CLEAN ENERGY TECHNOLOGIES, INC.

FORM 10-Q
(Quarterly Report)

Filed 11/20/17 for the Period Ending 09/30/17

Address	2990 REDHILL AVE
	COSTA MESA, CA, 92626
Telephone	(949) 273-4990
CIK	0001329606
Symbol	CETY
SIC Code	3672 - Printed Circuit Boards
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

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

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: September 30, 2017

or

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: **333-125678**

CLEAN ENERGY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-2675800**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

150 E. Baker Street, Costa Mesa, CA 92626
(Address of principal executive offices)

(949) 273-4990
(Registrant ' s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] 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). [X] Yes [ ] No

Emerging Growth Company

If an emerging growth company, indicate by check mark if registrant has elected not to extended transition period for complying with any new of revise financial accounting standards provided pursuant to ' Section 7(a)(2)(B) of the Security Act. YES NO [X]

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ] (Do not check if a smaller reporting company)	Smaller reporting company	[X]

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

As of November 12, 2017, there were 210,881,122 shares of the Registrant ’ s $0.001 par value common stock issued and outstanding.

CLEAN ENERGY TECHNOLOGIES, INC.
(A Nevada Corporation)

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Special Note Regarding Forward-Looking Statements

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (" Securities Act "), and Section 21E of the Securities Exchange Act of 1934, as amended (" Exchange Act "). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Clean Energy Technologies, Inc. (the " Company "), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words " may, " " will, " " should, " " expect, " " anticipate, " " estimate, " " believe, " " intend, " or " project " or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

* *Please note that throughout this Quarterly Report, and Except as otherwise indicated by the context, references in this report to " Company " , " CETY, " PMFI, " " Probe, " " we, " " us, " and " our " are references to* ***Clean Energy Technologies, Inc.,*** *(f/k/a Probe Manufacturing Inc.* ***)*** *All references to " USD " or United States Dollars refer to the legal currency of the United States of America.*

Part I – Financial Information

Item 1. Consolidated Financial Statements

Clean Energy Technologies, Inc.

As of and for the three and nine months ended September 30, 2017
(Unaudited)

Financial Statement Index

Clean Energy Technologies, Inc.
Consolidated Balance Sheet

	(un-audited) September 30, 2017	(audited) December 31, 2016
Assets		
Current Assets:		
Cash	$ 21,412	$ 6,442
Accounts receivable - net	534,451	367,623
Inventory	864,501	913,954
Total Current Assets	1,420,364	1,288,019
Property and Equipment - Net	155,725	187,682
Goodwill	747,976	747,976
License	354,322	354,322
Patents	166,046	174,911
Other Assets	24,229	24,229
Total Assets	$ 2,868,662	$ 2,777,139
Liabilities and Stockholders' (Deficit)		
Current Liabilities:		

Bank Overdraft	$ -	$ 15,407
Accounts payable - trade	1,060,098	881,607
Accrued Expenses	1,523,562	1,666,816
Accrued Expenses Related party	118,417	107,167
Warranty Liability	100,000	100,000
Derivative Liability	-	102,913
Notes Payable - Current (net of discount)	3,457,661	1,716,483
Notes Payable - Current - Related Party	5,000	5,000
Total Current Liabilities	6,264,738	4,595,393
Long-Term Debt:		
Notes Payable	-	450,000
Net Long-Term Debt	-	450,000
Total Liabilities	6,264,738	5,045,393
Commitments and contingencies	$ -	$ -
Stockholders' (Deficit)		
Preferred D stock, stated value $100 per share; 20,000 shares authorized; 5000 shares and 0 shares issued and outstanding respectively	750,000	750,000
Common stock, $.001 par value; 400,000,000 shares authorized; 210,881,122 and 155,178,083 shares issued and outstanding respectively	210,883	155,180
Additional paid-in capital	3,610,675	3,401,430
Accumulated deficit	(7,967,634)	(6,574,864)
Total Stockholders' (Deficit)	(3,396,076)	(2,268,254)
Total Liabilities and Stockholders' Deficit	$ 2,868,662	$ 2,777,139

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.

Consolidated Statement of Operations

(unaudited)

	three months ended September 30,		nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Sales	$ 116,445	$ 280,299	$ 862,336	$ 1,687,656
Cost of Goods Sold	128,165	199,943	475,790	906,612
Gross Profit	(11,720)	80,356	386,546	781,044
General and Administrative				
General and Administrative expense	111,558	205,381	331,729	539,669
Salaries	164,176	203,002	508,866	628,856
Moving Expense	-	2,194	-	77,202
Facility lease	66,735	20,830	200,205	173,774
Professional fees	13,051	65,927	68,172	137,996
Share Based Expense	-	85,347	2,460	101,347
Total Expenses	355,520	582,681	1,111,433	1,658,844
Net Profit / (Loss) From Operations	(367,240)	(502,325)	(724,886)	(877,800)
Loss on Disposal of fixed assets	-	-	-	(41,459)
Change in derivative liability	-	(56,550)	1,227	(56,550)
Financing Fees	(195,617)	-	(462,511)	-
Interest Expense	(32,409)	(44,157)	(206,600)	(236,446)
Net Profit / (Loss) Before Income Taxes	(595,266)	(603,032)	(1,392,770)	(1,212,255)
Income Tax Expense	-	-	-	-
Net Profit / (Loss)	$ (595,266)	$ (603,032)	$ (1,392,770)	$ (1,212,255)
Per Share Information:				
Basic and diluted weighted average number of common shares outstanding	209,915,415	141,436,164	197,082,323	140,347,605
Net Profit / (Loss) per common share basic and diluted	$ (0.00)	$ (0.00)	(0.01)	(0.01)

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.
Consolidated Statements of Cash Flows
for the nine months ended September 30,
(unaudited)

		2017		2016
Cash Flows from Operating Activities:				
Net Income / (Loss)	$	(1,392,770)	$	(1,212,255)
Adjustments to reconcile net loss to net cash				
used in operating activities:				
Depreciation and amortization		40,822		41,957
Share based compensation		2,460		101,347
Shares issued for finance fee		242,487		-
Loss on Disposal of fixed assets		-		41,459
Change in Derivative Liability and debt discount		(102,913)		56,550
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable		(166,828)		(27,159)
(Increase) decrease in inventory		49,453		193,585
(Increase) decrease in other assets		-		3,915
(Decrease) increase in accounts payable		178,492		256,747
Other (Decrease) increase in accrued expenses		(112,004)		389,784
Net Cash Used In Operating Activities		(1,260,800)		(154,070)
Cash Flows from Investing Activities				
Purchase property plant and equipment		-		(89,262)
Cash Flows Used In Investing Activities		-		(89,262)
Cash Flows from Financing Activities				
Bank Overdraft / (Repayment)		(15,407)		8,596
Payments on notes payable		1,291,178		395,512
Proceeds from notes payable		-		(164,673)
Cash Flows Provided By Financing Activities		1,275,771		239,435
Net (Decrease) Increase in Cash and Cash Equivalents		14,970		(3,897)
Cash and Cash Equivalents at Beginning of Period		6,442		4,196
Cash and Cash Equivalents at End of Period	$	21,412	$	299
Supplemental Cashflow Information:				
Interest Paid	$	85,893	$	187,716
Taxes Paid		-		-

The accompanying footnotes are an integral part of these financial statements

Clean Energy Technologies, Inc.
Notes to Consolidated Financial Statements

Notes 1- GENERAL

Business Overview

We design, build, and market clean energy products focused on energy efficiency and environmentally sustainable technologies and we perform electronics manufacturing services for third parties. Our principal products are based upon the Clean Cycle ™ heat recovery system, offered by our wholly owned subsidiary Clean Energy HRS LLC. Our Clean Cycle ™ captures waste heat from a variety of sources and turns it into electricity that users can use, store, or export, such as to an external or utility power grid. The proven, cutting-edge Clean Cycle ™ technology allows commercial and industrial heat generators or sources to boost their overall energy efficiency with no additional fuel, no pollutants, and virtually no maintenance. The engineering and manufacturing resources from our electronics manufacturing services business support our heat recovery solutions business. We intend also to leverage these capabilities to identify and exploit other clean energy technologies and opportunities.

The Clean Cycle ™ heat recovery solution is an Organic Rankine Cycle, or ORC, system. An ORC system is a closed-loop heat recovery steam generator system, sometimes referred to as an HRS or an HRSG, that utilizes heat from a heat source, such as an existing power generation system, to heat a fluid to produce steam. The steam then passes through a turbine generator, and turbine generator converts the kinetic energy in the steam to produce electrical energy, which can be used, stored, or exported. The ORC cycle then recycles and further cools the fluid medium to again use heat from the external heat source to continue the power-generation cycle.

The technology at the heart of the Clean Cycle ™ is a magnetic levitation bearing generator, which requires no oil or other lubricants and has no gear box. The turbine generator and related power management electronics are what convert the kinetic energy in the steam cycle into electrical energy. There are over 100 Clean Cycle ™ HRS units installed globally with more than one million fleet operating hours in diesel, gas, and biomass applications.

