlier termination of the Lease, to require Tenant to remove any and all alterations Tenant had made to the Premises;

Section 10.2 Construction Liens Tenant agrees that it will make full and prompt payment of all sums necessary to pay for the cost of repairs, alterations, improvements, changes or other work done by Tenant to the Premises and further agrees to indemnify and hold harmless Landlord from and against any and all such costs and liabilities incurred by Tenant, and against any and all construction liens arising out of or from such work or the cost thereof which may be asserted, claimed or charged against the Premises or the Building or site on which it is located. Notwithstanding anything to the contrary in this Lease, the interest of Landlord in the Premises shall not be subject to liens for improvements made by or for the Tenant, whether or not the same shall be made or done in accordance with any agreement between Landlord and Tenant, and it is specifically understood and agreed that in no event shall Landlord or the interest of Landlord in the Premises be liable for or subjected to any construction liens for improvements or work made by or for Tenant; and this Lease specifically prohibits the subjecting of Landlord's interest in the Premises to any construction liens for improvements made by Tenant or for which Tenant is responsible for payment under the terms of this Lease. All persons dealing with Tenant are hereby placed upon notice of this provision. In the event any notice or claim of lien shall be asserted of record against the interest of Landlord in the Premises or Building or the site on which it is located on account of or growing out of any improvement or work done by or for Tenant, or any person claiming by, through or under Tenant, for improvements or work the cost of which is the responsibility of Tenant, Tenant agrees to have such notice of claim of lien canceled and discharged of record as a claim against the interest of Landlord in the Premises, the Building or the Property (either by payment or bond as permitted by law) within ten (10) days after notice to Tenant by Landlord, and in the event Tenant shall fail to do so, Tenant shall be considered in default under this Lease.

**ARTICLE XI
ASSIGNMENT AND SUBLETTING**

Section 11.1 Tenant's Transfer.

- (a) Tenant shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. Any assignment, encumbrance or sublease without the Landlord's written consent shall be void ab initio and at Landlord's election, shall constitute a default hereunder. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this Section.
- (b) If Tenant is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of any partner/or partners owning 50% or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment.
- (c) If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or transfer of a controlling percentage of the capital stock of Tenant, or the sale of 51% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors, shall be deemed a voluntary assignment.
- (d) Landlord may consent to the sublease of all or any part of the Premises provided Tenant and the sub lessee enter into a sublease incorporating the same terms and conditions as contained herein (exclusive of rent), and Landlord shall be entitled to receive the total amount of any increased Rent, including sales tax, paid by a sub lessee or assignee.
- (e) Any assignment agreed to by Landlord shall be evidenced by a validly executed Assignment and Assumption of Lease Agreement. Any attempted transfer, assignment, subletting, mortgaging or encumbering of this Lease in violation of this Section shall be void and confer no rights upon any third person. Such attempt shall constitute a material breach of this Lease and entitle Landlord to the remedies provided for default.
- (f) If, without such prior written consent, this Lease is transferred or assigned by Tenant, or if the Premises, or any part thereof, are sublet or occupied by anybody other than the Tenant, whether as a result of any act or omission by Tenant, or by operation of law or otherwise, Landlord may, in addition to and not in diminution of, or substitution for, any other rights and remedies under this Lease, or pursuant to law to which Landlord may be entitled as a result thereof, collect Rent directly from the transferee, assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved.

Section 11.2 Tenant's Liability. Notwithstanding any assignment or sublease, and notwithstanding the acceptance of Rent by Landlord from any such assignee or sublessee, Tenant shall continue to remain liable for the payment of Rent hereunder and for the performance of all agreements, conditions, covenants and terms herein contained,

Section 11.3 Landlord's Right of Cancellation. Notwithstanding anything contained herein to the contrary, should Tenant desire to assign the Lease or sublease the Premises, Landlord shall have the right, but not the obligation, to cancel or terminate the Lease and deal with Tenant's prospective assignee or sublessee directly and without any obligation to Tenant. In this event, Tenant's obligations to Landlord under this Lease shall terminate.

Section 11.4 Landlord's Transfer. Landlord shall have the right to sell, mortgage, or otherwise encumber or dispose of Landlord's interest in the Premises, the Building, the Property and this Lease.

Section 11.5 Minimum Rental Requirement. Notwithstanding anything to the contrary contained in this ARTICLE XI or in this Lease, Tenant may assign this Lease or sublet the Premises provided said rental rate is not less than that rental amount that is being paid for other space within the Building. Otherwise, Tenant shall not, under any circumstances, assign this Lease or sublet the Premises or any part thereof until at least ninety (90%) percent of the rentable space in the Building has been leased by Landlord.

