# CLEAN ENERGY TECHNOLOGIES, INC.

## FORM 10-Q
(Quarterly Report)

Filed 05/21/18 for the Period Ending 03/31/18

| | |
|---|---|
| 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: **March 31, 2018**

**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.) |

**2990 Redhill Ave, Costa Mesa, California 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

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] |
| | | Emerging Growth Company | [ ] |

If an emerging growth company indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act [ ]

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 May 18, 2018, there were 554,698,461 shares of the Registrant ' s $0.001 par value common stock issued and outstanding.

**CLEAN ENERGY TECHNOLOGIES, INC.**
**(f/k/a Probe Manufacturing, Inc.)**
**(A Nevada Corporation)**

**TABLE OF CONTENTS**


| | | Page |
|---|---|---|
| **PART I. FINANCIAL INFORMATION** | | |
| ITEM 1. | CONSOLIDATED FINANCIAL STATEMENTS | 4 |
| ITEM 2. | MANAGEMENT ' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 17 |
| ITEM 3. | QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK | 18 |
| ITEM 4. | CONTROLS AND PROCEDURES | 18 |
| **PART II. OTHER INFORMATION** | | |
| ITEM 1. | LEGAL PROCEEDINGS | 20 |
| ITEM 1A. | RISK FACTORS | 20 |
| ITEM 2. | UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS | 20 |
| ITEM 3. | DEFAULTS UPON SENIOR SECURITIES | 20 |
| ITEM 4. | MINE SAFETY DISCLOSURES | 20 |
| ITEM 5. | OTHER INFORMATION | 20 |
| ITEM 6. | EXHIBITS | 20 |


**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. Financial Statements**

**Clean Energy Technologies, Inc.**

Consolidated Financial Statements

(Expressed in US dollars)

March 31, 2018 (unaudited)

**Financial Statement Index**


| | |
|---|---|
| Consolidated Balance Sheets (unaudited) | 5 |
| Consolidated Statements of Operations (unaudited) | 6 |
| Consolidated Statements of Cash Flows (unaudited) | 7 |
| Notes to the Consolidated Financial Statements (unaudited) | 9 |


**Clean Energy Technologies, Inc.**

Consolidated Balance Sheets

| | (un-audited) March 31, 2018 | (audited) December 31, 2017 |
|---|---|---|
| **Assets** | | |
| **Current Assets:** | | |
| Cash | $ 245,216 | $ 9,418 |
| Accounts receivable - net | 475,112 | 477,081 |
| Inventory | 840,742 | 854,547 |
| Prepaid expenses | 33,863 | |
| Total Current Assets | 1,594,933 | 1,341,046 |
| **Property and Equipment - Net** | 129,387 | 144,867 |
| | | |
| Goodwill | 747,976 | 747,976 |
| License | 354,322 | 354,322 |
| Patents | 160,107 | 163,076 |
| Other Assets | 24,229 | 24,229 |
| **Total Assets** | $ 3,010,954 | $ 2,775,516 |
| | | |
| **Liabilities and Stockholders' (Deficit)** | | |
| **Current Liabilities:** | | |
| Bank Overdraft | $ 5,829 | $ 10,863 |
| Accounts payable - trade | 969,720 | 996,474 |
| Accrued Expenses | 1,890,189 | 1,706,372 |
| Accrued Expenses Related party | - | 133,260 |
| Warranty Liability | 100,000 | 100,000 |
| Derivative Liability | 517,674 | 244,496 |
| Notes Payable - Current (net of discount) | 3,251,446 | 3,692,233 |
| Notes Payable - Current - Related Party | - | 5,000 |
| Total Current Liabilities | 6,734,858 | 6,888,698 |
| **Total Liabilities** | 6,734,858 | 6,888,698 |
| | | |
| 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; 800,000,000 shares authorized; and 553,198,461and 210,881,122 shares issued and outstanding respectively | 553,201 | 210,883 |
| Shares to be issued | 18,000 | 58,000 |

| | | |
|---|---|---|
| Additional paid-in capital | 5,057,871 | 3,657,653 |
| Accumulated deficit | (10,102,976) | (8,789,718) |
| Total Stockholders' (Deficit) | (3,723,904) | (4,113,182) |
| **Total Liabilities and Stockholders' Deficit** | $ 3,010,954 | $ 2,775,516 |

The accompanying footnotes are an integral part of these financial statements

**Clean Energy Technologies, Inc.**

Consolidated Statement of Operations

(unaudited)

| | three months ended March 31, 2018 | 2017 |
|---|---|---|
| Sales | $ 172,391 | $ 268,870 |
| Cost of Goods Sold | 143,714 | 206,784 |
| Gross Profit | 28,677 | 62,086 |
| General and Administrative | | |
| General and Administrative expense | 159,335 | 122,920 |
| Salaries | 194,062 | 187,096 |
| Facility lease | 70,979 | 66,735 |
| Share Based Expense | 91,140 | 2,460 |
| Total Expenses | 515,516 | 379,211 |
| Net Profit / (Loss) From Operations | (486,839) | (317,125) |
| Change in derivative liability | (273,178) | (47,990) |
| Loss on abandonment of assets | (6,618) | - |
| Financing Fees | (378,155) | (187,511) |
| Interest Expense | (168,468) | (63,471) |
| Net Profit / (Loss) Before Income Taxes | (1,313,258) | (616,097) |
| Income Tax Expense | - | - |
| Net Profit / (Loss) | $ (1,313,258) | $ (616,097) |
| Per Share Information: | | |
| Basic and diluted weighted average number of common shares outstanding | 388,286,554 | 171,683,639 |
| Net Profit / (Loss) per common share basic and diluted | $ (0.00) | $ (0.00) |

The accompanying footnotes are an integral part of these financial statements

**Clean Energy Technologies, Inc.**

Consolidated Statements of Cash Flows

for the three months ended March 31,

(unaudited)

| | 2018 | 2017 |
|---|---|---|
| **Cash Flows from Operating Activities:** | | |
| Net Income / ( Loss ) | $ (1,313,258) | $ (616,097) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 11,831 | 13,622 |
| Share based compensation | 91,140 | 2,460 |
| Finance fees | 378,155 | |
| Loss on Disposal of fixed assets | 6,618 | |
| Change in Derivative Liability and debt discount | 161,752 | 153,096 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 1,969 | 2,051 |
| (Increase) decrease in inventory | 13,805 | (7,305) |
| (Increase) decrease in other assets | (33,869) | - |
| (Decrease) increase in accounts payable | (26,754) | (43,390) |