The magnetic levitation bearing generator technology was originally developed by Calnetix, Inc. General Electric International, Inc. acquired the rights to the technology in certain applications from Calnetix in 2010. In September 2015, our CE HRS subsidiary acquired General Electric ' s rights to the technology in those applications, together with General Electric ' s related HRS technology and improvements, pursuant to an Asset Purchase Agreement with General Electric International, Inc. and General Electric Company that was filed as Exhibit 10.1 to the Company ' s Current Report on Form 8K dated September 11, 2015 and a concurrent Transaction Completion and Financing Agreement with ETI Partners IV, LLC. CE HRS made an initial purchase price payment of $300,000 at closing and issued a three-year $1.2 million promissory note to GEII with respect to payment of the balance of the cash portion of the purchase price. CE HRS also assumed certain liabilities of GEII related to the acquired assets. In connection with the Asset Purchase Agreement, the Company also entered into various ancillary agreements customary for asset acquisition transactions of this type. Pursuant to the companion Transaction Completion and Financing Agreement facilitating our acquisition of the GE HRS assets, we issued 100,910,321 restricted shares of our common stock to ETI Partners IV, LLC (representing approximately 70% of the post-acquisition outstanding common stock). Concurrently, we entered into a Loan, Guarantee, and Collateral Agreement and a Registration Rights Agreement with ETI Partners IV, LLC to provide a framework for further financing in the Company.

Pursuant to our license agreement with Calnetix (which General Electric assigned to us in connection with the Asset Purchase Agreement), we market and sell our Clean Cycle ™ products world-wide to ORC-based application where heat is sourced from reciprocating combustion engines, of any type (other than those employed on transiting marine vessels), gas or steam turbine systems used for power generation, and biomass boiler systems. Our rights in these applications are exclusive. We also market our Clean Cycle ™ products world-wide on a non-exclusive basis in the following applications, whether or not ORC-based: reciprocating combustion engines, of any type (except those employed on transiting marine vessels or in the automotive application for cars, trucks, and other motor vehicles); gas or steam turbine systems with an ISO rated power output above one megawatt (1 MW); and applications that use biomass as a source of heat. We have also periodically negotiated to obtain additional non-exclusive marketing rights to the technology from Calnetix as commercial opportunities have arisen that are not in conflict with other licensees of Calnetix.

Our growth strategy is to scale up our business by focusing on the significant installed base of power generation and biomass boiler systems ideally suited to ORC-based heat recovery systems, exploiting market segments and regions where there are significantly high electricity prices, and identifying and exploiting incentive markets as they are available. We sell equipment and complete heat recovery systems globally directly to end customers and also through distributors. We also commercialize our heat recovery systems through lease and energy-based programs where appropriate. We are also developing technology co-ventures with owners of compatible power generation technology to develop integrated energy production systems to exploit additional potential customers.

The GE HRS asset acquisition and related financing transactions resulted in a change of control of the Company according to FASB No. 2014-17 Business Combinations (Topic 805). As a result, the transactions qualify as a business combination. In accordance with Topic 805, the Company elected to apply pushdown accounting, using the valuation date of December 31, 2015. As a result we recognized $747,976 in goodwill.

ETI Recognized	
Assets Acquired	2,949,592
Liabilities Acquired	3,589,558
Cash paid	300,000
Non-controlling interest	191,990
Goodwill recognized	747,976

CETY - Push down accounting election	
Cash Received	300,000
Goodwill recognized	747,976
Equity	1,047,976

Following completion of the acquisition and integration of the GE HRS into our business, on November 13, 2015 we changed our name to " Clean Energy Technologies, Inc. " to better reflect the focus of our new business and business strategies.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder ' s deficit of $3,396,076 and a working capital deficit of $4,844,374 and a net loss of $1,392,770 for the nine months ended September 30, 2017. The company also had an accumulated deficit of $7,967,634 as of September 30, 2017 and used $1,260,801 in net cash from operating activities for the nine months ended September 30, 2017. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach a profitable operating stand and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

Plan of Operation

Management is taking the following steps to sustain profitability and growth: (i) pursuing increased sales through existing global distribution channels and utilization of direct sales; (ii) pursuing lease and energy-based contracts with customers, including targeted island or isolated locations where the economics, energy production, and emissions reduction profiles are attractive; (iii) pursuing stable and higher-margin electronics manufacturing services contracts where the terms are favorable to the Company; (iv) arranging financing partnerships and relationships to facilitate increased lease and energy-based commercialization of our HRS products; (v) leveraging core competencies to acquire or integrate other technologies and entertain equity opportunities; and (vi) pursuing licenses of our patented technology and proprietary processes and developing cogeneration and OEM opportunities.

Our future success is likely dependent on our ability to sustain profitable growth and attain additional capital to support growth. There can be no assurance that we will be successful in obtaining any such financing, or that it will be able to generate sufficient positive cash flow from operations. The successful outcome of these or any future activities cannot be determined at this time and there is no assurance that if achieved, we will have sufficient funds to execute its business plans. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

Our Products and Services

Our main product, the Clean Cycle ™ HRS system, converts heat from variety of heat sources into clean, affordable electricity. Our heat recovery solution system generates electricity from heat with zero additional fuel required, zero additional emissions produced, and low maintenance. The Clean Cycle ™ HRS system is also re-deployable with continuous 24x7 operation.

Sales and Marketing

Our marketing approach is to position the Company, our products and our services under our new " Clean Energy Technologies, Inc. " and " CETY " identity and brand. We intend to market our Heat Recovery Solutions products specifically using the market-recognized Clean Cycle ™ brand name. We also intend to utilize our relationships to identify new market segments and regions in which we can expand the commercialization of our products. We intend to offer our products for sale and also to commercialize them under leases, energy-based contracts and other financing structures to accelerate customer adoption and increase market penetration. We also intend to explore licensing opportunities for our patented and other proprietary technologies. We utilize both direct sales force and global distributors with expertise in clean energy.

Corporate Information

We were originally incorporated in California in July 1995 under the name Probe Manufacturing Industries, Inc. We reincorporated in Nevada in April 2005 under the name Probe Manufacturing, Inc. In November 2015, following our acquisition of heat recovery solutions assets from General Electric, we changed our name to Clean Energy Technologies, Inc. Our principal executive offices are located at 2990 Redhill Avenue, Costa Mesa, CA 92626. Our telephone number is (949) 273-4990. Our common stock is listed on the OTC Market Group ' s Pink Open Market under the symbol " CETY. "

Our internet website address is www.cetyinc.com . The information contained on our website is not incorporated by reference into this document, and you should not consider any information contained on, or that can be accessed through, our website as part of this document.

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The summary of significant accounting policies of Clean Energy Technologies, Inc. is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company ' s management, who is responsible for their integrity and objectivity.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates may be materially different from actual financial results. Significant estimates include the recoverability of long-lived assets, the collection of accounts receivable and valuation of inventory and reserves.

Cash and Cash Equivalents

We maintain the majority of our cash accounts at a commercial bank. The total cash balance is insured by the Federal Deposit Insurance Corporation (" FDIC ") up to $250,000 per commercial bank. For purposes of the statement of cash flows we consider all cash and highly liquid investments with initial maturities of one year or less to be cash equivalents.

Accounts Receivable

We grant credit to our customers located within the United States of America; and do not require collateral. Our ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by us. Reserves for un-collectable amounts are provided, based on past experience and a specific analysis of the accounts. Although we expect to collect amounts due, actual collections may differ from the estimated amounts. As of December 31, 2016, and September 30, 2017, we had a reserve for potentially un-collectable accounts of $7,000. Five (5) customers accounted for approximately 99% of accounts receivable at September 30, 2017. Our trade accounts primarily represent unsecured receivables. Historically, our bad debt write-offs related to these trade accounts have been insignificant.

Inventory

Inventories are valued at the lower of weighted average cost or market value. Our industry experiences changes in technology, changes in market value and availability of raw materials, as well as changing customer demand. We make provisions for estimated excess and obsolete inventories based on regular audits and cycle counts of our on-hand inventory levels and forecasted customer demands and at times additional provisions are made. Any inventory write offs are charged to the reserve account. As of September 30, 2017, and December 31, 2016, we had a reserve for potentially obsolete inventory of $250,000.

Property and Equipment

Property and equipment are recorded at cost. Assets held under capital leases are recorded at lease inception at the lower of the present value of the minimum lease payments or the fair market value of the related assets. The cost of ordinary maintenance and repairs is charged to operations. Depreciation and amortization are computed on the straight-line method over the following estimated useful lives of the related assets:

Furniture and fixtures	3 to 7 years
Equipment	7 to 10 years

Long – Lived Assets

Our management assesses the recoverability of its long-lived assets by determining whether the depreciation and amortization of long lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment if any, is measured based on fair value and is charged to operations in the period in which long-lived assets impairment is determined by management. There can be no assurance however, that market conditions will not change or demand for our services will continue, which could result in impairment of long-lived assets in the future.

Revenue Recognition

Revenue from product and services are recognized at the time goods are shipped or services are provided to the customer, with an appropriate provision for returns and allowances. Terms are generally FOB origination with the right of inspection and acceptance. We have not experienced a material amount of rejected or damaged product.

The Company provides services for its customers that range from contract design to original product design to repair services. The Company recognizes service revenue when the services have been performed, and the related costs are expensed as incurred.

Fair Value of Financial Instruments

The carrying amount of accounts payable and accrued expenses are considered to be representative of their respective fair values because of the short-term nature of these financial instruments.