ARTICLE XII

OBLIGATIONS

Section 12.1 Obligations of Tenant. Tenant shall, during the Term of this Lease, at its sole cost and expense, comply with all valid laws, ordinances, regulations, orders and requirements of any governmental authority which may now or hereafter be applicable to the Premises or to its use, whether or not the same shall interfere with the use or occupancy of the Premises, arising from (a) Tenant's use of the Premises; (b) the manner or conduct of Tenant's business or operation of its installations, equipment or other property therein; (c) any cause or condition created by or at the instance of Tenant; or (d) breach of any of Tenant's obligations hereunder, whether or not such compliance requires work which is structural or non-structural, ordinary or extraordinary, foreseen or unforeseen; and Tenant shall pay all of the costs, expenses, fines, penalties and damages which may be imposed upon Landlord by reason or arising out of Tenant's failure to fully and promptly comply with and observe the provisions of this Section. Tenant shall give prompt notice to Landlord of any notice it received of the violation of any law or requirement of any public authority with respect to the Premises or the use or occupation thereof.

Section 12.2 Rules and Regulations. Tenant shall also comply with all rules and regulations now existing (See **Exhibit "C"**), or as may be subsequently applied by Landlord to all tenants of the Building. Landlord agrees to consistently apply the rules and regulations to all Tenants within the Building.

ARTICLE XIII RIGHT OF LANDLORD TO PERFORM TENANT'S COVENANTS

Section 13.1 Payment or Performance. Landlord shall have the right, upon ten (10) days prior written notice to Tenant (or without notice in case of emergency or in order to avoid any fine, penalty, or cost which may otherwise be imposed or incurred), following the expiration of any applicable cure period, to make any payment or perform any act required of Tenant under any provision in this Lease, and in exercising such right, to incur necessary and incidental costs and expenses, including reasonable attorney's fees. Nothing herein shall imply any obligation on the part of Landlord to make any payment or perform any act required of Tenant, and the exercise of the right to do so shall not constitute a release of any obligation.

Section 13.2 Reimbursement. All payments made and all reasonable costs and expenses incurred in connection with Landlord's exercise of the right set forth in Section 13.1, shall be reimbursed by Tenant within ten (10) days after receipt of a bill setting forth the amounts so expended, together with interest at the annual rate of 18% from the respective dates of the making of such payments or the incurring of such costs and expenses. Any such payments, costs and expenses made or incurred by Landlord may be treated as Additional Rent owed by Tenant.

**ARTICLE XIV
NON-LIABILITY AND INDEMNIFICATION**

Section 14.1 Non-Liability of Landlord. Neither Landlord, nor any beneficiary, joint venture partner, agent, servant, or employee of Landlord, nor any Superior Mortgagee (as defined in Article XIX below), shall be liable to Tenant for any loss, injury, or damage to Tenant or to any other person, or to its property, unless caused by or resulting from the negligence or intentional wrongful act of Landlord, its agents, servants or employees, in the operation or maintenance of the Premises or the Building, subject to the doctrine of comparative negligence in the event of contributory negligence on the part of Tenant or any of its subtenants, licensees, employees, agents or contractors. Tenant recognizes that any Superior Mortgagee will not be liable to Tenant for injury, damage or loss caused by or resulting from the negligence of Landlord. Further, neither Landlord, or any Superior Mortgagee, nor any joint venture partner, director, officer, agent, servant or employee of Landlord shall be liable (a) for any such damage caused by other tenants or persons in, upon or about the Building, or caused by operations in construction of any private, public or quasi-public work; or (b) for incidental or consequential damages or lost profits arising out of any loss of use of the Premises, or any equipment or facilities therein, by Tenant or any person claiming through or under Tenant.

Section 14.2 Indemnification by Tenant. Tenant hereby agrees to indemnify Landlord and hold it harmless from and against all claims, actions, damages, liability, and expenses which may arise in connection with bodily, loss of life, and/or damage to property arising from or out of any occurrence in, upon, or at the Demised Premises, or the occupancy or use by Tenant of the Demised Premises or any part thereof, or occasioned totally or in part by any negligent act or omission of Tenant, its agents, contractors, employees, servants, or subtenants unless such damages due to the negligent act or omission of Landlord, its agents or employees. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant in connection with the Demised Premises, Tenant hereby agrees to hold Landlord harmless and pay all costs, expenses, and reasonable attorney's fees and costs incurred by Landlord in connection with such litigation. Tenant also agrees to pay all costs, expenses, and reasonable attorney's fees which may be incurred by Landlord in enforcing the obligations of Tenant under this Lease. To the maximum effect permitted by law, Tenant agrees to use and occupy the Demised Premises at Tenant's own risk.