| | | |
|---|---|---|
| Other (Decrease) increase in accrued expenses | 50,555 | 51,919 |
| Net Cash Used In Operating Activities | (658,056) | (443,644) |
| | | |
| **Cash Flows from Investing Activities** | | |
| Purchase property plant and equipment | - | - |
| Cash Flows Used In Investing Activities | - | - |
| | | |
| **Cash Flows from Financing Activities** | | |
| Bank Overdraft / (Repayment) | (5,034) | (13,028) |
| Payments on notes payable | (198,295) | - |
| Proceeds from notes payable | 189,806 | 452,266 |
| Stock issued for cash | 907,377 | |
| Cash Flows Provided By Financing Activities | 893,854 | 439,238 |
| | | |
| Net (Decrease) Increase in Cash and Cash Equivalents | 235,798 | (4,406) |
| Cash and Cash Equivalents at Beginning of Period | 9,418 | 6,442 |
| **Cash and Cash Equivalents at End of Period** | $ 245,216 | $ 2,036 |
| | | |
| **Supplemental Cashflow Information:** | | |
| Interest Paid | 85,893 | 46,198 |
| Taxes Paid | - | - |
| | | |
| **Supplemental Non-Cash Disclosure** | | |
| Shares issued for Services | 91,140 | 24,602 |
| Shares issued for note conversions | 171,635 | 153,741 |

The accompanying footnotes are an integral part of these 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 Heat recovery Solutions and third parties. Our principal products are based upon the Clean Cycle ™ heat recovery system, offered by our wholly owned subsidiary Clean Energy HRS LLC DBA Heat Recovery Solutions. 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.

On February 13, 2018, Clean Energy Technologies, Inc., a Nevada corporation (the " Registrant " or " Corporation " ) entered into a Common Stock Purchase Agreement ( " Stock Purchase Agreement " ) by and between MGW Investment I Limited ( " MGWI " ) and the Corporation. The Corporation will receive $907,388 in exchange for the issuance of 302,462,667 restricted shares of the Corporation ' s common stock, par value $.001 per share (the " Common Stock " ).

On February 13, 2018 the Corporation and Confections Ventures Limited. ( " CVL " ) entered into a Convertible Note Purchase Agreement (the " Convertible Note Purchase Agreement, " together with the Stock Purchase Agreement and the transactions contemplated thereunder, the " Financing " ) pursuant to which the Corporation issued to CVL a convertible promissory Note (the " CVL Note " ) in the principal amount of $939,500 with an interest rate of 10% per annum interest rate and a maturity date of February 13, 2020. The CVL Note is convertible into shares of Common Stock at $0.003 per share, as adjusted as provided therein. This resulted in a change in control.

**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 $3,723,904 and an accumulated deficit of $10,102,976 and a working capital deficit of $5,139,925 and a net loss of $1,313,258 for the three months ended March 31, 2018. 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 profitable operations 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, integrators, and engineering firms; (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**

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:**

These unaudited interim financial statements as of and for the three months ended March 31, 2018, reflect all adjustments which, in the opinion of management, are necessary to fairly state the Company ' s financial position and the results of its operations for the periods presented, in accordance with the accounting principles generally accepted in the United States of America. All adjustments are of a normal recurring nature.

These unaudited interim financial statements should be read in conjunction with the Company ' s financial statements and notes thereto included in the Company ' s fiscal year end December 31, 2017, report. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the three month period ended March 31, 2018, are not necessarily indicative of results for the entire year ending December 31, 2018.

The summary of significant accounting policies of Clean Energy Technologies, Inc. (formerly Probe Manufacturing, 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 March 31, 2018, and December 31, 2017, we had a reserve for potentially un-collectable accounts of $7,000. Five (5) customers accounted for approximately 97% of accounts receivable at March 31, 2018. 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 March 31, 2018 and December 31, 2017, 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**

The Company recognizes revenue in accordance with ASC 606, ” Revenue from Contracts with Customers ” ( “ ASC 606 ” ). In accordance with ASC 606, the company applies the following methodology to recognize revenue:

1) Identify the contract with a customer.
2) Identify the performance obligations in the contract.
3) Determine the transaction price.
4) Allocate the transaction price to the performance obligations in the contract.
5) Recognize revenue when (or as) the entity satisfies a performance obligation.

**Fair Value of Financial Instruments**

The Financial Accounting Standards Board issued ASC (Accounting Standards Codification) 820-10 (SFAS No. 157), “ Fair Value Measurements and Disclosures" for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. FASB ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.

- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts of the Company ’ s financial instruments as of March 31, 2018, reflect:

- Cash: Level 1 Measurement based on bank reporting.

  Level 2 Loans from Officers and related parties

  Level 3 Derivatives on convertible notes

- Level 2 Based on promissory notes.

**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 March 31, 2018, we had outstanding common shares of 553,198,461 used in the calculation of basic earnings per share. Basic Weighted average common shares and equivalents at March 31, 2018 and 2017 were 388,286,554 and 171,683,639, respectively. As of March 31, 2018, 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 of additional common shares. Fully diluted weighted average common shares and equivalents were withheld from the calculation as they were considered anti-dilutive.

**Research and Development**

We had no amounts of research and development R&D expense during the three months ended March 31, 2018 and 2017.

**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. The segments 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** :

| | three months ended March 31, | |
|---|---|---|
| | 2018 | 2017 |
| Net Sales | | |
| Electronics Assembly | 149,515 | 187,393 |
| Clean Energy HRS | 22,876 | 81,477 |
| Total Sales | 172,391 | 268,870 |
| | | |
| Segment income and reconciliation before tax | | |
| Electronics Assembly | 7,232 | 3,965 |
| Clean Energy HRS | 21,445 | 58,121 |
| Total Segment income | 28,677 | 62,086 |
| | | |
| Reconciling items | | |
| General and Administrative | (159,335) | (122,920) |
| Share Based Expense | (91,140) | (2,460) |
| Salaries | (194,062) | (187,096) |
| Moving Expense | | - |
| Rent | (70,979) | (66,735) |
| Professional fees | - | - |
| Financing Fees | (378,155) | (187,511) |
| Loss on disposal of fixed assets | (6,618) | - |
| Change in derivative liability | (273,178) | (47,990) |
| Interest expense | (168,468) | (63,471) |
| Net Loss before income tax | (1,313,258) | (616,097) |

| | March 31, 2018 | December 31, 2017 |
|---|---|---|
| Total Assets | | |
| Electronics Assembly | 1,308,322 | 1,180,522 |
| Clean Energy HRS | 1,702,632 | 1,548,796 |
| | 3,010,954 | 2,729,318 |

**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 three months ended March 31, 2018 and 2017 we had $91,140 and $2,460 respectively, in share-based expense, due to the issuance of common stock. As of March 31, 2018, we had no further non-vested expense to be recognized.