Other Comprehensive Income

We have no material components of other comprehensive income (loss) and accordingly, net loss is equal to comprehensive loss in all periods.

Net Profit (Loss) per Common Share

Basic profit / (loss) per share is computed on the basis of the weighted average number of common shares outstanding. At September 30, 2017, we had outstanding common shares of 210,881,122 used in the calculation of basic earnings per share. Basic Weighted average common shares and equivalents at September 30, 2017 and 2016 were 197,082,323 and 140,347,323, respectively. As of September 30, 2017, we had outstanding warrants to purchase 750,000 additional common shares and options to purchase 2,618,818 additional common shares. In addition, we had convertible notes, convertible into 136,081,400 of additional common shares. Fully diluted weighted average common shares and equivalents were withheld from the calculation as they were considered anti-dilutive for the months ended September 30, 2017.

Research and Development

Research and development costs incurred in association with the alternative fuels technology development (which include salaries and equipment) were expensed as incurred. We had no amounts of research and development R&D during the year ended September 30, 2017 and 2016.

Segment Disclosure

FASB Codification Topic 280, *Segment Reporting* , establishes standards for reporting financial and descriptive information about an enterprise ' s reportable segments. The Company has two reportable segments: Clean Energy HRS (HRS) and the legacy electronic manufacturing services division. T he segment s are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 1 for a description of the various product categories manufactured under each of these segments.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, other charges (income), net and interest and other, net.

Selected Financial Data :

	nine months ended September 30,	
	2017	2016
Net Sales		
Electronics Assembly	504,876	856,285
Clean Energy HRS	357,460	831,656
Total Sales	862,336	1,687,941
Segment income and reconciliation before tax		
Electronics Assembly	71,907	100,294
Clean Energy HRS	314,639	680,750
Total Segment income	386,546	781,044
Reconciling items		
General and Administrative	(331,729)	(539,669)
Share Based Expense	(2,460)	(101,347)
Salaries	(508,866)	(628,856)
Moving Expense	-	(77,202)
Rent	(200,205)	(173,774)
Professional fees	(68,172)	(137,996)
Financing Fees	(462,511)	-
Loss on disposal of fixed assets	-	(41,459)
Change in derivative liability	1,227	(56,550)
Interest expense	(206,600)	(236,446)
Net Loss before income tax	(1,392,770)	(1,212,255)

	September 30, 2017	December 31, 2016
Total Assets		
Electronics Assembly	1,224,679	1,219,848
Clean Energy HRS	1,643,983	1,557,291
	2,868,662	2,777,139

Share-Based Compensation

The Company has adopted the use of Statement of Financial Accounting Standards No. 123R, “ Share-Based Payment ” (SFAS No. 123R) (now contained in FASB Codification Topic 718, *Compensation-Stock Compensation*), which supersedes APB Opinion No. 25, “ Accounting for Stock Issued to Employees, ” and its related implementation guidance and eliminates the alternative to use Opinion 25 ’ s intrinsic value method of accounting that was provided in Statement 123 as originally issued. This Statement requires an entity to measure the cost of employee services received in exchange for an award of an equity instruments, which includes grants of stock options and stock warrants, based on the fair value of the award, measured at the grant date (with limited exceptions). Under this standard, the fair value of each award is estimated on the grant date, using an option-pricing model that meets certain requirements. We use the Black-Scholes option-pricing model to estimate the fair value of our equity awards, including stock options and warrants. The Black-Scholes model meets the requirements of SFAS No. 123R; however, the fair values generated may not reflect their actual fair values, as it does not consider certain factors, such as vesting requirements, employee attrition and transferability limitations. The Black-Scholes model valuation is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We estimate the expected volatility and estimated life of our stock options at grant date based on historical volatility; however, due to the thinly traded nature of our stock, we have chosen to use an average of the annual volatility of like companies in our industry. For the " risk-free interest rate, " we use the Constant Maturity Treasury rate on 90-day government securities. The term is equal to the time until the option expires. The dividend yield is not applicable, as the Company has not paid any dividends, nor do we anticipate paying them in the foreseeable future. The fair value of our restricted stock is based on the market value of our free trading common stock, on the grant date calculated using a 20-trading-day average. At the time of grant, the share-based compensation expense is recognized in our financial statements based on awards that are ultimately expected to vest using historical employee attrition rates and the expense is reduced accordingly. It is also adjusted to account for the restricted and thinly traded nature of the shares. The expense is reviewed and adjusted in subsequent periods if actual attrition differs from those estimates.

We re-evaluate the assumptions used to value our share-based awards on a quarterly basis and, if changes warrant different assumptions, the share-based compensation expense could vary significantly from the amount expensed in the past. We may be required to adjust any remaining share-based compensation expense, based on any additions, cancellations or adjustments to the share-based awards. The expense is recognized over the period during which an employee is required to provide service in exchange for the award — the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. For the nine months ended September 30, 2017 and 2016 we had $2,460 and $101,347 respectively, in share based expense, due to the issuance of common stock. As of September 30, 2017 we had no further non-vested expense to be recognized.

Income Taxes

The Company accounts for income taxes under SFAS No. 109 (now contained in FASB Codification Topic 740-10-25, Accounting for Uncertainty in Income Taxes), which requires the asset and liability approach to accounting for income taxes. Under this method, deferred tax assets and liabilities are measured based on differences between financial reporting and tax bases of assets and liabilities measured using enacted tax rates and laws that are expected to be in effect when differences are expected to reverse. As of September 30, 2017, we had a net operating loss carry-forward of approximately $(3,855,567) and a deferred tax asset of $1,310,893 using the statutory rate of 34%. The deferred tax asset may be recognized in future periods, not to exceed 20 years. However, due to the uncertainty of future events we have booked valuation allowance of $(1,310,893). FASB ASC 740 prescribes recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At September 30, 2017 the Company had not taken any tax positions that would require disclosure under FASB ASC 740.

	September 30, 2017	December 31, 2016
Deferred Tax Asset	$ 1,310,893	$ 696,639
Valuation Allowance	(1,310,893)	(696,639)
Deferred Tax Asset (Net)	$ -	$ -

On September 15, 2015, the Company entered into a Transaction Completion and Financing Agreement with ETI Partners IV LLC, and Company agreed to issue to ETI 100,910,321 shares of restricted common stock, representing 70% of the fully diluted common stock of the Company. This resulted in a change in control, which limited the net operating to that date forward.

We are subject to taxation in the U.S. and the states of California and Utah. Further, the Company currently has no open tax years ' subject to audit prior to December 31, 2014. The Company is current on its federal and state tax returns.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported income, total assets, or stockholders ' equity as previously reported.

Recently Issued Accounting Standards

The Company is reviewing the effects of following recent updates. The Company has no expectation that any of these items will have a material effect upon the financial statements.

- Update 2017-08 — Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities
- Update 2017-05 — Other Income — Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets
- Update 2017-04 — Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment
- Update 2017-03 — Accounting Changes and Error Corrections (Topic 250) and Investments — Equity Method and Joint Ventures (Topic 323): Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings (SEC Update)
- Update 2017-01 — Business Combinations (Topic 805): Clarifying the Definition of a Business
- Update 2016-20 — Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers
- Update 2016-18 — Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)
- Update 2016-17 — Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control
- Update 2016-16 — Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory
- Update 2016-15 — Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)
- Update 2016-13 — Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments
- Update 2016-12 — Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients
- Update 2016-10 — Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing
- Update 2016-09 — Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting
- Update 2016-08 — Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)
- Update 2016-07 — Investments — Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting
- Update 2016-03 — Intangibles — Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance (a consensus of the Private Company Council)

Update 2016-16 — Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments

- Update 2016-15 — Interest — Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements — Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2016 EITF Meeting (SEC Update)
- Update 2016-11 — Inventory (Topic 330): Simplifying the Measurement of Inventory
- Update 2016-08 — Business Combinations (Topic 805): Pushdown Accounting — Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115 (SEC Update)
- Update No. 2016-03 — Interest — Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs
- Update No. 2016-02 — Consolidation (Topic 810): Amendments to the Consolidation Analysis.

NOTE 3 – ACCOUNTS AND NOTES RECEIVABLE

	September 30, 2017		December 31, 2016	
Accounts Receivable	$	541,451	$	374,623
Less Reserve for uncollectable accounts		(7,000)		(7,000)
Accounts Receivable (Net)	$	534,451	$	367,623

NOTE 4 – ASSET ACQUISITION

On September 11, 2015, we issued a promissory note in the initial principal amount of $1,400,000 and assumed a pension liability of $100,000, for a total liability of $1,500,000, in connection with the Company ’ s acquisition from General Electric International, Inc., a Delaware corporation (“ GEII ”) of certain GEII ’ s heat recovery solutions, or HRS, assets, including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures.