Section 14.3 Independent Obligations; Force Majeure. The obligations of Tenant hereunder shall not be affected, impaired or excused, nor shall Landlord have any liability whatsoever to Tenant, because (a) Landlord is unable to fulfill, or is delayed in fulfilling, any of its obligations under this Lease by reason of strike, other labor trouble, governmental pre-emption of priorities or other controls in connection with a national or other public emergency or shortages of fuel, supplies, labor or materials, acts of God or any other cause, whether similar or dissimilar, beyond Landlord's reasonable control; or (b) of any failure or defect in the supply, quantity or character of electricity or water furnished to the Premises, by reason of any requirement, act or omission of the public utility or others serving the Building with electric energy, steam, oil, gas or water, or for any other reason whether similar or dissimilar, beyond Landlord's reasonable control. Tenant shall not hold Landlord liable for any injury or damage to person or property caused by fire, theft, or resulting from the operation of elevators, heating or air conditioning or lighting apparatus, or from falling plaster, or from steam, gas, electricity, water, rain, or dampness, which may leak or flow from any part of the Building, or from the pipes, appliances or plumbing work of the same, unless same is the result of Landlord's gross negligence.

**ARTICLE XV
DEFAULT**

Section 15.1 Events of Default. Tenant shall be in default under this Lease if any one or more of the following events shall occur:

- (a) Tenant shall fail to pay any installment of the Rent and/or any expenses called for hereunder as and when the same shall become due and payable, and such default shall continue for a period of ten (10) days after the same is due; or
- (b) Tenant shall default in the performance of or compliance with any of the other terms or provisions of this Lease, and such default shall continue for a period of thirty (30) days after the giving of written notice thereof from Landlord to Tenant, or, in the case of any such default which cannot, with bona fide due diligence, be cured within said thirty (30) days, Tenant shall fail to proceed within said thirty (30) day period to cure such default and thereafter to prosecute the curing of same with all due diligence (it being intended that as to a default not susceptible of being cured with due diligence within such period of thirty (30) days, the time within which such default may be cured shall be extended for such period as may be necessary to permit the same to be cured with due diligence); or
- (c) Tenant shall assign, transfer, mortgage or encumber this Lease or sublet the Premises in a manner not permitted by ARTICLE XI; or
- (d) Tenant shall file a voluntary petition in bankruptcy or any Order for Relief be entered against it, or shall file any petition or answer seeking any arrangement, reorganization, composition, re-adjustment or similar relief under any present or future bankruptcy or other applicable law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Tenant of all or any substantial part of Tenant's properties; or
- (e) If any creditor of Tenant shall file a petition in bankruptcy against Tenant or for reorganization of Tenant, under state or federal law, and if such petition is not discharged within ninety (90) days after the date on which it is filed; or
- (f) Tenant shall vacate or abandon the Premises, then, and in any such event, or during the continuance thereof (subject to the time period described in subparagraph (e) above), Landlord may, at its option, by written notice to Tenant, designate a date not less than five (5) days from the giving of such notice on which this Lease shall end, and thereupon, on such date, this Lease and all rights of Tenant hereunder shall terminate.

Section 15.2 Surrender of Premises. Upon any such termination of this Lease, Tenant shall surrender the Premises to Landlord, and Landlord, at any time after such termination, may, without further notice, re-enter and repossess the Premises without being liable to any prosecution or damages therefore, and no person claiming through or under Tenant or by virtue of any statute or of any order of any court shall be entitled to possession of the Premises.

Section 15.3 Reletting. At any time or from time to time after any such termination of this Lease, Landlord may relet the Premises or any part thereof, in the name of Landlord or otherwise, for such term or terms and on such conditions as Landlord, in its sole discretion, may determine, and may collect and receive the rents, therefore. Landlord shall in no way be responsible or liable for any failure to relet the Premises or any part thereof or for any failure to collect any rent due upon such reletting.

Section 15.4 Survival of Obligations. No termination, pursuant to this ARTICLE XV, shall relieve Tenant of its liability and obligations under this Lease, and such liability and obligations shall survive any such termination.

Section 15.5 Holdover. Should Tenant hold over and remain in possession of the Premises at the expiration of any Term hereby created, Tenant shall, by virtue of this Section, become a Tenant at sufferance and shall pay Landlord 200% of the Rent per month of the last monthly installment of Rent above provided to be paid. Said monthly tenancy shall be subject to all the conditions and covenants of this Lease as though the same had been a tenancy at sufferance instead of a tenancy as provided herein, and Tenant shall give to Landlord at least thirty (30) days prior written notice of any intention to vacate the Premises, and shall be entitled to ten business (10) days prior notice of any intention of Landlord to evict Tenant from the Premises in the event Landlord desires possession of the Premises; however, that said Tenant at sufferance shall not be entitled to ten business (10) days notice in the event the said Rent is not paid in advance without demand, the ten business (10) days written notice otherwise required being hereby expressly waived.