**Income Taxes**

Federal Income taxes are not currently due since we have had losses since inception.

On December 22, 2017 H.R. 1, originally known as the Tax Cuts and Jobs Act, (the “ Tax Act ” ) was enacted. Among the significant changes to the U.S. Internal Revenue Code, the Tax Act lowers the U.S. federal corporate income tax rate ( “ Federal Tax Rate ” ) from 35% to 21% effective January 1, 2018. The Company will compute its income tax expense for the three months ended March 31, 2018 using a Federal Tax Rate of 21%.

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition.* Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “ more likely than not ” standard required by ASC 740-10-25-5.

Deferred income tax amounts reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes.

As of March 31, 2018, we had a net operating loss carry-forward of approximately $(1,313,258) and a deferred tax asset of approximately $281,171 using the statutory rate of 21%. 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 $(81,171). 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 March 31, 2018, the Company had not taken any tax positions that would require disclosure under FASB ASC 740.

| | March 31, 2018 | December 31, 2017 |
|---|---|---|
| Deferred Tax Asset | $ 281,171 | $ 845,490 |
| Valuation Allowance | (281,171) | (845,490) |
| Deferred Tax Asset (Net) | $ - | $ - |

On February 13, 2018, Clean Energy Technologies, Inc., a Nevada corporation (the “ Registrant ” or “ Corporation ” ) entered into a Common Stock Purchase Agreement ( “ Stock Purchase Agreement ” ) by and between MGW Investment I Limited ( “ MGWI ” ) and the Corporation. The Corporation will receive $907,388 in exchange for the issuance of 302,462,667 restricted shares of the Corporation ’ s common stock, par value $.001 per share (the “ Common Stock ” ).

On February 13, 2018 the Corporation and Confections Ventures Limited. ( “ CVL ” ) entered into a Convertible Note Purchase Agreement (the “ Convertible Note Purchase Agreement, ” together with the Stock Purchase Agreement and the transactions contemplated thereunder, the “ Financing ” ) pursuant to which the Corporation issued to CVL a convertible promissory Note (the “ CVL Note ” ) in the principal amount of $939,500 with an interest rate of 10% per annum interest rate and a maturity date of February 13, 2020. The CVL Note is convertible into shares of Common Stock at $0.003 per share, as adjusted as provided therein.

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.

**Business Combination and Goodwill**

On March 20, 2013, we completed the acquisition of Trident whereby we acquired 100% of the issued and outstanding common stock shares of Trident in exchange for 1,600,000 shares of our restricted shares of common stock. As a result of the acquisition, Trident has become a wholly-owned subsidiary of the Company. As a result, we recognized $420,673 in goodwill. On January 2, 2017 we closed the Trident facility in Utah and as for the three months ended December 31, 2015 we booked an impairment of the goodwill in the amount of $420,673.

**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, 2017 and November 17, 2017 EITF Meetings (SEC Update)
- Update 2017-01 — Business Combinations (Topic 805): Clarifying the Definition of a Business
- Update 2017-20 — Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers
- Update 2017-18 — Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)
- Update 2017-17 — Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control
- Update 2017-16 — Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory
- Update 2017 -15 — Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)
- Update 2017 -13 — Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments
- Update 2017 -12 — Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients
- Update 2017 -10 — Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing
-

- Update 2017 -09 — Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting
- Update 2017 -08 — Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)
- Update 2017 -07 — Investments — Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting
- Update 2017 -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)

**NOTE 3 – ACCOUNTS AND NOTES RECEIVABLE**

| | March 31, 2018 | | December 31, 2017 | |
|---|---|---|---|---|
| Accounts Receivable Trade | $ | 482,112 | $ | 484,081 |
| Less Reserve for uncollectable accounts | | (7,000) | | (7,000) |
| Accounts Receivable (Net) | $ | 475,112 | $ | 477,081 |

**NOTE 4 – INVENTORY**

Inventories by major classification were comprised of the following at:

| | March 31, 2018 | | December 31, 2017 | |
|---|---|---|---|---|
| Raw Material | $ | 1,083,534 | $ | 1,089,813 |
| Work in Process | | 7,208 | | 14,734 |
| Total | | 1,090,742 | | 1163,954 |
| Less reserve for excess or obsolete inventory | | (250,000) | | (250,000) |
| Total Inventory | $ | 840,742 | $ | 913,954 |

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment were comprised of the following at:

| | March 31, 2018 | | December 31, 2017 | |
|---|---|---|---|---|
| Capital Equipment | $ | 1,390,333 | $ | 1,772,632 |
| Leasehold improvements | | 75,436 | | 75,436 |
| Accumulated Depreciation | | (1,336,382) | | (1,703,201) |
| Net Fixed Assets | $ | 129,387 | $ | 187,682 |

During the three months ended March 31, 2018 we disposed of obsolete fixed assets and as a result recognized a net loss of $6,618.

**NOTE 7 – ACCRUED EXPENSES**

| | March 31, 2018 | | December 31, 2017 | |
|---|---|---|---|---|
| Accrued Wages | $ | 268,784 | $ | 287,002 |
| Accrued Interest | | 389,654 | | 224,918 |
| Accrued Interest Related party | | - | | 133,259 |
| Customer Deposit | | 135,892 | | 98,594 |
| Accrued Payable to GE - TSA | | 972,233 | | 972,233 |
| Accrued Rents and Moving Expenses | | 123,626 | | 123,626 |
| | $ | 1,890,189 | $ | 1,839,632 |

**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 March 31, 2018 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 March 31, 2018, the outstanding balance was $1,207,146 compared to $1,170,462 at December 31, 2017.

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, 2015 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 December 31, 2016 and continuing until December 31, 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

We are currently in default on the payment of the purchase price pursuant to our asset purchase agreement with General Electric due to a combination of our inability to raise sufficient capital as expected and our belief that we are entitled to a reduction in purchase price we paid. We are in the process of negotiations with General Electric.

*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 six months after its issuance and has a conversion rate of sixty 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 six 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. Subsequently on 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 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 March 31, 2018 the outstanding balance was $5,000.

On July 6, 2016, we entered into a six-month convertible note payable for $77,500, which accrues interest at the rate of 10% per annum. It is not convertible until six 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 six-month convertible note payable for $57,000, which accrues interest at the rate of 12% per annum. It is not convertible until six 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 ($11,544.45 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.

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 six-month convertible note payable for $78,000, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of sixty one percent (61%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the fifteen (15) Trading Days immediately preceding the date of conversion. On November 6 this note was assumed and paid in full at a premium for a total of $116,600 by Cybernaut Zfounder Ventures. An amended term were added to the original note with the interest rate of 14%. This note matured on February 21 st of 2018 and is currently in default.