Acquired Assets		
Inventory	$	848,029
Leased asset		217,584
Property and Equipment		130,887
Intellectual Property		545,112
Assumed warranty Liability		(241,612)
Net Assets Acquired	$	1,500,000

NOTE 5 – INVENTORY

Inventories by major classification were comprised of the following at:

	September 30, 2017	December 31, 2016
Raw Material	$ 1,098,960	$ 1,136,850
Work in Process	15,541	27,104
Finished Goods	-	-
Total	1,114,501	1,163,954
Less reserve for excess or obsolete inventory	(250,000)	(250,000)
Total Inventory	$ 864,501	$ 913,954

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following at:

	September 30, 2017	December 31, 2016
Capital Equipment	$ 1,772,632	$ 1,772,632
Leasehold improvements	75,436	75,436
Accumulated Depreciation	(1,692,343)	(1,660,386)
Net Fixed Assets	$ 155,725	$ 187,682

NOTE 7 – ACCRUED EXPENSES

	September 30, 2017	December 31, 2016
Accrued Wages	$ 292,156	$ 419,501
Accrued Interest	241,172	148,456
Accrued Interest Related party	118,417	107,167
Customer Deposit	18,000	3,000
Accrued Payable to GE - TSA	972,233	972,233
	$ 1,641,978	$ 1,650,357

NOTE 8 – NOTES PAYABLE

The Company issued a short-term note payable to an individual, secured by the assets of the Company, dated September 6, 2013 in the amount of $50,000 and fixed fee amount of $3,500. As of September 30, 2017 the outstanding balance was $38,500 .

On November 11, 2013, we entered in to an accounts receivable financing agreement with American Interbanc (now Nations Interbanc). Amounts outstanding under the agreement bear interest at the rate of 2.5% per month. It is secured by the assets of the Company. In addition, it is personally guaranteed by Kambiz Mahdi, our Chief Executive Officer. As of September 30, 2017, the outstanding balance was $894,139.

On November 3, 2009, the Company issued an unsecured note payable to Linwood Goddard at a 12.00% interest rate, with a 36-month amortization and monthly payments of $334.14. On May 13, 2016 the remaining Principal balance of $4,332 on this note and accrued interest were converted into common stock at $.08.

On December 24, 2009, the Company issued an unsecured note payable to Linwood Goddard at a 12.00% interest rate, with a 36-month amortization and monthly payments of $334.14. On May 13, 2016 the remaining Principal balance of $4,332 on this note and accrued interest were converted into common stock at $.08.

On September 11, 2015, our CE HRS subsidiary issued a promissory note in the initial principal amount $1,400,000 and assumed a pension liability of $100,000, for a total liability of $1,500,000, in connection with our acquisition of the heat recovery solutions, or HRS, assets of General Electric International, Inc., a Delaware corporation (" GEII "), including intellectual property, patents, trademarks, machinery, equipment, tooling and fixtures. The note bears interest at the rate of 2.66% per annum. The note is payable on the following schedule: (a) $200,000 in principal on December 31, 2016 and (b) thereafter, the remaining principal amount of $1,200,000, together with interest thereon, payable in equal quarterly installments of principal and interest of $157,609.02, commencing on September 30, 2017 and continuing until September 30, 2018, at which time the remaining unpaid principal amount of this note and all accrued and unpaid interest thereon shall be due and payable in full.

Convertible notes

On March 15, 2016, we entered into a three-year convertible note payable in the initial face amount of $75,000, which accrues interest at the rate of 1.46% per annum. It was not convertible until nine months after its issuance and has a conversion rate of ninety five percent (65%) of the lowest closing bid price (as reported by Bloomberg LP) of common stock for the twenty (20) Trading Days immediately preceding the date of the date of conversion. On September 15, 2016 we issued shares at a price of $.006 per share for a partial conversion of this note in the amount of $15,000. On November 1, 2016 the Company exercised its right to redeem the note, assigned its redemption right to a third-party investor, agreed to amend the conversion price of a replacement note to $.005 per share, and that investor now holds the replacement note in the principal amount of $84,000.

On June 6, 2016, we entered into a one-year convertible note payable for $87,500, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. On December 16, 2016 we issued 1,200,000 shares of common stock at $.0031 for a partial conversion of this note in the amount of $3,696. January 4, we issued 2,300,000 shares of common stock at $.002192 for a partial conversion of this note in the amount of $5,042. On April 3, 2017 we issued 7,700,000 shares of common stock for a partial conversion of this note in the amount of $9,856. On May 11, 2017 we issued 7,369,080 shares of common stock for the final conversion of this note in the amount of $9,211.

On June 15, 2016, Meddy Sahebi, Chairman of our Board of Directors, advanced the Company $5,000. There were no specified terms for repayment of this loan other than that it was to be repaid within a reasonable time. As of September 30, 2017 the outstanding balance was $5,000.

On July 6, 2016, we entered into a nine-month convertible note payable for $77,500, which accrues interest at the rate of 10% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion.

On August 12, 2016, we entered into a nine-month convertible note payable for $57,000, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion.

On November 2, 2016, we effected the repayment of the convertible note dated March 15, 2016 for an aggregate amount of $84,000. Concurrently, we entered into an Escrow Funding Agreement with Red Dot Investment, Inc., a California corporation (" Reddot "), pursuant to which Reddot deposited funds into escrow to fund the repayment and we assigned to Reddot our right to acquire the convertible note and Reddot acquired the convertible note. Concurrently, we and Reddot amended the convertible note (a) to have a fixed conversion price of $.005 per share, subject to potential further adjustment in the event of certain Common Stock issuances, (b) to have a fixed interest rate of ten percent (10%) per annum with respect to both the redemption amount and including a financing fee and any costs, expenses, or other fees relating to the convertible note or its enforcement and collection, and any other expense for or on our account (in each case with a minimum 10% yield in the event of payoff or conversion within the first year), such amounts to constitute additional principal under the convertible note, as amended, and (c) as otherwise provided in the Escrow Funding Agreement. The March 2016 convertible note, as so amended, is referred to as the " Master Note. "

On January 9, 2017, we effected the partial repayment of the convertible note dated July 6, 2016. The holder had elected to convert $15,400 ($11,544) in principal and $3,855 in accrued interest) into a total of 7,000,000 shares of Common Stock. The conversion left $66,205 remaining due and payable under the July 2016 convertible note and we paid the note holder a total of $89,401 in repayment. On January 12, 2017, we effected the partial repayment of the convertible note dated June 6, 2016. The holder had elected to retain $26,117 (consisting of $24,228 in principal and $1,899 in interest), leaving $60,941 remaining due and payable under the June 2016 convertible note, which was satisfied and canceled in consideration of the payment to the note holder of $97,506. On January 9, 2017, we effected the repayment in full of the convertible note dated August 12, 2016 through payment to the note holder of a total of $89,401.

Concurrently with the foregoing note repayments, we entered into a Credit Agreement and Promissory Note (the " Credit Agreement ") with Megawell USA Technology Investment Fund I LLC, a Wyoming limited liability company in formation (" MW I "), pursuant to which MW I deposited funds into escrow to fund the repayment of the convertible notes and we assigned to MW I our right to acquire the convertible notes and otherwise agreed that MW I would be subrogated to the rights of each note holder to the extent a note was repaid with funds advanced by MW I. Concurrently, MW I acquired the Master Note and we agreed that all amounts advanced by MG I to or for our benefit would be governed by the terms of the Master Note, including the payment of a financing fees, interest, minimum interest, and convertibility. Reddot is MW I ' s agent for purposes of administration of the Credit Agreement and the Master Note and advances thereunder.

The foregoing summary descriptions of the Escrow Funding Agreement (including amendments to the Master Note), the Settlement Agreement, and the Credit Agreement are not complete and are qualified in their entirety by reference to the full texts thereof, copies of which were included as Exhibits 10.02 to our Current Report on Form 8-K dated October 31, 2016 and to Exhibits 10.01 and 10.02 to our Current Report on Form 8-K dated January 4, 2016. The foregoing summary description of the original Master Note is not complete and is qualified in its entirety by reference to the full text thereof, a copy of which was included as Exhibit 10.03 to our Current Report on Form 8-K dated October 31, 2016.

On May 5, 2017 we entered into a nine-month convertible note payable for $78,000, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (61%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (15) Trading Days immediately preceding the date of conversion.

On May 24, 2017 we entered into a nine-month convertible note payable for $32,000, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (58%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (15) Trading Days immediately preceding the date of conversion.

On June 13, 2017 we entered into a nine-month convertible note payable for $110,000, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (25) Trading Days immediately preceding the date of conversion.

On July 13, 2017 we entered into a convertible note payable for $58,000, with a maturity date of April 30, 2018, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-eight percent (58%) of the average of the two lowest trading prices (as reported by Bloomberg LP) of our common stock for the fifteen (15) Trading Days immediately preceding the date of conversion.

On May 30,, 2017 we entered into a convertible note payable for $68,000, with a maturity date of May 30, 2018, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-eight percent (58%) of the average of the two lowest trading prices (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion.

On July 25, 2017 we entered into a convertible note payable for $103,000, with a maturity date of April 25, 2018, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-eight percent (60%) of the average of the two lowest trading prices (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion

Note 9 – Derivative Liabilities

On June 6, 2016, we entered into a one-year convertible note payable for $87,500, which accrues interest at the rate of 12% per annum. It is not convertible until nine months after its issuance and has a conversion rate of fifty-five percent (55%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the twenty (20) Trading Days immediately preceding the date of conversion. On December 16, 2016 we issued 1,200,000 shares of common stock at $.0031 for a partial conversion of this note in the amount of $3,696. January 4, we issued 2,300,000 shares of common stock at $.002192 for a partial conversion of this note in the amount of $5,042.