**ARTICLE XVI
DAMAGES/REMEDIES**

Section 16.1 Damages. In the event this Lease is terminated under the provisions or any provisions of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord, as damages, at the election of Landlord either:

(a) The present value of the entire amount of the Rent which would have become due and payable during the remainder of the Term of this Lease, in which event Tenant agrees to pay the same at once, together with all Rent theretofore due, at Landlord's address as provided herein; provided however, that such payment shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment in advance of the Rent for the remainder of said Term. Such present value shall be determined utilizing a discount rate of six (6%). The acceptance of such payment by Landlord shall not constitute a waiver of any failure of Tenant thereafter occurring to comply with any term, provision, condition or covenant of this Lease. IF Landlord elects the remedy given in this Section 16.1 (a), then same shall be Landlord's sole remedy for such default; or

(b) Sums equal to the Rent which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefore following such termination through the expiration of this Lease.

If Landlord at its option shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents, as and when received by Landlord, the expenses incurred or paid by Landlord in terminating this Lease and in securing possession thereof, as well as the expenses of reletting, including, without limitation, the alteration and preparation of the Premises for new tenants, brokers' commissions, reasonable attorneys' fees and all other expenses properly chargeable against the Premises and the rental therefrom. It is hereby understood that any such reletting may be for a period shorter or longer than the remaining Term of this Lease but in no event shall Tenant be entitled to receive any excess of such net rents over the sum payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant hereto to a credit in respect of any net rents from a reletting, except to the extent that such rents are actually received by Landlord.

Section 16.2 Remedies. Lawsuits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired, nor limit or preclude recovery by Landlord against Tenant of any sums or damages which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. All remedies of Landlord provided for herein, or otherwise at law or in equity, shall be cumulative and concurrent.

**ARTICLE XVII
EMINENT DOMAIN**

Section 17.1 Taking. If the whole of the building or the Premises, or, if more than 20% of the Building or the Property, shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose, which materially affects Tenant's use and occupancy of the Premises, this Lease shall terminate as of the date of vesting of title as a result of such taking, and the Base Rent and Additional Rent shall be prorated and adjusted as of such date.

Section 17.2 Award. Landlord shall be entitled to receive the entire award or payment in connection with any taking without deduction there from, except to the extent that Tenant shall be entitled to compensation based upon damages sustained to Tenant's Property. Tenant shall not be precluded from taking its' own action against the condemning authority.

Section 17.3 Temporary Taking. If the temporary use or occupancy of all or any part of the Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose during the Term of this Lease, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation for the use and occupancy of the Premises, for the taking of Tenant's Property and for moving expenses, and Landlord shall be entitled to receive that portion which represents reimbursement for the cost of restoration of the Premises. This Lease shall be and remain unaffected by such taking and Tenant shall continue to pay the Rent in full when due. If the period of temporary use or occupancy shall extend beyond the expiration date of this Lease, that part of the award which represents compensation for the use and occupancy of the Premises (or a part thereof) shall be divided between Landlord and Tenant so that Tenant shall receive so much thereof as represents the period up to and including such expiration date and Landlord shall receive so much as represents the period after such expiration date. All monies received by Landlord as, or as part of, an award for temporary use and occupancy for a period beyond the date through which the Rent has been paid by Tenant, shall be held and applied by Landlord as a credit against the Rent becoming due hereunder.

Section 17.4 Partial Taking. In the event of any taking of less than the whole of the Premises, the Building and/or the Property, which does not result in termination of this Lease: (a) subject to the prior rights of a Superior Mortgagee, Landlord, at its expense, shall proceed with reasonable diligence to repair the remaining parts of the Building and the Premises (other than those parts of the Premises which are Tenant's Property) to substantially their former condition to the extent that the same is feasible (subject to reasonable changes which Landlord shall deem desirable), so as to constitute a complete and tenantable Building and Premises; and (b) Tenant, at its expense, shall proceed with reasonable diligence to repair the remaining parts of the Premises which are deemed Tenant's property pursuant hereto, to substantially their former condition to the extent feasible, subject to reasonable changes which Tenant shall deem desirable. Such work by Tenant shall be deemed alterations as described in Section 11.1 hereinabove. In the event of any partial taking, Tenant shall be entitled to a reduction in Rent for the remainder of the Lease Term following such partial taking based upon the percentage of space taken relative to the original Premises leased.

**ARTICLE XVIII
QUIET ENJOYMENT**

Section 18.1 Quiet Enjoyment. Landlord agrees that Tenant, upon paying all Rent and other charges herein provided for and observing and keeping the covenants, agreements, terms and conditions of this Lease and the rules and regulations of Landlord affecting the Premises on its part to be performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease.

**ARTICLE XIX
SUBORDINATION AND ATTORNMENT**

Section 19.1 Subordination. This Lease, and all rights of Tenant hereunder, are and shall be subordinate to any mortgage or other encumbrance, whether now of record or recorded after the date of this Lease, affecting the Premises, the Building or the Property. Notwithstanding that such subordination is self-operative without any further act of Tenant, Tenant shall, from time to time, within ten (10) days of request from Landlord, execute and deliver any reasonable documents or instruments that may be required by a Superior Mortgagee to confirm such subordination. Tenant's obligation to subordinate this Lease to any mortgage or other interest shall be conditioned upon Tenant's receipt from such party requesting subordination a Non-Disturbance agreement substantially to the effect that no steps or proceedings taken by reason of Landlord's default under such mortgage or encumbrance shall terminate this Lease nor shall Tenant be named a Defendant in any proceeding for foreclosure of such mortgage or be disturbed by virtue of such steps or proceedings as long as there shall be no default by Tenant under the provisions of the Lease. Any mortgage to which this Lease is subject and subordinate is hereinafter referred to as a "Superior Mortgage", and the holder of a Superior Mortgage is hereinafter referred to as a "Superior Mortgagee".