On May 24, 2017 we entered into a six-month convertible note payable for $32,000, which accrues interest at the rate of 12% per annum. It is not convertible until six months after its issuance and has a conversion rate of fifty-five eight percent (58%) of the lowest closing bid price (as reported by Bloomberg LP) of our common stock for the fifteen (15) Trading Days immediately preceding the date of conversion. On November 6 this note was assumed and paid in full at a premium for a total of $95,685, by Cybernaut Zfounder Ventures. An amended term were added to the original note with the interest rate of 14%. This note matured on February 26 th , 2018 and is currently in default.

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 six 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-five (25) Trading Days immediately preceding the date of conversion. This note was partially converted into common stock and the balance was paid in full on February 14, 2018

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 six 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. This note was converted into common stock

On August 17, 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 six 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. This note was paid in full on February 15, 2018

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 six months after its issuance and has a conversion rate of sixty 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. This note was paid in full on February 15, 2018

On February 13, 2018 the Corporation and Confections Ventures Limited. ( " CVL " ) entered into a Convertible Note Purchase Agreement (the " Convertible Note Purchase Agreement, " together with the Stock Purchase Agreement and the transactions contemplated thereunder, the " Financing " ) pursuant to which the Corporation issued to CVL a convertible promissory Note (the " CVL Note " ) in the principal amount of $939,500 with an interest rate of 10% per annum interest rate and a maturity date of February 13, 2020. The CVL Note is convertible into shares of Common Stock at $0.003 per share, as adjusted as provided therein. As a result we recognized a beneficial conversion feature of $532,383, which is amortized over the life of the note

On February 8, 2018 the Corporation entered a Convertible Promissory Note in the principal amount of $153,123, due October 8, 2018, with an interest rate of 12% per annum payable to MGWI (the " MGWI Note " ). The MGWI Note is convertible into shares of the Corporation ' s common stock at the lower of: (i) a 40% discount to the lowest trading price during the previous twenty (20) trading days to the date of a Conversion Notice; or (ii) 0.003. $As a result of the closing of the transactions contemplated by the Stock Purchase Agreement and Convertible Note Purchase Agreement, the MGWI Note must be redeemed by the Corporation in an amount that will permit CVL and MGWI and their affiliates to hold 65% of the issued and outstanding Common Stock of the Corporation on a fully diluted basis. The proceeds from the MGWI Note were used to redeem the convertible note of the Corporation to JSJ Investments, Inc. in the principal amount of $103,000 with an interest rate of 12% per annum, due April 25, 2018. At March 31, 2018 the holder of this note beneficially owned 70% of the company and this note is not convertible if the holder holds more that 9.99%, as a result, we did not recognize a derivative liability or a beneficial conversion feature.

**Note 9 – Derivative Liabilities**

As a result of the convertible notes we recognized the embedded derivative liability on the date that the note was convertible. We also revalued the remaining derivative liability on the outstanding note balance on the date of the balance sheet. The remaining derivative liabilities were:

**Derivative Liabilities on Convertible Loans:**

| | March 31, 2018 | December 31, 2017 |
|---|---|---|
| Outstanding Balance | $ 517,674 | $ 244,496 |

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

The company has received an invoice from Oberon Securities for $291,767 which is in dispute. The company believes it has defenses to the claim for compensation and plans to assert appropriate counterclaims and actions as permitted by law. No liability has been recorded for this claim as the Company believes there is a greater than not probability that our Company will prevail in defending against the claim.

**Operating Rental Leases**

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. Future minimum lease payments for the years ended December 31, as follows:

| Year | | Lease Payment |
|---|---|---|
| 2018 | | $171,000 |
| 2019 | | $234,840 |
| 2020 | | $241,884 |
| 2021 | | $249,132 |
| 2022 | | $256,608 |
| 2023 | | $44,052 |

Our Rent expense including common area maintenance for the Three months ended March 31, 2018 and 2017 was $70,979 and $66,735 respectively.

***Severance Benefits***

Effective at December 31, 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 August 28, 2017, our Board of Directors and shareholders approved an increase in the number of our authorized common shares to 800,000,000. The amendment effecting the increase in our authorized capital was filed and effective on August 23, 2017

**Common Stock Transactions**

Beginning with the year 2017, 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 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.

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.

On February 13, 2018, Clean Energy Technologies, Inc., a Nevada corporation (the “ Registrant ” or “ Corporation ” ) entered into a Common Stock Purchase Agreement ( “ Stock Purchase Agreement ” ) by and between MGW Investment I Limited ( “ MGWI ” ) and the Corporation. The Corporation received $907,377 in exchange for the issuance of 302,462,667 restricted shares of the Corporation ’ s common stock, par value $.001 per share (the “ Common Stock ” ), as disclosed on form 8K on February 15, 2018.

From January 1 through March 31, 2018 we issued 26,054,672 for partial conversions of our convertible notes. We also issued 13,800,000 shares for additional compensation and accrued for 1,500,000 for consulting services subsequently issued on May 18, 2018.

**Common Stock**

Our Articles of Incorporation authorize us to issue 800,000,000 shares of common stock, par value $0.001 per share. As of March 31, 2018 there were 553,198,461 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 six 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 2015, 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, 2015) the dividend rate on the Series D Preferred Stock to six percent per annum and to terminate the 3.5% penalty in respect of unpaid dividends accruing on or after such date.

***Warrants***

***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, which expire on June 30, 2018.

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, which expire on September 19, 2018.

***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, which expire on June 30, 2018.

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, which expire on September 19, 2018.

**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, 2017 | | 750,000 | 0.15 | | 750,000 | 0.15 |
| | Granted | - | - | | - | - |
| | Expired | - | - | | - | |
| | Exercised | - | - | | - | - |
| Outstanding March 31, 2018 | | 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 | .25 | | 250,000 | $ 0.10 |
| $ 0.20 | 250,000 | $ 0.20 | .25 | | 250,000 | $ 0.20 |
| $ 0.10 | 125,000 | $ 0.10 | .50 | | 125,000 | $ 0.10 |
| $ 0.20 | 125,000 | $ 0.20 | .50 | | 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.

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.

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.

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 2015 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 (six persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share. Subsequently on February 9, 2018 the non-employee board members resigned, as disclosed in our 8K filed on February 15, 2018. As a result, all remaining stock options were cancelled.

**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, Billet was a supplier of parts and had dealings with current and former customers of the Company prior to joining 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 March 31, 2017, the outstanding balance was $5,000. Mr. Sahebi resigned from the board of directors on February 8, 2018. As a result as of March 31, 2018 Mr. Sahebi was no longer a related party.

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 2015 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 (six persons) options to purchase 300,000 shares of our common stock with an exercise price of $.03 per share.