On January 9, 2017, we effected the partial repayment of the convertible note dated July 6, 2016. The holder had elected to convert $15,400 ($11,544.45 in principal and $3,855.55 in accrued interest) into a total of 7,000,000 shares of Common Stock. The conversion left $66,205.55 remaining due and payable under the July 2016 convertible note and we paid the note holder a total of $89,401.98 in repayment. On January 12, 2017, we effected the partial repayment of the convertible note dated June 6, 2016. The holder had elected to retain $26,117.77 (consisting of $24,228.72 in principal and $1,899.05 in interest), leaving $60,941.49 remaining due and payable under the June 2016 convertible note, which was satisfied and canceled in consideration of the payment to the note holder of $97,506.38. On January 9, 2017, we effected the repayment in full of the convertible note dated August 12, 2016 through payment to the note holder of a total of $89,401.98. On April 3, 2017 and May 11, 2017 the holder of the note dated June 6, 2016 converted $9,211 for 7,369,080 shares of common stock and $9,856 for 7,700,000 shares of common respectively. As of September 30, 2017 the balance of the note dated June 6, 2016 was $0.

	September 30, 2017	December 31, 2016
Derivative Liabilities on Convertible Loans:		
Convertible note dated June 6, 2016	$ -	$ 102,913

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Rental Leases

On February 21, 2012 Trident Manufacturing, Inc. entered into a five-year lease for the facility in Salt Lake City, Utah with First Industrial Realty Trust, Inc. with a commencement date of February 21, 2012. The facility is approximately 15,040 square feet and located at 440 West Lawndale Drive, Salt Lake City UT 84115.

In April 2016, Trident entered into a sublease agreement for the facility with Lucky Spoon, LLC. The term of the sublease commenced on April 1, 2016 and expires on the last day of Trident ' s lease.

On August 27, 2016, we entered into a sublease agreement with Rosenson Properties, LLC, a California limited liability company, as landlord, and General Electric International, Inc., a Delaware corporation, as tenant and assignor, for the premises located at 150 Baker Street East, Costa Mesa, California. GEII had entered into a lease dated as of December 17, 2010, as amended by a First Amendment to Lease dated March 11, 2014, wherein Rosenson Properties leased the premises to GEII. The premises consist of approximately 35,704 square feet of space and the lease provides for monthly triple-net lease payments of $22,973. The lease term ended on September 30, 2017.

On March 10, 2016, we signed a lease agreement for a 18,200 square-foot CTU Industrial Building at 2990 Redhill Unit A, Costa Mesa, CA. On May 1, 2016 we moved out of the Baker Street facility and moved our operations and headquarters to the new facility. The lease term at the new facility is seven years and two months beginning October 1, 2016. Rental was $179,090 for the first twelve months.

Year		Lease Payment
2017		$55,784
2018		$228,000
2019		$234,840
2020		$241,884
2021		$249,132
2022		$256,608
2023		$44,052

Our Rent expense for the three months ended September 30, 2017 and 2016 was $66,735 and $108,889 respectively and for the nine months ended September 30, 2017 and 2016 was $133,470 and $175,917 respectively.

Severance Benefits

Effective at September 30, 2017, Mr. Mahdi, was entitled to receive in the event of his termination without cause a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Mahdi would have been entitled to receive period of (1) year, at an annual salary of $275,000.

Effective at September 30, 2017, Mr. Bennett, was entitled to receive in the event of his termination without cause a severance benefit consisting of a single lump sum cash payment equal the salary that Mr. Bennett would have been entitled to receive through the remainder of his employment period or two (2) years, whichever is greater, at an annual salary of $140,000.

NOTE 11 – CAPITAL STOCK TRANSACTIONS

On April 21, 2005, our Board of Directors and shareholders approved the re-domicile of the Company in the State of Nevada, in connection with which we increased the number of our authorized common shares to 200,000,000 and designated a par value of $.001 per share.

On May 25, 2006, our Board of Directors and shareholders approved an amendment to our Articles of Incorporation to authorize a new series of preferred stock, designated as Series C, and consisting of 15,000 authorized shares.

On September 30, 2016, our Board of Directors and shareholders approved an increase in the number of our authorized common shares to 400,000,000 and in the number of our authorized preferred shares to

10,000,000. The amendment effecting the increase in our authorized capital was filed and effective on July 5, 2016.

Effective June 29, 2017, four of our common stockholders who beneficially owned 118,635,523 shares or approximately 57% of the voting power of the common stock and the holder of our one convertible note with voting rights, representing 11,014,773 votes, consented in writing:

1. To increase the authorized shares of common stock from 400,000,000 to 800,000,000 shares with a par value of $0.001 per share.
2. To amend our amended and restated articles of incorporation to provide for the foregoing increase in our authorized capital.

Prior thereto, on June 28, 2017, our board of directors approved the above actions, subject to approval by the stockholders.

Stock Repurchase Program

On November 1, 2011, the Company adopted a plan to repurchase up to 500,000 shares of its issued and outstanding common stock in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended.

The plan allows the Company to purchase its issued and outstanding common shares in the open market or in negotiated transactions, from time to time, depending on market conditions and other factors as well as being in compliance with applicable securities laws. The plan does not obligate the Company to make any purchases, at any specific time or in any particular situation. The plan may be suspended or discontinued at any time at the sole discretion of the Company. Share repurchases will be funded with the Company ' s available cash, after determining the working capital requirements of the Company. Accordingly, there is no guarantee as to the exact number of shares that will be repurchased under the plan.

The Company ' s Board of Directors authorized the repurchase plan because it believed market conditions at the time of the plan ' s adoption or thereafter may cause the Company ' s common stock to be undervalued and repurchases of Company common stock to be in the best interests of the Company and its stockholders. The timing and number of any shares repurchased will depend on the terms and conditions of the plan and no assurance can be given that any specific amount of common stock will be repurchased.

Common Stock Transactions

Beginning with the year 2016, we issued the following securities without registration under the Securities Act of 1933, as amended. These securities were issued on the reliance of an exemption provided by Section 4(a)(2) or 4(a)(5) of the Securities Act.

On February 2, 2016, we issued 40,000 shares of common stock for services at $.08

On February 24, 2016, we issued 1,845,000 shares of common stock for cash in the amount of $116,698, of which $70,699 was received in 2014 and the balance included in " to be issued. "

On March 6, 2016, we issued 450,000 shares of common stock for services to related parties at $.05 per share, which was accrued for in 2014.

On March 6, 2016, we issued 50,000 shares of common stock for services at $.05 per share.

On April 1, 2016 we issued 25,000 shares of common stock for consulting services at $.05 per share.

On September 11, 2016, we issued 1,300,000 shares of common stock for compensation at $.05 per share.

On October 1, 2016, we issued 104,910,321 shares of common stock to two investors for $500,000 in cash.

On March 11, 2016 we issued 400,000 shares of our common stock @ $.07 for financing fees.

On May 5, 2016 we issued 387,866 to a previous employee @ $.08 for $8,644 in notes payable, $11,332 in accrued interest and $11,030 for past due payroll.

On August 15, 2016 we issued 562,500 shares @ $.08 to a consultant for past due amounts owed of $45,000.

On July 1, 2016 we entered into a consulting agreement with Uptick capital for 300,000 a term of 45 days. For these services, we agreed to issue a total of 300,000 shares of our common stock.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2016 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (nine persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

On September 15, 2016 we issued 2,380,952 shares @ $.006 for a partial conversion of the convertible note dated March 11, 2016 in the amount of $15,000.

On October 31, 2016, Clean Energy Technologies, Inc., a Nevada corporation (the " Company ") closed a private placement pursuant to Section 4(a) (2) of the Securities Act to one investor, Cyberfuture One LP, (" Subscriber ") of an aggregate of 10,500,000 restricted common shares (" Shares ") at a price of US$0.04 per Share, for total gross proceeds of US $420,000. The offering provides that Subscriber obtains piggyback registration rights on the Shares, so long as the Subscriber holds at least 8% of the outstanding Common Stock. Also, the subscription agreement provides that if the Company and the Subscriber enter a joint venture that the Subscriber will be entitled to nominate a person to be elected to and to serve on the Board of Directors of the Company. The restricted common shares were offered by the Company pursuant to an exemption from registration under Regulation S of the Securities Act of 1933, as amended. The private placement was fully subscribed to by one non-U.S. person.

On December 16, 2016, we issued 1,200,000 shares @ .0031 for a partial conversion of a note dated June 6, 2016 in the amount of $3,696.

On January 4, 2017 we issued 2,300,000 shares @ .002291 for a partial conversion of a note dated June 6, 2016 in the amount of $5,041.

On January 4, 2017 we issued 7,000,000 shares @ .0022 for a partial conversion of a note dated July 6, 2016 in the amount of $15,400.

On February 8, 2017 we issued 2,400,000 shares @ .00188 for a partial conversion of a note dated June 6, 2016 in the amount of $4,512.

On February 27, 2017 we issued 8,600,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $8,600.

On March 3, 2017 we issued 9,000,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,000.

On March 8, 2017 we issued 600,000 shares @ .007 for compensation in the amount of $4,200.

On March 10, 2017 we issued 9,500,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,500.

On April 4, 2017 we issued 7,700,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $7,700.

On May 11, 2017 we issued 7,369,080 shares of common stock for the final conversion of a note dated June 6, 2016 in the amount of $9,211.

On September 11, 2017 we issued 1,233,959 for a partial conversion of $20,000 in accrued interest.