Section 19.2 Notice to Landlord and Superior Mortgagee. If any act or omission of Landlord would give Tenant the right, immediately or after the lapse of a period of time, to cancel this Lease or to claim a partial or total eviction, Tenant shall not exercise such right (a) until it has given written notice of such act or omission to Landlord and any Superior Mortgagee whose name and address shall previously have been furnished to Tenant; and (b) until a reasonable period of time for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such Superior Mortgagee shall have become entitled under such Superior Mortgage to remedy the same.

Section 19.3 Attornment. If any Superior Mortgagee shall succeed to the rights of Landlord hereunder, whether through possession or foreclosure action or delivery of a new lease or deed, then, at the request of such Superior Mortgagee, Tenant shall attorn to and recognize such Superior Mortgagee as Tenant's Landlord under this Lease, and shall promptly execute and deliver any instrument such Superior Mortgagee may reasonable request to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct Lease between such Superior Mortgagee and Tenant, upon all terms, conditions, and covenants as set forth in this Lease, except that the Superior Mortgagee shall not: (a) be liable for any previous act or omission of Landlord under this Lease; (b) be subject to any offset, not expressly provided for in this Lease; or (c) be bound by any previous modification of this Lease or by any previous prepayment, unless such modification or prepayment shall have been previously approved in writing by such Superior Mortgagee. Further, upon such attornment, Landlord shall be released from any further obligations hereunder.

**ARTICLE XX
LANDLORD'S RIGHT OF ACCESS**

Section 20.1 Access for Maintenance and Repair. Except for the space within the inside surfaces of all walls, hung ceilings, floors, windows, and doors bounding the Premises, all of the Building including, without limitation, exterior walls, core interior walls and doors and any core corridor entrance, any terraces or roofs adjacent to the Premises, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks, or other facilities of the Building, and the use thereof, as well as access thereto throughout the Premises for the purposes of operation, maintenance, decoration and repair, are reserved to Landlord. Landlord reserves the right, and Tenant shall permit Landlord, to install, erect, use and maintain pipes ducts and conduits in and through the Premises. Landlord shall be allowed to take all materials into and upon the Premises that may be required in connection therewith, without any liability to Tenant and without any reduction of Tenant's covenants and obligations hereunder. Landlord and its agents shall have the right to enter upon the Premises upon reasonable notice to Tenant and during normal business hours except in emergencies when no notice is required, for the purpose of making any repairs therein or thereto which shall be considered necessary or desirable by Landlord, in such a manner as not to unreasonably interfere with Tenant in the conduct of Tenant's business on the Premises; and in addition, Landlord and its agents shall have the right to enter the premises at any time in cases of emergency.

Section 20.2 Access for Inspection and Showing. Upon reasonable notice to Tenant and during normal business hours, Landlord and its agents shall have the right to enter and/or pass through the Premises to examine the Premises and to show them to actual and prospective purchasers, mortgagees or lessors of the Building. During the period of six (6) months prior to the expiration date of this Lease, Landlord and its agents may exhibit the Premises to prospective tenants.

Section 20.3 Landlord's Alterations and Improvements. If, at any time, any windows of the Premises are temporarily darkened or obstructed by reason of any repairs, improvements, maintenance and/or cleaning in or about the Building, or if any part of the Building, other than the Premises, is temporarily or permanently closed or inoperable, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease. Landlord reserves the right to make such changes, alterations, additions, and improvements in or to the Building and the fixtures and equipment thereof, as well as in or to the street entrances, doors, halls, passages, elevators, escalators and stairways thereof, and other public portions of the Building, as Landlord shall deem necessary or desirable, and no such alterations or changes shall be deemed a breach of Landlord's covenant of quiet enjoyment or a constructive eviction.

**ARTICLE XXI
SIGNS AND OBSTRUCTION**

Section 21.1 Signs. Landlord shall supply Tenant with building standard signage. Tenant shall not place or suffer to be placed or maintained upon any exterior, door, roof, wall or window of the Premises or the Building, any sign, awning, canopy or advertising matter of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Premises except as approved by Landlord, and will not place or maintain any freestanding standard within or upon the Common Area of the Building or immediately adjacent thereto, without first obtaining Landlord's express prior written consent. No exterior or interior sign visible from the exterior of the Building shall be permitted. Tenant further agrees to maintain any such signage approved by Landlord in good condition and repair at all times and to remove the same at the end of the Term of this Lease if requested by Landlord. Upon removal thereof, Tenant agrees to repair any damage to the Premises caused by such installation and/or removal.