**Note 13 - Warranty Liability**

There was no change in our warranty liability for the three months ended March 31, 2017

**NOTE 14 – SUBSEQUENT EVENTS**

In accordance with ASC 855, the Company has analyzed its operations subsequent to March 31, 2018 through the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose in these financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN 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.

***Working Capital***

| | March 31, 2018 | December 31, 2017 |
|---|---|---|
| Working Capital | $ (5,139,925) | $ (5,547,652) |
| Total Assets | 3,010,954 | 2,775,516 |
| Long term Debt | - | - |
| Stockholder Equity | $ (3,723,904) | $ (4,113,182) |

***Cash Flows***

| for the three months ended March 31, (unaudited) | | |
|---|---|---|
| | **2018** | **2017** |
| Net Cash provided / (Used) In Operating Activities | (658,056) | (443,644) |
| Cash Flows Used In Investing Activities | - | - |
| Cash Flows Provided / (used) By Financing Activities | 893,854 | 439,238 |
| Net (Decrease) Increase in Cash and Cash Equivalents | 245,216 | (4,406) |

***Results for the Three Months Ended March 31, 2018 Compared to the Three Months Ended March 31, 2017***

***Operating Revenues***

The Company ' s revenues were $172,391 for the three months ended March 31, 2018 compared to $268,870 for the same period in 2017. Our revenue decreased mainly due to the transitional period while raising capital to fund the new business and establishing a new sales strategy for newly acquired HRS assets.

***Gross Profit***

For the three months ended March 31, 2018 , the Company ' s gross profit was $ 2 8,677 compared to $ 62,086 for the same period in 2017 . 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 .

***General and Administrative Expenses***

For the three months ended March 31, 2018, general and administrative expenses were $159,337 compared to $122,920 for the same period in 2017. The main reason for the increase was the increase in professional fees related to the change in control dated February 13, 2018.

***Salaries Expense***

For the three months ended March 31, Salaries expenses were $194,062 compared to $187,096 for the same period in 2017. The main reason for this increase was due to a pay increase to an employee.

***Facility Expense***

For the three months ended March 31, 2018, Facility expenses were $70,979 compared to $66,735 for the same period in 2017. The increase was mainly due to the increase in the contractual lease payments.

***Share based expense***

For the three months ended March 31, 2018, share based expenses were $91,140 compared to $2,460 for the same period in 2017, due to the issuance of common stock as additional compensation.

***Loss on Derivative Liability***

For the three months ended March 31, 2018, we had a loss on derivative liability of $273,178 compared to a loss of $47,990 for the same period in 2017. This was mainly due to the calculation of the derivative liability from the issuance of convertible notes

***Loss on abandonment of assets***

For the three months ended March 31, 2018, we had a loss on abandonment of assets of $6,618 compared to $0 for the same period in 2017.

***Financing Fees***

For the three months ended March 31, 2018, We had a financing fees of $378,155 compared to $187,511for the same period in 2017. This was mainly due to the discount taken on the conversion of our convertible notes into common stock. In addition we paid off other convertible notes at a premium

***Interest Expense***

For the three months ended March 31, 2018, Interest expenses were $168,468 compared to $63,471 for the same period in 2017. This was mainly due to the increase in our notes and lines of credit payable and also the amortization of the debt discount recognized previously from our convertible notes

***Net Income (loss)***

Our net loss for the three months ended March 31, 2018, was $(1,313,258) compared with net loss of $(616,097) for the three months ended March 31, 2017. The net loss is influenced by the matters discussed above.

***Liquidity and Capital Resources***

The ability of the Company to continue as a going concern is dependent on the Company ' s ability to raise additional capital and implement its business plan. Since its inception, the Company has been funded by related parties through capital investment and borrowing of funds.

At March 31, 2018, the Company had total current assets of $1,594,933 compared to $1,341,046 at December 31, 2017.

At March 31, 2018, the Company had total current liabilities of $6,734,858 compared to $6,888,698 at December 31, 2017.

We had working capital deficit of $5,139,925 as of March 31, 2018 compared to $5,547,652 as of December 31, 2017,

***Cashflow from Operating Activities***

During the three months ended March 31, 2018, cash provided by (used in) operating activities was $(658,056) compared to $(443,644) for the three months ended March 31, 2017.

***Cashflow from Investing Activities***

During the three months ended March 31, 2018 cash used in investing activities was $0 compared to $0 for the three months ended March 31, 2017.

***Cashflow from Financing Activities***

During the three months ended March 31, 2018, cash provided by financing activity was $893,854 compared to $439,238 provided during the three months ended March 31, 2017.

**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 March 31, 2018, 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**

The Company recognizes revenue in accordance with ASC 606, " Revenue from Contracts with Customers " ( " ASC 606 " ). In accordance with ASC 606, the company applies the following methodology to recognize revenue:

1) Identify the contract with a customer.
2) Identify the performance obligations in the contract.
3) Determine the transaction price.
4) Allocate the transaction price to the performance obligations in the contract.
5) Recognize revenue when (or as) the entity satisfies a performance obligation.

**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.

***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 $3,723,904 and an accumulated deficit of $10,102,976 and a working capital deficit of $5,139,925 and a net loss of $1,313,258 for the three months ended March 31, 2018. 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 profitable operations 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.

***Off-Balance Sheet Arrangements***

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.

***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.

***Recently Issued Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ( " FASB " ) or other standard setting bodies that are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our consolidated financial position or results of operations upon adoption.

**Item 3. Quantitative and Qualitative Disclosure about Market Risk.**

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.

**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 March 31, 2018, due to the material weaknesses resulting from the Board of Directors not currently having any independent members and 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 16, 2018, for a complete discussion relating to the foregoing evaluation of Disclosures and Procedures.

***Changes in Internal Control over Financial Reporting***

Our management has also evaluated our internal control over financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of our last evaluation.

**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, 2017. 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 three months ended March 31, 2018.

**Item 2. Unregistered Sales of Equity Securities**

On February 13, 2018, Clean Energy Technologies, Inc., entered into a Common Stock Purchase Agreement ( “ Stock Purchase Agreement ” ) by and between MGW Investment I Limited ( “ MGWI ” ) and the Corporation. The Corporation received $907,377 in exchange for the issuance of 302,462,667 restricted shares of the Corporation ’ s common stock, par value $.001 per share (the “ Common Stock ” ).