Common Stock

Currently our Articles of Incorporation authorize us to issue 400,000,000 shares of common stock, par value $0.001 per share. On June 29, 2017 our shareholders approved to increase the authorized shares of common stock from 400,000,000 to 800,000,000 shares with a par value of $0.001 per share and to amend our Articles of Incorporation on or about August 20, 2017. As of September 30, 2017 there were 210,881,122 shares of common stock outstanding. All outstanding shares of common stock are, and the common stock to be issued will be, fully paid and non-assessable. Each share of our common stock has identical rights and privileges in every respect. The holders of our common stock are entitled to vote upon all matters submitted to a vote of our shareholders and are entitled to one vote for each share of common stock held. There are no cumulative voting rights.

The holders of our common stock are entitled to share equally in dividends and other distributions that our Board of Directors may declare from time to time out of funds legally available for that purpose, if any, after the satisfaction of any prior rights and preferences of any outstanding preferred stock. If we liquidate, dissolve or wind up, the holders of common stock shares will be entitled to share ratably in the distribution of all of our assets remaining available for distribution after satisfaction of all our liabilities and our obligations to holders of our outstanding preferred stock.

Preferred Stock

Our Articles of Incorporation authorize us to issue 10,000,000 shares of preferred stock, par value $0.001 per share. Our Board of Directors has the authority to issue additional shares of preferred stock in one or more series, and fix for each series, the designation of and number of shares to be included in each such series. Our Board of Directors is also authorized to set the powers, privileges, preferences, and relative participating, optional or other rights, if any, of the shares of each such series and the qualifications, limitations or restrictions of the shares of each such series.

Unless our Board of Directors provides otherwise, the shares of all series of preferred stock will rank on parity with respect to the payment of dividends and to the distribution of assets upon liquidation. Any issuance by us of shares of our preferred stock may have the effect of delaying, deferring or preventing a change of our control or an unsolicited acquisition proposal. The issuance of preferred stock also could decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the rights and powers, including voting rights, of the holders of common stock.

We previously authorized 440 shares of Series A Convertible Preferred Stock, 20,000 shares of Series B Convertible Preferred Stock, and 15,000 shares Series C Convertible Preferred Stock. As of August 20, 2006, all series A, B, and C preferred had been converted into common stock.

Effective August 7, 2013, our Board of Directors designated a series of our preferred stock as Series D Preferred Stock, authorizing 15,000 shares. Our Series D Preferred Stock offering terms authorized us to raise up to $1,000,000 with an over-allotment of $500,000 in multiple closings over the course of nine months. We received an aggregate of $750,000 in financing in subscription for Series D Preferred Stock, or 7,500 shares.

The following are primary terms of the Series D Preferred Stock. The Series D Preferred holders were initially entitled to be paid a special monthly divided at the rate of 17.5% per annum. Initially, the Series D Preferred Stock was also entitled to be paid special dividends in the event cash dividends were not paid when scheduled. If the Company does not pay the dividend within five (5) business days from the end of the calendar month for which the payment of such dividend to owed, the Company will pay the investor a special dividend of an additional 3.5%. Any unpaid or accrued special dividends will be paid upon a liquidation or redemption. For any other dividends or distributions, the Series D Preferred Stock participates with common stock on an as-converted basis. The Series D Preferred holders may elect to convert the Series D Preferred Stock, in their sole discretion, at any time after a one year (1) year holding period, by sending the Company a notice to convert. The conversion rate is equal to the greater of $0.08 or a 20% discount to the average of the three (3) lowest closing market prices of the common stock during the ten (10) trading day period prior to conversion. The Series D Preferred Stock is redeemable from funds legally available for distribution at the option of the individual holders of the Series D Preferred Stock commencing any time after the one (1) year period from the offering closing at a price equal to the initial purchase price plus all accrued but unpaid dividends, provided, that if the Company gave notice to the investors that it was not in a financial position to redeem the Series D Preferred, the Company and the Series D Preferred holders are obligated to negotiate in good faith for an extension of the redemption period. The Company timely notified the investors that it was not in a financial position to redeem the Series D Preferred and the Company and the investors have engaged in ongoing negotiations to determine an appropriate extension period. The Company may elect to redeem the Series D Preferred Stock any time at a price equal to initial purchase price plus all accrued but unpaid dividends, subject to the investors ' right to convert, by providing written notice about its intent to redeem. Each investor has the right to convert the Series D Preferred Stock at least ten (10) days prior to such redemption by the Company.

In connection with the subscriptions for the Series D Preferred, we issued series F warrants to purchase an aggregate of 375,000 shares of our common stock at $.10 per share and series G warrants to purchase an aggregate of 375,000 shares of our common stock at $.20 per share.

On August 21, 2014, a holder holding 5,000 shares of Preferred Series D Preferred agreed to lower the dividend rate to 13% on its Series D Preferred. In September 2016, all holders of Series D Preferred signed and delivered estoppel agreements, whereby the holders agreed, among other things, that the Series D Preferred was not in default and to reduce (effective as of December 31, 2016) the dividend rate on the Series D Preferred Stock to nine percent per annum and to terminate the 3.5% penalty in respect of unpaid dividends accruing on or after such date.

Warrants

Series E – Common stock warrants

On April 8, 2011, we issued 300,000 series E Warrants. Each warrant gives the holder the right to purchase one share of common stock (300,000 total shares) at $0.50 per share. The Series E Warrants expired on April 8, 2017.

Series F – Common stock warrants

On June 25, 2013, we issued 250,000 series F warrants. Each warrant gives the holder the right to purchase one share of common stock at $.10.

On September 19, 2013, we issued 125,000 series F warrants. Each warrant gives the holder the right to purchase one share of common stock at $.10.

Series G – Common stock warrants

On June 25, 2013, we issued 250,000 series G warrants. Each warrant gives the holder the right to purchase one share of common stock at $.20.

On September 19, 2013, we issued 125,000 series G warrants. Each warrant gives the holder the right to purchase one share of common stock at $.20.

A summary of warrant activity for the periods is as follows:

		Warrants - Common Share Equivalents	Weighted Average Exercise price		Warrants exercisable - Common Share Equivalents	Weighted Average Exercise price
Outstanding December 31, 2016		1,050,000	0.25		1,050,000	0.25
	Granted	-	-		-	-
	Expired	(300,000)	.50		(300,000)	.50
	Exercised	-	-		-	-
Outstanding September 30, 2017		750,000	0.15		750,000	0.15

	Warrants Outstanding				Warrants Exercisable	
Range of Warrant Exercise Price	Warrants - Common Share Equivalents	Weighted Average Exercise price	Weighted Average Remaining Contractual life in years		Warrants - Common Share Equivalents	Weighted Average Exercise price
$ 0.10	250,000	$ 0.10	.75		250,000	$ 0.10

$	0.20	250,000	$	0.20	.75		250,000	$	0.20
$	0.10	125,000	$	0.10	1.00		125,000	$	0.10
$	0.20	125,000	$	0.20	1.00		125,000	$	0.20
Total		750,000	$	0.15			750,000	$	0.15

Stock Options

On February 8, 2007 pursuant to our 2006 Qualified Incentive Option Plan, we granted to Company employees incentive stock options to purchase 406,638 shares of our common stock. These options were granted at $1.73 cents, the fair market value of the Company ' s common stock at the time of the grant. These options expired on February 8, 2017. At September 30, 2017, there were 0outstanding options under this plan.

On February 8, 2008, we granted stock options to our key employees to purchase up to 750,000 shares of our common stock. These options were granted at $1.73 cents, the fair market value of the Company ' s common stock at the time of the grant. These options expired on February 8, 2017. As of September 30, 2017, the balance of the outstanding options under this plan is 0.

On February 28, 2008, we granted stock options to a key employee to purchase up to 30,000 shares of our common stock. These options were granted at $.033 cents, the fair market value of the Company ' s common stock at the time of the grant. These options expired on February 8, 2017. As of September 30, 2017, the balance of the outstanding options under this plan was 0.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2016 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (nine persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

NOTE 12 – RELATED PARTY TRANSACTIONS

Kambiz Mahdi, our Chief Executive Officer, owns Billet Electronics, which is distributor of electronic components. From time to time, we purchase parts from Billet Electronics. In addition, from time to time, we provide assembly and value-added services to Billet Electronics. In addition, Billet was a supplier of parts and had dealings with current and former customers of the Company. Our Board of Directors has approved the transactions between Billet Electronics and the Company.

On June 15, 2016 Meddy Sahebi Chairman of our Board of Directors advanced the Company $5,000. There were no specified terms for repayment of this loan other than that it was to be repaid within a reasonable time. As of September 30, 2017, the outstanding balance was $5,000.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2016 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (nine persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

Note 13 - Warranty Liability

For the year ended December 31, 2016 we recognized a gain on our warranty liability in the amount of $141,611. This gain was the result of a reduction in our warranty liability, as most of the units in the field are no longer under warranty.

NOTE 14 – SUBSEQUENT EVENTS

Management has reviewed and evaluated subsequent events and transactions occurring after the balance sheet date through the filing of this Quarterly Report on Form 10-Q and determined that no other subsequent events occurred .

Item 2. Management ' s Discussion and Analysis of Financial Condition and Results of Operation

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) contains forward-looking statements that involve known and unknown risks, significant uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, or implied, by those forward-looking statements. You can identify forward-looking statements by the use of the words may, will, should, could, expects, plans, anticipates, believes, estimates, predicts, intends, potential, proposed, or continue or the negative of those terms. These statements are only predictions. In evaluating these statements, you should consider various factors which may cause our actual results to differ materially from any forward-looking statements. Although we believe that the exceptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

OVERVIEW

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder ' s deficit of $3,396,076 and a working capital deficit of $4,844,374 and a net loss of $1,392,770 for the nine months ended September 30, 2017. The company also had an accumulated deficit of $7,967,634 as of September 30, 2017 and used $1,260,801 in net cash from operating activities for the nine months ended September 30, 2017. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach a profitable operating stand and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

Summary of Results for the three and nine months Ended September 30, 2017 Compared to the three and nine months ended September 30, 2016

For the three months ended September 30, 2017, we had a net loss of $595,266 compared to a net loss of $603,032 for the same period in 2016. The decrease in the net loss in 2017 was mainly due to a reduction in the general and administrative expense. For the three months ended September 30, 2017, our cost of goods sold was 110% compared to 71% for the same period in 2016, mainly due to the increase in direct labor cost as a percent of the drop in the sales in 2017. For the three months ended September 30, 2017, our SG&A cost was 305% compared to 208% for the same period in 2016 mainly due to the cost as a percent of the drop in the sales in 2017. For the three months ended September 30, 2017, we had a net loss from operations of $(367,240) compared to a net loss of $(502,325) for the same period in 2016. Our total stockholder ' s equity decreased by $1,127,822, resulting in shareholder deficit of $(3,396,076) as of September 30, 2017.

For the nine months ended September 30, 2017, we had a net loss of $1,392,770 compared to a net loss of $1,212,255 for the same period in 2016. For the nine months ended September 30, 2017, our cost of goods sold was 55% compared to 54% for the same period in 2016. For the nine months ended September 30, 2017, our SG&A cost was 129% compared to 98% for the same period in 2016. For the nine months ended September 30, 2017, we had a net loss from operations of $724,886 compared to a net loss of $877,800 for the same period in 2016. As of September 30, 2017, we had a working capital deficit of $4,844,375 compared to working capital deficit of $3,307,374 as of December 31, 2016.

Cash and Cash Equivalents

We maintain the majority of its cash accounts at a commercial bank. The total cash balance is insured by the Federal Deposit Insurance Corporation (" FDIC ") up to $250,000 per commercial bank. For purposes of the statement of cash flows we consider all cash and highly liquid investments with initial maturities of one year or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates may be materially different from actual financial results. Significant estimates include the recoverability of long-lived assets, the collection of accounts receivable and valuation of inventory and reserves.

Accounts Receivable

We grant credit to our customers located within the United States of America; and do not require collateral. Our ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by us. Reserves for un-collectable amounts are provided, based on past experience and a specific analysis of the accounts. Although we expect to collect amounts due, actual collections may differ from the estimated amounts. As of September 30, 2017, we had a reserve for potentially un-collectable accounts of $7,000. Five (5) customers accounted for approximately 99% of accounts receivable at September 30, 2016 and one customer accounted for 59% and no other customer accounted for more than 14% of the accounts receivable balance. Our trade accounts primarily represent unsecured receivables. Historically, our bad debt write-offs related to these trade accounts have been insignificant.

Inventory

Inventories are valued at the lower of weighted average cost or market value. Our industry experiences changes in technology, changes in market value and availability of raw materials, as well as changing customer demand. We make provisions for estimated excess and obsolete inventories based on regular audits and cycle counts of our on-hand inventory levels and forecasted customer demands and at times additional provisions are made. Any inventory write offs are charged to the reserve account. As of September 30, 2017, we had a reserve for potentially obsolete inventory of $250,000.

Property and Equipment

Property and equipment are stated at cost. Assets held under capital leases are recorded at lease inception at the lower of the present value of the minimum lease payments or the fair market value of the related assets. We follow the practice of capitalizing property and equipment purchased over $5,000. The cost of ordinary maintenance and repairs is charged to operations. Depreciation and amortization are computed on the straight-line method over the following estimated useful lives of the related assets:

Furniture and fixtures	3 to 7 years
Equipment	7 to 10 years
Leasehold improvements	2 years (life of the lease)

Long – Lived Assets

Our management assesses the recoverability of its long-lived assets by determining whether the depreciation and amortization of long lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment if any, is measured based on fair value and is charged to operations in the period in which long-lived assets impairment is determined by management. There can be no assurance however, that market conditions will not change or demand for our services will continue, which could result in impairment of long-lived assets in the future.

Revenue Recognition

Revenue from product and services are recognized at the time goods are shipped or services are provided to the customer, with an appropriate provision for returns and allowances. Terms are generally FOB origination with the right of inspection and acceptance. We have not experienced a material amount of rejected or damaged product.

Fair Value of Financial Instruments

The carrying amount of accounts payable and accrued expenses are considered to be representative of their respective fair values because of the short-term nature of these financial instruments.

Other Comprehensive Income

We have no material components of other comprehensive income (loss) and accordingly, net loss is equal to comprehensive loss in all periods.

Net Profit/(Loss) per Common Share

Basic profit / (loss) per share is computed on the basis of the weighted average number of common shares outstanding. At September 30, 2017, we had outstanding common shares of 210,881,122 used in the calculation of basic earnings per share. Basic Weighted average common shares and equivalents at September 30, 2017 and 2016 were 209,915,415 and 141,436,164 respectively. As of September 30, 2017, we had outstanding warrants to purchase 750,000 additional common shares and options to purchase 2,618,818 additional common shares. In addition, we had convertible notes, convertible into 136,081,400 of additional common shares. Fully diluted weighted average common shares and equivalents were withheld from the calculation as they were considered anti-dilutive for the months ended September 30, 2017.

Research and Development

We have curtailed all research and development and focusing our business on its core business of electronics contract manufacturing.

Research and Development Costs incurred in association with the alternative fuels technology development (which include salaries and equipment) were expensed as incurred. We had no expenses in Research and Development Costs during the three and nine months ended September 30, 2017 and 2016.

Segment Information

See Notes 1 and 2 for a discussion on our segment information.

Share Based Compensation

For a discussion on share based compensation and recently issued accounting pronouncements relating to share based compensation, see Note 2, Basis of Presentation and Summary of Significant Accounting Policies, to our accompanying audited financial statements.

Income Taxes

For a discussion income taxes and recently issued accounting pronouncements relating to share based compensation, see Note 2, Basis of Presentation and Summary of Significant Accounting Policies, to our accompanying financial statements.

Results for the three and nine months Ended September 30, 2017 Compared to the three and nine months ended September 30, 2016

Net Sales

For the three months ended September 30, 2017, our revenue was $116,445 compared to $280,299 for the same period in 2016. Our revenue increased by $299,210 for the three months ended September 30, 2017, compared to the same period in 2016, due to increase sales in the Clean Energy HRS Sale in June of 2017.

For the nine months ended September 30, 2017, our revenue was $862,336 compared to $1,687,656 for the same period in 2016. Our revenue decreased by $661,466 for the three months ended September 30, 2017, compared to the same period in 2016, this was mainly due to the higher sales from Clean Energy HRS Sale of in March of 2016.

Major Customers

Our top 5 customers accounted for approximately 95% of our net sales for the nine months ended September 30, 2017, compared to 93%, for the same period in 2016. We believe that our ability to grow our core business depends on increasing sales to existing customers, and on successfully attracting new customers. Customer contracts can be canceled and volume levels can be changed or delayed based on our customer ' s performance and the end users ' markets they serve which we have no control over. The timely replacement of delayed, canceled or reduced orders with new business cannot be ensured. In addition, we cannot assume that any of our current customers will continue to utilize our services. Consequently, our results of operations may be materially adversely affected.

Gross Profit

For the three months ended September 30 , 2017 , our gross profits decreas ed to (10%) from 29 % for the same period in 20 1 6 . This was mainly caused by the sales of a Clean Energy HRS Unit at a lower cost in 2016 , which will not be indicative of future unit costs.

For the nine months ended September 30 , 2017 , our gross profits in creased to 45 % from 46 % for the same period in 20 16 .

Our gross profits could vary from period to period and is affected by a number of factors, including product mix, production efficiencies, component availability and costs, pricing, competition, customer requirements and unanticipated restructuring or inventory charges and potential scrap of materials .

Selling, General and Administrative (SG&A) Expenses

For the three months ended September 30 , 2017 , our SG&A expense was 305 % compared to 208 % for the same period in 2016 . The in crea se was mainly due to the lower sales in 2017 .

For the nine months ended September 30 , 2017 , our SG&A expense was 1 29 % compared to 98 % for the same period in 2016 . The increa se was mainly due to the lower sales in 2017.

Net (l oss) from operations

For the three months ended September 30 , 2017 , our net loss from operations was - 315 % compared to - 179 % for the same period in 2016 . This was mainly caused by the sales of a Clean Energy HRS Unit at a lower cost in 2016 , which will not be indicative of future unit costs.

For the nine months ended September 30, 2017, our net loss from operations was -84% compared to -52% for the same period in 2016. This was mainly due to the higher sales from Clean Energy HRS Sale of in March of 2016.