Section 21.2 Obstruction. Tenant shall not obstruct the sidewalks, parking lots or other public portions of the Building or the Property in any manner whatsoever.

ARTICLE XXII
NOTICES

Section 22.1 Notices. Any notice or other information required or authorized by this Lease to be given by either party to the other may be given by hand or sent (by first class pre-paid mail, telex, cable, facsimile transmission or comparable means of communication) to the other party at the address stated below. Any notice or other information given by mail pursuant to this Section which is not returned to the sender as undelivered shall be deemed to have been given on the fifth (5th) day after the envelope containing any such notice or information was properly addressed, pre-paid, registered and mailed. The fact that the envelope has not been so returned to the sender shall be sufficient evidence that such notice or information has been duly given. Any notice or other information sent by telex, cable, facsimile transmission or comparable means of communication shall be deemed to have been duly sent on the date of transmission, provided that a confirming copy thereof is sent by first class pre-paid mail to the other party, at the address stated below, within twenty-four (24) hours after transmission.

AS TO LANDLORD:

BGNP Associates, LLC
8000 N Federal Highway
Suite 200
Boca Raton, FL 33487

AS TO TENANT:

VoiceInterop, Inc.
8000 N. Federal Highway
Suite 100
Boca Raton, FL 33487

The above address may be changed at any time by giving thirty (30) days written notice as above provided. In addition to the foregoing, any notices of a legal nature shall be copied to:

BGNP Associates, LLC
8000 N Federal Highway
Suite 200
Boca Raton, FL 33487

**ARTICLE XXIII
MISCELLANEOUS**

Section 23.1 ADA Compliance. To the best of Landlord's knowledge, the Premises are ADA compliant.

Section 23.2 Environmental Indemnity. Tenant agrees to indemnify and hold Landlord harmless from and against any and all loss, claim, liability, damages, injuries to person, property, or natural resources, cost, expense, action or cause of action, arising in connection with the release or presence of any "Hazardous Substances" at the Premises, through the acts of Tenant, its employees, agents or invitees acting with Tenant's authority, whether foreseeable or unforeseeable, during the term and occupancy of the premises by Tenant. The foregoing indemnity includes, without limitation, all costs in law or in equity of removal, remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Premises is in compliance and to cause the Premises to be in compliance with all with all applicable environmental laws, all costs associated with claims for damages to persons, property, or natural resources, and Landlord's reasonable attorneys' and consultants' fees and court costs. For the purposes of definition, Hazardous Substances means any toxic or hazardous wastes, pollutants or substances, including, without limitation, asbestos, PBCs, petroleum products and by-products, substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9061 et. seq., hazardous materials identified in or pursuant to the Hazardous Materials Transportation Act 49 U.S.C. Section 1802 et. seq.

Section 23.3 Radon Gas. Pursuant to Florida Statutes, Section 404.056 [8], the following disclosure is required by law: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Section 23.4 Broker Commission. Intentionally left blank.

Section 23.5 Financial Statements. Throughout the term of this Lease, Tenant shall provide Landlord, at the request of Landlord, its most current and complete financial statement including, but not limited to, its balance sheet and profit and loss statement.

Section 23.6 Estoppel Certificates. Each party agrees, at any time and from time to time as requested by the other party, to execute and deliver to the other a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), certifying the dates to which the Base Rent have been paid, stating whether or not the other party is in default in performance of any of its obligations under this Lease, and, if so, specifying each such default, and stating whether or not any event has occurred which, with the giving of notice or passage of time, or both, would constitute such a default, and, if so, specifying each such event. Each party shall also include in any such statements such other information concerning this Lease as the other party may reasonably request. In the event either party fails to comply with this Section, such failure shall constitute a material breach of the Lease. If Tenant fails to execute the initial Estoppel Certificate, Rent shall continue to accrue, but Landlord shall be under no obligation to deliver possession of the Premises.

Section 23.7 Approval by Superior Mortgagee. If required by a Superior Mortgagee, this Lease shall become binding upon Landlord's execution and approval of Lease by Landlord's Superior Mortgagee for the building.

Section 23.8 No Recordation. This Lease shall not be recorded by Tenant in the Public Records of Palm Beach County, Florida, or in any other place. Any attempted recordation by Tenant shall render this Lease null and void and entitles Landlord to the remedies provided for Tenant's default. However, at the request of Landlord, Tenant shall promptly execute, acknowledge and deliver to Landlord a Memorandum of Lease with respect to this Lease, and a Memorandum of Modification of Lease with respect to any modification of this Lease, sufficient for recording. Such Memorandum shall not be deemed to change or otherwise affect any of the obligations or provisions of this Lease.