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**

| Exhibit Number | Description of Exhibit | Filing |
|---|---|---|
| 3.1 | Articles of Incorporation | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 3.2 | Bylaws | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 3.3 | Amended Bylaws | Filed with the SEC on February 15, 2018, as part of our Current Report on Form 8-K. |
| 3.4 | Certificate of Amendment of Incorporation, dated November 13, 2015 | Filed with the SEC on January 12, 2017 as part of our Current Report on Form 8-K. |
| 3.5 | Amended and Restated Articles of Incorporation, dated July 6, 2017 | Filed with the SEC on July 6, 2017, as part of our Current Report on Form 8-K. |
| 3.6 | Amended Bylaws, dated July 6, 2017 | Filed with the SEC on July 6, 2017, as part of our Current Report on Form 8-K. |
| 3.7 | Certificate of Amendment of Articles of Incorporation, dated August 23, 2017 | Filed with the SEC on August 28, 2017 as part of our Current Report on Form 8-K. |
| 4.1 | Certificate of Designation of Series A Convertible Preferred Stock, dated May 20, 2004 | Filed with the SEC on June 10, 2005 as part of our Registration Statement on Form SB-2/A |
| 4.2 | Certificate of Designation of Series B Convertible Preferred Stock, dated December 31, 2004. | Filed with the SEC on June 10, 2005 as part of our Registration Statement on Form SB-2/A |
| 4.3 | Sample Series A Warrant Purchase Agreement | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 4.4 | Sample Series B Warrant Purchase Agreement | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 4.5 | Sample Amended Series A Warrant Purchase Agreement | Filed with the SEC on November 25, 2005, as part of our Registration Statement on Form SB-2/A |
| 4.6 | Sample Amended Series B Warrant Purchase Agreement | Filed with the SEC on November 25, 2005, as part of our Registration Statement on Form SB-2/A |
| 4.7 | Amended Series A Warrant Agreement | Filed with the SEC on November 10, 2008 as part our Current Report on Form 8-K. |
| 4.8 | Amended Series B Warrant Agreement | Filed with the SEC on November 10, 2008 as part our Current Report on Form 8-K. |
| 4.9 | Probe Manufacturing, Inc. 2011 Omnibus Incentive Plan. | Filed with the SEC on April 18, 2011 as part of our Registration Statement on Form S-8. |
| 4.10 | Voting Agreement, dated February 13, 2018 by and among, the Corporation, ETI IV, Kambiz Mahadi, John Bennett and the The Kambiz & Bahareh Mahdi Living Trust. | Filed with the SEC on February 14, 2018, as part of our Current Report on Form 8-K. |
| 4.11 | Registration Rights Agreement, by and between the Registrant and ETI Partners IV LLC, dated as of September 15, 2015. | Filed with the SEC on September 21, 2015, as part of our Current Report on Form 8-K. |
| 10.01 | Lease Agreement between Probe Manufacturing, Inc. (F.K.A. Probe Manufacturing Industries, Inc. and Reza Zarif and Kambiz Mahdi, dated May 2, 1997 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.02 | Consulting Agreement between Probe Manufacturing Industries and Anthony Reed dated December 31, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.03 | Legal retainer agreement between Probe Manufacturing, Inc. and Jeffrey Conrad | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.04 | Line of Credit agreement between Probe Manufacturing, Inc. and eFund Capital Partners, LLC dated January 1, 2005 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.05 | Line of Credit agreement between Probe Manufacturing, Inc. and Ashford Capital, LLC dated January 1, 2005 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.06 | Line of Credit agreement between Probe Manufacturing, Inc. and Benner Exemption Trust dated March 8, 2005 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.07 | Line of Credit agreement between Probe Manufacturing, Inc. and Edward Lassiter dated March 22, | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.08 | Line of Credit agreement between Probe Manufacturing, Inc. and Rufina V. Paniego dated January 1, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |

| | | |
|---|---|---|
| 10.09 | Promissory Note between Probe Manufacturing, Inc and Ashford Transitional Fund, L.P. dated September 20, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.10 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.11 | Series A Convertible Preferred Stock Purchase Agreement with eFund Capital Partners, LLC dated May 20, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.12 | Series A Convertible Preferred Stock Purchase Agreement with Reza Zarif dated May 20, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.13 | Series A Convertible Preferred Stock Purchase Agreement with Kambiz Mahdi dated May 20, 2004. | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.14 | Series B Convertible Preferred Stock Purchase Agreement with eFund Capital Partners, LLC dated December 31, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.15 | Series B Convertible Preferred Stock Purchase Agreement with Reza Zarif dated December 31, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.16 | Series B Convertible Preferred Stock Purchase Agreement with Kambiz Mahdi dated December 31, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.17 | Agreement to Cancel and Return shares of common stock between Probe and eFund Capital Partners, LLC, Ashford Capital, LLC, Reza Zarif, Kambiz Mahdi, dated December 31, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.18 | Promissory note with eFund Capital Partners, LLC dated October 12, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.19 | Promissory note with Rufina V. Paniego dated July 1, 2004 | Filed with the SEC on Form SB-2/A filed on June 10, 2005 as part of the Company ' s Registration Statement. |
| 10.20 | Sample purchase order agreement with Celerity, Inc. | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 10.21 | Sample purchase order agreement with Newport Corporation | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 10.22 | Sample purchase order agreement with Asymtec Corporation | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 10.23 | Sample purchase order agreement with Jetline Engineering Corporation | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 10.24 | Sample purchase order agreement with our supplier Future Active, Inc | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 10.25 | Sample purchase order agreement with our supplier Arrow Electronics, Inc. | Filed with the SEC on September 26, 2005, as part of our Registration Statement on Form SB-2/A |
| 10.26 | Lease Agreement between Probe Manufacturing, Inc. and Mitchell Fitch, LLC, dated November 15, 2005 | Filed with the SEC on April 17, 2006 as part of our Annual Report on Form 10-K. |
| 10.27 | Sublease Agreement with Quantum Fuel System Technologies, Inc. | Filed with the SEC on September 21, 2006, as part of our Current Report on Form 8-K. |
| 10.28 | Form of Stock Subscription Agreement By And Between Quantum Fuel Systems Technologies Worldwide, Inc. And Probe Manufacturing, Inc. | Filed with the SEC on October 5, 2006 as part of our Schedule 14D. |
| 10.29 | Employment Agreement with Reza Zarif, Chief Executive Officer of Probe Manufacturing, Inc. | Filed with the SEC on June 14, 2006 as part of our Current Report on Form 8-K. |
| 10.30 | Series C Convertible Preferred Exchange Agreement with eFund Capital Partners, LLC | Filed with the SEC on June 14, 2006 as part of our Current Report on Form 8-K. |
| 10.31 | Series C Convertible Preferred Exchange Agreement with Reza Zarif | Filed with the SEC on June 14, 2006 as part of our Current Report on Form 8-K. |
| 10.32 | Series C Convertible Preferred Exchange Agreement with Kambiz Mahdi | Filed with the SEC on June 14, 2006 as part of our Current Report on Form 8-K. |
| 10.33 | Amended Series C Convertible Preferred Exchange Agreement with eFund Capital Partners, LLC | Filed with the SEC on August 14, 2006 as part of our Current Report on Form 8-K. |
| 10.34 | Amended Series C Convertible Preferred Exchange Agreement with Reza | Filed with the SEC on August 14, 2006 as part of our Current Report on Form 8-K. |
| 10.35 | Amended Series C Convertible Preferred Exchange Agreement with Kambiz Mahdi | Filed with the SEC on August 14, 2006 as part of our Current Report on Form 8-K. |
| 10.36 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Kambiz Mahdi dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.37 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Reza Zarif dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.38 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Frank Kavanaugh dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.39 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Kambiz Mahdi dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.40 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Reza Zarif dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.41 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Rufina Paniego dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.42 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and eFund Capital Partners, LLC dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.43 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Benner Exemption Trust dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.44 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Ed Lassiter dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.45 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and William Duncan dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.46 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Hoa Mai dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.47 | Amended Line of Credit agreement between Probe Manufacturing, Inc. and Ashford Transition Fund dated August 10, 2006 | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.48 | Employee Profit Sharing Plan | Filed with the SEC on August 23, 2006 as part of our current report on Form 8-K. |
| 10.49 | Probe Manufacturing 2006 Employee Incentive Stock Option Plan | Filed with the SEC on August 23, 2006 as part of |

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| | | our current report on Form 8-K. |
| 10.50 | Amended and Restated Series A Warrant Agreement. | Filed with the SEC on November 14, 2006 as part of our Current Report on Form 8-K. |
| 10.51 | Amended and Restated Series B Warrant Agreement. | Filed with the SEC on November 14, 2006 as part of our Current Report on Form 8-K |
| 10.52 | Contract Services Agreement for purchase order No. 43103 between Probe Manufacturing, Inc. and Mettler Electronics Corp. dated May 8, 2007. | Filed with the SEC on May 22, 2007, as part of our Current Report on Form 8-K. |
| 10.53 | Contract Services Agreement for purchase order No. 43104 between Probe Manufacturing, Inc. and Mettler Electronics Corp. dated May 8, 2007. | Filed with the SEC on May 22, 2007, as part of our Current Report on Form 8-K. |
| 10.54 | Probe Manufacturing, Inc. 2008 Directors Stock Compensation Plan. | Filed with the SEC on November 18, 2007, as part of our Pre14A. |
| 10.55 | Employment Letter of John Bennett date February 28, 2008. | Filed with the SEC on February 29, 2008 as part of our Current Report on Form 8-K. |
| 10.56 | Amended Sublease Agreement dated May 19, 2008. | Filed with the SEC on May 19, 2008 as part of our Current Report on Form 8-K. |
| 10.57 | Letter of Intent between Probe Manufacturing and Solar Masters | Filed with the SEC on July 28, 2008 as part of our Current Report on Form 8-K. |
| 10.58 | Amended Letter of intent to acquire the assets of Solar Master Company. | Filed with the SEC on August 12, 2008 as part of our Quarterly Report on Form 10-Q. |
| 10.59 | Agreement for the sale and purchase of business assets of Solar Masters, LLC dated August 13, 2008. | Filed with the SEC on August 21, 2008, as part of our Current Report on Form 8-K. |
| 10.60 | Executive Consulting Agreement with Barrett Evans. | Filed with the SEC on September 12, 2008, as part of our Current Report on Form 8-K. |
| 10.61 | Engagement Letter of W. T. Uniack & Co. CPA ' s P.C. | Filed with the SEC on November 10, 2008 as part of our Current report on Form 8-K. |
| 10.62 | Letter to Reza Zarif regarding Resignation Letter. | Filed with the SEC on November 10, 2008 as part of our Current report on Form 8-K |
| 10.63 | Resignation letter from Board of Directors. | Filed with the SEC on November 10, 2008 as part of our Current report on Form 8-K |
| 10.64 | Response from Reza Zarif Regarding 8-K dated 9/25/2008. | Filed with the SEC on November 10, 2008 as part of our Current report on Form 8-K |
| 10.65 | Engagement Letter of W. T. Uniack & Co. CPA ' s P.C. | Filed with the SEC on November 18, 2008 as part of our Current report on Form 8-K/A. |
| 10.66 | Letter to Reza Zarif regarding Resignation Letter. | Filed with the SEC on November 18, 2008 as part of our Current report on Form 8-K/A |
| 10.67 | Resignation letter from Board of Directors. | Filed with the SEC on November 18, 2008 as part of our Current report on Form 8-K/A |
| 10.68 | Response from Reza Zarif Regarding 8-K dated 9/25/2008. | Filed with the SEC on November 18, 2008 as part of our Current report on Form 8-K/A |
| 10.69 | Settlement Agreement and General release with Reza Zarif, dated June 2009. | Filed with the SEC on August 12, 2009, as part of our Current Report on Form 8-K. |
| 10.70 | Sale of Solar Masters to Solar Masters Acquisition Company dated July 2009 | Filed with the SEC on August 12, 2009, as part of our Current Report on Form 8-K. |
| 10.71 | Sale of Common Stock to KB Development Group, LLC | Filed with the SEC on August 12, 2009, as part of our Current Report on Form 8-K. |
| 10.72 | Resignation Letters of Barrett Evans and Jeffrey Conrad | Filed with the SEC on August 12, 2009, as part of our Current Report on Form 8-K. |
| 10.73 | Summary of lease terms regarding Lease Agreement between Probe Manufacturing, Inc. and Benhard Family Trust dated October 14, 2009. | Filed with the SEC on November 20, 2009, as part of our Current Report on Form 8-K. |
| 10.74 | Accounts Receivable Purchasing Agreement by and between Probe Manufacturing, Inc. and DSCH Capital Partners, LLC d/b/a Far West Capital, dated February 17, 2011 and effective as of February 18, 2011. | Filed with the SEC on February 24, 2011 as part of our Current Report on Form 8-K. |
| 10.75 | Inventory Finance Rider to Accounts Receivable Purchasing Agreement by and between Probe Manufacturing, Inc. and DSCH Capital Partners, LLC d/b/a Far West Capital, dated February 17, 2011 and effective as of February 18, 2011. | Filed with the SEC on February 24, 2011 as part of our Current Report on Form 8-K. |
| 10.76 | Agreement and Plan of Acquisition between Probe Manufacturing, Inc., Trident Manufacturing, Inc. and the Shareholders of Trident Manufacturing, Inc., dated March 13, 2013. | Filed with the SEC on March 15, 2013, as part of our Current Report on Form 8-K. |
| 10.75 | Form of Series D Preferred Stock Purchase Agreement. | Filed with the SEC on August 8, 2013, as part of our Current Report on Form 8-K. |
| 10.76 | Form of Series F Warrant Agreement. | Filed with the SEC on August 8, 2013, as part of our Current Report on Form 8-K. |
| 10.77 | Form of Series G Warrant Agreement. | Filed with the SEC on August 8, 2013, as part of our Current Report on Form 8-K. |
| 10.78 | OEM Agreement between the Company and S-Ray INCORPORATED, dated November 21st, 2014. | Filed with the SEC on November 24, 2014 as part of our Current Report on Form 8-K. |
| 10.79 | Form of Stock Purchase Agreement | Filed with the SEC on December 17, 2014, as part of our Current Report on Form 8-K. |
| 10.80 | Registration Rights Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2015. | Filed with the SEC on September 15, 2015 as part of our Current Report on Form 8-K. |
| 10.81 | Asset Purchase Agreement, by and between the Company and General Electric International, Inc., dated as of September 11, 2015. | Filed with the SEC on September 15, 2015 as part of our Current Report on Form 8-K. |
| 10.82 | Transaction Completion and Financing Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2015. | Filed with the SEC on September 15, 2015 as part of our Current Report on Form 8-K. |
| 10.83 | Loan, Guarantee, and Collateral Agreement, by and between the Company and ETI Partners IV LLC, dated as of September 15, 2015. | Filed with the SEC on September 15, 2015 as part of our Current Report on Form 8-K. |
| 10.84 | Securities Purchase agreement between the company and Peak One Opportunity Fund, LP | Filed with the SEC on August 22, 2017, as part of our Quarterly Report on Form 10-Q. |
| 10.85 | Subscription Agreement by and between the Company and Cyberfuture One LP, dated October 31, 2017. | Filed with the SEC on November 18, 2017 as part of our Quarterly Report on Form 10-Q. |
| 10.86 | Securities Purchase agreement between the company and Peak One Opportunity Fund, LP | Filed with the SEC on November 17, 2017 as part of our Quarterly Report on Form 10-Q. |
| 10.87 | Subscription Agreement by and between the Company and Cyberfuture One LP, dated October 31, 2017. | Filed with the SEC on April 20, 2017 as part of our Current Report on Form 8-K/A. |
| 10.88 | Escrow Funding Agreement dated November 1, 2017 between Red Dot Investment, Inc., a California corporation and the Registrant. | Filed with the SEC on April 20, 2017 as part of our Current Report on Form 8-K/A. |
| 10.89 | Partial Debt Settlement Agreement by and between EMA Financial, LLC, a Delaware limited liability company and the Registrant, dated January 9, 2017. | Filed with the SEC on April 20, 2017 as part of our Current |
| 10.90 | Payoff Agreement by and between the Registrant and JSJ Investments, Inc., dated February 14, 2017. | Filed with the SEC on April 20, 2017 as part of our Current |
| 10.91 | Credit Agreement and Promissory Note by and between Megawell USA Technology Investment Fund I LLC, a Wyoming limited liability company in formation and the Registrant, dated December 31, 2017. | Filed with the SEC on April 20, 2017 as part of our Current |

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| 10.92 | Common Stock Purchase Agreement by and between MGW Investment I Limited and the Registrant, dated February 13, 2018. | Filed with the SEC on February 20, 2018, as part of our Current Report on Form 8-K. |
| 10.93 | Convertible Note Stock Purchase Agreement by and between the Registrant and Confections Ventures, Inc., dated February 13, 2018. | Filed with the SEC on February 20, 2018, as part of our Current Report on Form 8-K. |
| 10.94 | $939,500 Convertible Promissory Note by and between Confections Ventures, Inc. and the Registrant, dated February 13, 2018. | Filed with the SEC on February 20, 2018, as part of our Current Report on Form 8-K. |
| 10.95 | ETI IV LLC Settlement Agreement by and between the Registrant and ETI IV LLC, dated February 13, 2018. | Filed with the SEC on February 20, 2018, as part of our Current Report on Form 8-K. |
| 10.96 | Reddot Settlement Agreement by and between the Registrant and Reddot Investment Inc., dated February 13, 2018. | Filed with the SEC on February 20, 2018, as part of our Current Report on Form 8-K. |
| 10.97 | $153,123 Convertible Promissory Note of the Corporation to MGW Investment I Limited, dated February 8, 2018. | Filed with the SEC on February 20, 2018, as part of our Current Report on Form 8-K. |
| 14.01 | Code of Ethics | Filed with the SEC on April 5, 2007, as part of our Annual Report on Form 10-K/SB. |
| 14.02 | Amended and Restated Code of Business Conduct and Ethics, adopted September 23, 2011. | Filed with the SEC on September 29, 2011 as part of our Current Report on Form 8-K. |
| 21.01 | List of Subsidiaries | Filed with the SEC on April 16, 2018 as part of our Annual Report on Form 10-K. |
| 31.01 | Certification of Principal Executive Officer Pursuant to Rule 13a-14 | Filed herewith. |
| 31.02 | Certification of Principal Financial Officer Pursuant to Rule 13a-14 | Filed herewith. |
| 32.01 | Certification of CEO Pursuant to Section 906 of the Sarbanes-Oxley Act | Filed herewith. |
| 32.02 | Certification of CFO Pursuant to Section 906 of the Sarbanes-Oxley Act | Filed herewith. |
| 101.INS* | XBRL Instance Document | Furnished herewith. |
| 101.SCH* | XBRL Taxonomy Extension Schema Document | Furnished herewith. |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document | Furnished herewith. |
| 101.LAB* | XBRL Taxonomy Extension Labels Linkbase Document | Furnished herewith. |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document | Furnished herewith. |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document | Furnished herewith. |

*Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Costa Mesa, State of California on the 17th day of April, 2018.

Clean Energy Technologies, Inc.

______________________________

REGISTRANT

*/s/ Kambiz Mahdi*

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By: Kambiz Mahdi
Chief Executive Officer

Date: May 21, 2018

*/s/ John Bennett*

___________________

By: John Bennett
Chief Financial Officer

Date: May 21, 2018

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 |
|---|---|
| */s/ Kambiz Mahdi*<br>______________________<br>By: Kambiz Mahdi | Chief Executive Officer and Director<br>(principal executive officer) |

Date: May 21, 2018

**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: May 21, 2018

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.

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| Date: May 21, 2018 | By: /s/ JOHN BENNETT<br>John Bennett,<br>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 March 31, 2018 (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.

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| May 21, 2018 | 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 March 31, 2018 (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.

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| May 21, 2018 | By: /s/ John Bennett |
| Date | John Bennett |
| | Chief Financial Officer |