Net Income (loss)

For the three months ended September 30 , 2017 , our net loss was (511%) compared to net loss of (215) % for the same period in 2016 . This was mainly caused by the lower sales in 2017 .

For the nine months ended September 30 , 2017 , our net loss was (1 62 %) compared to net loss of (72) % for the same period in 2016 . This was mainly caused by the lower sales in 2017 .

Liquidity and Capital Resources

Clean Energy Technologies, Inc.
Condensed Consolidated Statements of Cash Flows
for the nine months ended September 30,
(unaudited)

	2017	**2016**
Net Cash provided / (Used) In Operating Activities	(1,260,801)	(154,070)
Cash Flows Used In Investing Activities	-	(89,262)
Cash Flows Provided / (used) By Financing Activities	1,275,771	239,435
Net (Decrease) Increase in Cash and Cash Equivalents	14,970	(3,897)

Capital Requirements for long-term Obligations

	2017	2018
Note payable General Electric	900,000	300,000

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Future Financing

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund planned acquisitions and exploration activities.

Off-balance Sheet Arrangement

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Contractual Obligations

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Item 3. Quantitative and Qualitative Disclosure about Market Risk.

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our 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 carried out an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were not effective as of September 30, 2017, due to the material weaknesses resulting from no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K, and controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Please refer to our Annual Report on Form 10-K as filed with the SEC on April 17, 2017, for a complete discussion relating to the foregoing evaluation of Disclosures and Procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II--OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which our director, officer or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors.

In addition to the other information set forth in this Report, you should carefully consider the factors discussed in Part I, Item 1A., " Risk Factors " in our Annual Report on Form 10-K, for the fiscal year ended December 31, 2016. The information set forth in these Reports could materially affect the Company ' s business, financial position and results of operations. There are no material changes from the risk factors set forth in Part I, Item 1A, " Risk Factors, " of our Annual Report on Forms 10-K for the fiscal year ended December 31, 2016.

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

On March 11, 2016 we issued 400,000 shares of our common stock @ $.05 for financing fees.

On February 2, 2016, we issued 40,000 shares of common stock for services at $.08

On February 24, 2016, we issued 1,845,000 shares of common stock for cash in the amount of $116,698, of which $70,699 was received in 2014 and the balance included in " to be issued. "

On March 6, 2016, we issued 450,000 shares of common stock for services to related parties at $.05 per share, which was accrued for in 2014.

On March 6, 2016, we issued 50,000 shares of common stock for services at $.05 per share.

On April 1, 2016 we issued 25,000 shares of common stock for consulting services at $.05 per share.

On September 11, 2016, we issued 1,300,000 shares of common stock for compensation at $.05 per share.

On October 1, 2016, we issued 104,910,321 shares of common stock to two investors for $500,000 in cash.

On March 11, 2016 we issued 400,000 shares of our common stock @ $.07 for financing fees.

On May 5, 2016 we issued 387,866 to a previous employee @ $.08 for $8,644 in notes payable, $11,332 in accrued interest and $11,030 for past due payroll.

On August 15, 2016 we issued 562,500 shares @ $.08 to a consultant for past due amounts owed of $45,000.

On July 1, 2016 we entered into a consulting agreement with Uptick capital for 300,000 a term of 45 days. For these services, we agreed to issue a total of 300,000 shares of our common stock.

Pursuant to our 2016 Stock Compensation Program, effective July 1, 2016, we made the following stock option grants to members of our Board of Directors: (a) we issued to each of our non-employee members of our Board of Directors first joining the Board in October 2016 and who had not received any compensation for serving as directors of the Company (five persons) options to purchase 150,000 shares of our common stock with an exercise price of $.03 per share, the last sale price of our common stock on June 29, 2016 and (b) we issued to each of our non-employee members of our Board of Directors currently serving on the Board (nine persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

On September 15, 2016 we issued 2,380,952 shares @ $.006 for a partial conversion of the convertible note dated March 11, 2016 in the amount of $15,000.

On October 31, 2016, Clean Energy Technologies, Inc., a Nevada corporation (the " Company ") closed a private placement pursuant to Section 4(a) (2) of the Securities Act to one investor, Cyberfuture One LP, (" Subscriber ") of an aggregate of 10,500,000 restricted common shares (" Shares ") at a price of US$0.04 per Share, for total gross proceeds of US $420,000. The offering provides that Subscriber obtains piggyback registration rights on the Shares, so long as the Subscriber holds at least 8% of the outstanding Common Stock. Also, the subscription agreement provides that if the Company and the Subscriber enter a joint venture that the Subscriber will be entitled to nominate a person to be elected to and to serve on the Board of Directors of the Company. The restricted common shares were offered by the Company pursuant to an exemption from registration under Regulation S of the Securities Act of 1933, as amended. The private placement was fully subscribed to by one non-U.S. person.

On December 16, 2016, we issued 1,200,000 shares @ .0031 for a partial conversion of a note dated June 6, 2016 in the amount of $3,696.

On January 4, 2017 we issued 2,300,000 shares @ .002291 for a partial conversion of a note dated June 6, 2016 in the amount of $5,041.

On January 4, 2017 we issued 7,000,000 shares @ .0022 for a partial conversion of a note dated July 6, 2016 in the amount of $15,400.

On February 8, 2017 we issued 2,400,000 shares @ .00188 for a partial conversion of a note dated June 6, 2016 in the amount of $4,512.

On February 27, 2017 we issued 8,600,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $8,600.

On March 3, 2017 we issued 9,000,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,000.

On March 8, 2017 we issued 600,000 shares @ .007 for compensation in the amount of $4,200.

On March 10, 2017 we issued 9,500,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $9,500.

On April 4, 2017 we issued 7,700,000 shares @ .001 for a partial conversion of a note dated June 6, 2016 in the amount of $7,700.

On May 11, 2017 we issued 7,369,080 shares of common stock for the final conversion of a note dated June 6, 2016 in the amount of $9,211.

On September 11, 2017 we issued 1,233,959 for a partial conversion of $20,000 in accrued interest.

These securities were issued pursuant to Section 4(2) of the Securities Act and/or Rule 506 promulgated thereunder. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The investors were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The exhibit listed on the Exhibit Index (following the signatures section of this Quarterly Report on Form 10-Q are included, or incorporated by reference, in this Quarterly Report on Form 10-Q.

EXHIBIT NUMBER	DESCRIPTION

3.1 Articles of Incorporation (included as exhibit 3.1 to the Form SB-2/A filed on June 10, 2005 and incorporated herein by reference).

3.2 Bylaws (included as exhibit 3.2 to the Form SB-2/A filed on June 10, 2005 and incorporated herein by reference).

4.1 Registration Rights Agreement, by and between the Registrant and ETI Partners IV LLC, dated as of September 15, 2016. (included as exhibit 4.1 to our Current Report on Form 8-K filed on September 21, 2016 and incorporated herein by reference).

10.1 Asset Purchase Agreement, by and between the Registrant and General Electric International, Inc., dated as of September 11, 2016. (included as exhibit 10.1 to our Current Report on Form 8-K filed on September 21, 2016 and incorporated herein by reference).

10.2 Transaction Completion and Financing Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2016. (included as exhibit 10.2 to our Current Report on Form 8-K filed on September 21, 2016 and incorporated herein by reference).

10.3 Loan, Guarantee, and Collateral Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2016. (included as exhibit 10.3 to our Current Report on Form 8-K filed on September 21, 2016 and incorporated herein by reference).

14.1 Code of Ethics (included as exhibit 14.1 to the Form 10-KSB on April 5, 2007 and incorporated herein by reference).

16.1 Letter dated April 21, 2016, from W.T. Uniack& Co. CPA ’ s P.C. to the Securities and Exchange Commission. (included as exhibit 16.1 to our Current Report on Form 8-K filed on April 30, 2016, and incorporated herein by reference).

21.1* List of Subsidiaries

31.1* Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS** XBRL Instance Document

101.SCH** XBRL Taxonomy Extension Schema Document

101.CAL** XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB** XBRL Taxonomy Extension Label Linkbase Document

101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF** XBRL Taxonomy Extension Definition Linkbase Document

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* Filed herewith
** Furnished herewith
** Pursuant to Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

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

Signature	Title	Date
/s/ Kambiz Mahdi Kambiz Mahdi	Chief Executive Officer	November 20, 2017
/s/ John Bennett John Bennett	Chief Financial Officer	November 20,, 2017

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kambiz Mahdi, certify that:

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

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

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

4. The registrant ' s other certifying officer 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant ' s auditors and the audit committee of the registrant ' s board of directors (or persons performing the equivalent functions):

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

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

Date: November 20, 2017

By: /s/ KAMBIZ MAHDI
Kambiz Mahdi,
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John Bennett, certify that:

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

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

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

4. The registrant ' s other certifying officer 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant ' s auditors and the audit committee of the registrant ' s board of directors (or persons performing the equivalent functions):

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

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

Date: November 20, 2017	By: /s/ JOHN BENNETT John Bennett, Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Clean Energy Technologies, Inc. (the " Company ") hereby certifies, to his knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2017 (the " Report ") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 20, 2017	By: /s/ Kambiz Mahdi
Date	Kambiz Mahdi
	Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Clean Energy Technologies, Inc. (the " Company ") hereby certifies, to his knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2017 (the " Report ") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 20, 2017	By: /s/ John Bennett
Date	John Bennett
	Chief Financial Officer