Section 23.9 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Florida. If any provision of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease shall remain in full force and effect. The table of contents, captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Each covenant, agreement, obligation, or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender, as the context may require.

Section 23.10 Relationship of Parties. Nothing contained in this Lease will be deemed or construed to create a partnership or joint venture between Landlord and Tenant, or to create any other relationship between the parties other than that of Landlord and Tenant.

Section 23.11 Capacity to Execute Lease. If Tenant is other than a natural person, Tenant represents that it is legally constituted, in good standing and authorized to conduct business in the State of Florida. Tenant further represents that the person who is executing this Lease on its behalf has the full power and authority to perform such execution and deliver the Lease to Landlord, and that upon such execution and delivery, the Lease shall be valid and binding upon Tenant in accordance with its respective terms and conditions. To further evidence the foregoing, upon request by Landlord, Tenant shall deliver to Landlord an appropriate corporate or partnership resolution specifying that the signatory to the Lease has been duly authorized to execute same on behalf of Tenant.

Section 23.12 Exculpation of Landlord. Landlord's obligations and liability to Tenant with respect to this Lease shall be limited solely to Landlord's interest in the Property or the proceeds of any insurance policies maintained or required to be maintained by Landlord hereunder, and neither Landlord nor any of the partners of Landlord, nor any officer, director, or shareholder of Landlord, shall have any personal liability whatsoever with respect to this Lease.

Section 23.13 Waiver of Trial by Jury. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant or Tenant's use or occupancy of the Premises.

Section 23.14 Attorney's Fees. In the event of any litigation in enforcing any of the terms, covenants or conditions of this Lease, or any of its rights and remedies under Chapter 83, Florida Statutes, as may hereinafter be amended, the prevailing party shall be entitled to the recovery of reasonable attorneys' fees and court costs incurred.

Section 23.15 Compliance with Laws. Tenant, at Tenant's expense shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the Premises.

Section 23.16 Entire Agreement. This Lease constitutes the entire understanding between the parties and shall bind the parties hereto, their successors and assigns. No representation, except as herein expressly set forth, have been made by either party to the other, and this Lease cannot be amended or modified except by a writing signed by Landlord and Tenant.

It is the intent and agreement of the parties hereto that the offer, any counter offer and acceptance of any offer or counter offer and acceptance of any offer or counter offer may be communicated by use of a facsimile machine (fax) or email and that the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be as legally valid and binding upon the parties as if the original signatures, initials and modifications were present on the documents in the hands of each party.

This Agreement may be executed in several separate counterparts, each of which shall be deemed an original and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

WITNESSES:

(2 witnesses required)

“TENANT”

VoiceInterop, Inc.
Suite #100

/s/ Larry M. Reid
Signature

Printed Name

Larry M. Reid, President
Name Printed, Title

Date

12/1/2018
Date

Printed Name

Date

WITNESSES:

(2 witnesses required)

“LANDLORD”

BGNP Associates, LLC

/s/Eric P. Platero
Eric P. Platero, Managing Member

Printed Name

12/1/18
Date

Date

Printed Name

Date

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION UNDER THAT ACT IS AVAILABLE.

PROMISSORY NOTE

\$ 50,000.00
Boca Raton, Florida
December 2, 2019

FOR VALUE RECEIVED, the undersigned, Cleartronic, Inc., a Florida corporation (the "Obligor"), promises to pay to the order of John F. Marek, TTEE (said party and any subsequent holders hereinafter being collectively called the "Holder") at 8000 N Federal Hwy. Suite 100, Boca Raton, Florida (or at such other place as the Holder may designate) the sum of \$ 50,000.00 (the "Principal Amount").

The Principal Amount and any then accrued and unpaid interest shall be due (the "Due Date") on February 29, 2020.

This Promissory Note shall bear interest at the rate of 6% per annum on the unpaid Principal Amount and such interest shall be payable on February 29, 2020.

This Promissory Note may be prepaid without penalty at any time.

1. **Default.** The happening of any of the following events shall constitute a default hereunder:

- (a) Failure of Obligor to pay in full the Principal Amount when it becomes due'
- (b) Fifteen days after the Holder correctly gives notice to the Obligor to the effect that any interest payment required to be made under this Promissory Note has not been paid in full and such payment is not thereafter made within such fifteen-day period.
- (c) The Obligor becomes bankrupt, insolvent or if any bankruptcy (voluntary or involuntary) or insolvency proceedings (as said terms "insolvent" and "insolvency proceedings" are defined in the Uniform Commercial Code of Florida) are instituted or made by or against Obligor, or if application is made for the appointment for a receiver for the Obligor or for any of the assets of any Obligor, or an assignment is made for the benefit of the Obligor's creditors.

Upon the happening of any event of default as defined herein, the Holder, at his, her or its option, may declare the entire unpaid Principal Amount to be immediately due and payable without notice or demand. In the event of default, the then unpaid Principal Amount shall bear interest from the time of such default at the maximum legal rate permissible.

In addition to payment of the Principal Amount, if there is a default in this Promissory Note, the Holder shall be entitled to recover from the Obligor all the Holder's costs of collection, including the Holder's attorneys' fees, paralegals' fees and legal assistants' fees (whether incurred in connection with any judicial, bankruptcy, reorganization, administrative, appeals or other proceedings and whether such fees or expenses arise before proceedings are commenced or after entry of any judgment), and all other costs or expenses incurred in connection therewith.

2. **Waiver.** With respect to the payment hereof, the Obligor waives the following:
 - All rights of exemption of property from levy or sale under execution or the process for the collection of debts under the Constitution or laws of the United States or of any state thereof;
 - Demand, presentment, protest, notice of dishonor, suit against any party, and all other requirements necessary to charge or hold any Obligor liable hereunder; and
 - All statutory provisions and requirements for the benefit of Obligor now or hereafter in force (to the extent that same may be waived).
3. **Fees and Costs.** The Obligor agrees to pay all filing fees and taxes, and all costs of collection or securing or attempting to collect or secure the payment thereof, including attorneys' fees, whether or not involving litigation and/or appellate proceedings.
4. **Remedies.** The Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid, unless in writing and signed by the Holder. All rights and remedies of the Holder shall be cumulative. Furthermore, the Holder shall be entitled to all the rights of a holder in due course of a negotiable instrument.
5. **Governing Law.** This Promissory Note shall be governed by and construed in accordance with the laws of Florida.

6. **Enforceability.** Any provision of this Promissory Note that may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.

7. **Notice.** Any notice required to be given to any person shall be deemed sufficient if mailed, postage prepaid, to such person's address as set forth in this Promissory Note.

8. **Successors and Assigns.** The provisions of this Promissory Note are binding on the assigns and successors of Obligor and shall inure to the benefit of the Holder and the Holder's successors and assigns. This Promissory Note is executed under the seal of the Obligor.

9. **Collection.** If this Promissory Note is not paid upon demand or according to the tenor hereof and strictly as above provided, it may be placed in the hands of an attorney at law for collection. In such event, each party liable for payment thereof, as obligor, maker, endorser, guarantor or otherwise, hereby agrees to pay the holder hereof, in addition to the sums above stated, a reasonable attorneys' fee, whether or not suit be initiated, which fee shall include attorneys' fees at the trial level and on appeal, together with all costs incurred.

Notwithstanding anything to the contrary, in no event, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the amount taken, reserved or paid, charged or agreed to be paid, for the use, forbearance or detention of money advanced pursuant hereto or pursuant to any other document executed in connection herewith, exceed the maximum rate allowed by Florida law. If, for any circumstances whatsoever, fulfillment of any obligation hereunder shall cause the effective rate of interest to exceed the maximum lawful rate allowed under Florida law, then, ipso facto, the obligation shall be reduced to the limit of such validity, and any amounts received by the Holder as interest that would exceed the maximum lawful rate allowed under Florida law shall be applied to the reduction of the unpaid principal balance and not the payment of interest. If such excessive interest exceeds the unpaid principal balance, the excess shall be refunded. In determining whether or not the interest paid or payable hereunder exceeds the maximum lawful rate, the Holder may utilize any law, rule or regulation in effect from time to time and available to the Holder. This provision shall control every other provision of all agreements between the undersigned and Holder.

THE PROPER DOCUMENTARY STAMP TAX, IF REQUIRED, HAS BEEN PAID ON THIS PROMISSORY NOTE BY OBLIGOR.

Cleartronic, Inc.

By:
Larry M. Reid
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael M. Moore, certify that:

1. I have reviewed this Form 10-K, 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 present 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

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

5. The registrant's other certifying officer(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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2020

/s/ Michael M. Moore
Michael M. Moore, Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Larry M. Reid, certify that:

1. I have reviewed this Form 10-K, 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 present 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 13-a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

5. The registrant's other certifying officer(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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2020

/s/Larry M. Reid

Larry M. Reid, Chief Financial Officer and Principal Accounting Officer

Exhibit 32.1

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

In connection with the accompanying Annual Report on Form 10-K, of Cleartronic, Inc. for the fiscal year ending September 30, 2019, I, Michael M. Moore, Chief Executive Officer of Cleartronic, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fairly presents, in all material respects, the financial condition and results of operations of Cleartronic, Inc.

Date: January 14, 2020

/s/ Michael Moore

Michael M. Moore, Chief Executive Officer of Cleartronic, Inc.

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

In connection with the accompanying Annual Report on Form 10-K, of Cleartronic, Inc. for the fiscal year ending September 30, 2019, I, Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Annual Report on Form 10-K, for the fiscal year ending September 30, 2019, fairly presents, in all material respects, the financial condition and results of operations of Cleartronic, Inc.

Date: January 14, 2020

/s/ Larry M. Reid

Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc.