

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

FORM 10-Q

(Mark One)

- ☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 30, 2009**.
- ☐ 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: **000-52803**

SONNEN CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

98-0514037

(I.R.S. Employer
Identification No.)

2829 Bird Avenue, Suite 12, Miami, Florida 33133

(Address of principal executive offices) (Zip Code)

(305) 529-4888

(Registrant's telephone number, including area code)

Simple Tech, Inc.

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

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ 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 as defined by Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

At November 20, 2009, the number of shares outstanding of the registrant's common stock, \$0.0001 par value (the only class of voting stock), was 67,793,000.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms “Company,” “we,” “our,” “us,” “it,” and “its” refer to Sonnen Corporation, a Nevada corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS

| | September 30, 2009 (Unaudited) | June 30, 2009 (Audited) |
|---|--------------------------------------|-------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ - | \$ 9,000 |
| Due from Related Party | 259,296 | - |
| Prepaid Expenses | 165,000 | - |
| Total Current Assets | \$ 424,296 | \$ 9,000 |
| Licensing Agreement | \$ 672,000 | \$ - |
| Total Assets | \$ 1,096,296 | \$ 9,000 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 67,741 | \$ 9,482 |
| Accrued Payroll | 24,000 | |
| Due to Shareholder | 24,000 | |
| Cash Overdraft | 6 | - |
| Note payable (including accrued interest of \$110) | 10,110 | - |
| Total current liabilities | \$ 125,857 | \$ 9,482 |
| Total Liabilities | \$ 125,857 | 9,482 |
| COMMITMENTS AND CONTINGENCIES (Note 7) | | |
| Stockholders' Equity | | |
| Preferred Stock, \$0.0001 par value, 50,000,000 shares authorized, none issued and outstanding | | |
| Common Stock, \$0.0001 par value, 250,000,000 shares authorized, 67,793,000 issued and outstanding | 6,779 | 6,381 |
| Additional paid-in capital | 1,091,261 | 63,159 |
| Warrants | 143,500 | - |
| Deficit accumulated during the development stage | (271,101) | (70,022) |
| Total Stockholders' Equity | 970,439 | (482) |
| Total Liabilities and Stockholders' Equity | \$ 1,096,296 | \$ 9,000 |

See accompanying notes.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF LOSS
(Unaudited)

| | Three Months Ended September 30, 2009 | Three Months Ended September 30, 2008 | Cumulative Amounts From Development Stage (November 16, 2006 through September 30, 2009) |
|--|--|--|---|
| REVENUE | \$ - | \$ - | \$ - |
| General and Administrative Expenses | | | |
| Organization Costs | - | - | 640 |
| General and Administrative | 13,947 | - | 18,265 |
| Professional Fees | 48,435 | - | 110,160 |
| Consulting | 83,927 | - | 83,927 |
| Transfer Fees | 3,396 | - | 6,577 |
| Research & Development | 51,374 | - | 51,374 |
| Total General and Administrative Expenses | 201,079 | - | 270,943 |
| (Loss)/Income Before Interest and Income Taxes | \$ (201,079) | \$ - | \$ (270,943) |
| Interest (Loss)/Income | - | 5 | 1,393 |
| (Loss)/Gain On Foreign Currency Exchange | - | - | (1,551) |
| Loss Before Provision For Income Taxes | (201,079) | 5 | (271,101) |
| Provision for income taxes | - | - | - |
| Net (Loss)/Profit | \$ (201,079) | \$ 5 | \$ (271,101) |
| Net Loss per Share – Basic and Diluted | a | a | a |
| Weighted Average Number of Shares | 67,793,000 | 63,808,000 | |

a = Less than (\$0.01) per share

See accompanying notes.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three Months Ended September 30, 2009 | Three Months Ended September 30, 2008 | Cumulative Amounts From Development Stage (November 16, 2006 through September 30, 2009) |
|---|--|--|---|
| CASH FLOWS FROM DEVELOPMENT STAGE ACTIVITIES | | | |
| Net (Loss)/Income for the period | \$ (201,079) | \$ 5 | \$ (271,101) |
| Changes In Assets and Liabilities | | | |
| Cash Provided by (Used in) Development Stage Activities | | | |
| Increase in due from related party | (259,296) | - | (259,296) |
| Increase in prepaid expenses | (165,000) | - | (165,000) |
| Increase in accounts payable | 58,369 | - | 67,851 |
| Increase in accrued payable | 24,000 | - | 24,000 |
| Increase in due to shareholder | 24,000 | - | 24,000 |
| Net Cash Provided From (Used By) Development Stage Activities | <u>(519,006)</u> | <u>5</u> | <u>(579,546)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issuance of Common Stock | 500,000 | - | 569,540 |
| Proceeds from issuance of notes payable | 10,000 | - | 10,000 |
| Cash Provided by Financing Activities | <u>510,000</u> | <u>-</u> | <u>579,540</u> |
| Net Increase (Decrease) in Cash | <u>(9,006)</u> | <u>5</u> | <u>(6)</u> |
| Cash, Beginning of Period | 9,000 | 20,390 | - |
| Cash, End of Period | <u>\$ (6)</u> | <u>\$ 20,395</u> | <u>\$ (6)</u> |
| Supplemental Disclosures: | | | |
| Cash paid for income taxes | \$ - | \$ - | \$ - |
| Cash paid for interest | \$ - | \$ - | \$ - |
| Non Cash Disclosures: | | | |
| Stock issued for licensing agreement | \$ 672,000 | - | 672,000 |

See accompanying notes.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 1 – Business

Sonnen Corporation (formerly known as “Simple Tech, Inc.”) was incorporated in the state of Nevada on November 16, 2006 as “Simple Tech, Inc.” Sonnen Corporation and its wholly-owned subsidiary, Sonnen One, Inc., are referred to herein as the “Company”. By June 2009, the Company had been unable to realize its original business objective. In July 2009, the Company entered into a licensing agreement to research, develop and market products that rely upon a novel process for energy generation consisting of specific materials and proprietary material combinations. In October 2009, the Company changed its name to “Sonnen Corporation”.

Note 2 – Summary of Significant Accounting Policies

Development Stage Company.

At September 30, 2009, the Company’s business operations had not fully developed and the Company is highly dependent upon funding and therefore is considered a development stage company.

Basis of Presentation

The accompanying consolidated, unaudited financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company’s Form 10-K for the year ended June 30, 2009, filed with the Securities and Exchange Commission under its former name Simple Tech, Inc. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim operations are not necessarily indicative of the results to be expected for the full year ended June 30, 2010.

Additional Footnotes Included by Reference

Except as indicated in these notes, there have been no other material changes in the information disclosed in the notes to the consolidated financial statements included in the Company’s Form 10-K for the year ended June 30, 2009, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Sonnen Corporation and Sonnen One, Inc., its wholly-owned subsidiary. All material intercompany accounts and transactions between the Company and its subsidiary for the periods presented have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 2 – Summary of Significant Accounting Policies – continued

Reclassifications

Certain reclassification amounts in the same period of the previous year's consolidated financial statements have been made for comparative purposes to conform to the current period presentation.

Recently Issued Accounting Pronouncements

In May, 2009, FASB issued ASC 855 *Subsequent Events* which establishes principles and requirements for subsequent events. In accordance with the provisions of ASC 855, the Company currently evaluates subsequent events through the date the financial statements are available to be issued.

In June 2009, the FASB issued *The FASB Accounting Standards CodificationTM and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*, which is codified in FASB ASC 105 (formerly Statement of Financial Standards (“SFAS”) No. 168) *Generally Accepted Accounting Principles* (“ASC 105”). ASC 105 establishes the Codification as the source of authoritative GAAP in the United States (the “GAAP hierarchy”) recognized by the FASB to be applied by non-governmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification is in effect. All of its content carry the same level of authority and the GAAP hierarchy will be modified to include only two levels of GAAP, authoritative and non-authoritative. ASC 105 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASC 105 has had no material effect on the Company's financial condition or results of operation.

In June, 2009, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No 166, *Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140* (“SFAS 166”). This statement removes the concept of a qualifying special-purpose entity Statement 140 and removes the exception from applying Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities*, to qualifying special-purpose entities. SFAS No. 166 has not yet been codified and in accordance with ASC 105, remains authoritative guidance until such time that it is integrated in the FASB ASC. SFAS No. 166 is effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009, and early adoption is prohibited. The adoption of this statement will have no material affect on the financial statements. The adoption of this statement will have no material effect on the Company's financial condition or results of operations.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 2 – Summary of Significant Accounting Policies – continued

Recently Issued Accounting Pronouncements – continued

In June 2009, the FASB finalized SFAS No. 167, *Amending FASB interpretation No. 46(R)*, which was later superseded by the FASB Codification and included in ASC topic 810. The provisions of ASC 810 provide guidance in determining whether an enterprise has a controlling financial interest in a variable interest entity. This determination identifies the primary beneficiary of a variable interest entity as the enterprise that has both the power to direct the activities of a variable interest entity that most significantly impacts the entity's economic performance, and the obligation to absorb losses or the right to receive benefits of the entity that could potentially be significant to the variable interest entity. This pronouncement also requires ongoing reassessments of whether an enterprise is the primary beneficiary and eliminates the quantitative approach previously required for determining the primary beneficiary. New provisions of this pronouncement are effective January 1, 2010. The Company is currently evaluating the impact of adopting this pronouncement.

In August 2009, the FASB issued ASU 2009-05, *Fair Value Measurements and Disclosures (Topic 820): Measuring Liabilities at Fair Value*. This update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of liabilities. The guidance provided in this update is effective for the first reporting period beginning after issuance. The adoption of this statement has had no material effect on the Company's financial condition or results of operations.

In September 2009, the Financial Accounting Standards Board (FASB) issued ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The amendments in this update are effective for interim and annual periods ending after December 15, 2009. Early application is permitted in financial statements for earlier interim and annual periods that have not been issued. The adoption of this update will have no material effect on the Company's financial condition or results of operations.

Note 3 – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has net losses for the period from inception (November 16, 2006) to September 30, 2009, of \$271,101 and negative cash flows from development stage activities of \$579,546. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

SONNEN CORPORATION & SUBSIDIARY
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(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 4 – Licensing Agreement

The Company and its subsidiary, Sonnen One, Inc., entered into a licensing agreement with PT Group, Limited (“PT Group”) on July 27, 2009, that grants the Company an exclusive, non-transferable, license to use PT Group’s intellectual property of a certain technology and licensed products to be used in achieving the Company’s business objectives for a term that will continue until the expiry of protections afforded the intellectual property, provided that the Company is not in breach or default of any of the terms or conditions contained in this Agreement. During the term of the licensing agreement, the PT Group retains sole and beneficial propriety of the intellectual property including any improvements made to any licensed products or future products, regardless of the source.

The agreement allows the licensee the right to offer limited licenses to third parties where such third parties are in a position to commercialize the technology. Accordingly, the Company shall pay PT Group 25% of all royalties and fees received from such third parties or exercise its option to take its portion of the sublicense consideration if offered in tenders other than cash. The agreement is in effect until the expiry of protections afforded the technology. The agreement may be terminated by either party should there be a breach or default that is not rectified or remedied within ninety days from the date of notice or by the Company, at its option by ceasing use of the license and/or licensed products, giving sixty days prior written notice and tendering payment of all accrued royalties and other payments due.

In connection with the licensing agreement, the Company is required to fund a minimum of \$10 million for pre-approved, qualifying research, development and commercialization expenses as set forth in the agreement, including, but not limited to, providing assistance in procuring patent protection. The funding, as outlined in the agreement, is to occur over a three-year period and requires funding of \$1 million during the first, \$3 million during the second and \$6 million during the third anniversary years of the agreement.

In exchange for use of the license, PT Group was issued common shares equal to 5% of the issued and outstanding common shares of the Company. Additionally, upon the Company cumulatively raising \$50 million in equity financing, the Company has guaranteed that PT Group will own no less than 2.5% of the issued and outstanding shares of its common shares.

The Licensee shall also pay the Licensor a royalty of 1% of all gross sales of Licensed Products by the Licensee.

Note 5 – Stockholders' Equity

Common Stock Issuances and Warrant Granted

On July 27, 2009, the Company authorized the issuance of 3,360,000 shares of the Company’s common stock valued at a price of \$0.20 per share for an aggregate consideration of \$672,000 to P.T. Group in connection with the licensing agreement between the Company, its wholly owned subsidiary, and P.T. Group (see Note 4).

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 5 – Stockholders' Equity – continued

Common Stock Issuances and Warrant Grants - continued

On September 30, 2009, the Company authorized the issuance of 625,000 shares of the Company's common stock to two entities at \$0.80 per share for an aggregate consideration of \$500,000. No commission was paid in connection with the issuance.

On September 30, 2009, the Company granted warrants to purchase 312,500 shares of common stock at an exercise price of \$1.20 per share to two entities. These warrants fully vested on the date of grant. The warrants may be exercised in cash or by certified check, bank draft or money order and expire on September 30, 2011.

These warrants have been valued at \$143,500 using the Black-Scholes model, as of September 30, 2009. The assumptions used in this valuation included: (a) risk-free interest rate of 0.95% per annum, (b) weighted average expected term of 720 days, (c) weighted average expected stock volatility 70% and (d) last trade price of \$1.26. For the quarter ended September 30, 2009, this valuation did not result in any changes in value that would normally be included in the accompanying consolidated statements of loss. As of September 30, 2009, none of these warrants had been exercised and the value of \$143,500 is reported in stockholders' equity in the accompanying consolidated balance sheet.

Stock Options

On August 31, 2009, the Company adopted the Company's 2009, Stock Option Plan (the "Plan") in an effort to promote the interests of the Corporation by providing eligible persons and companies with the opportunity to acquire or increase a proprietary interest in the Corporation through the grant of up to five million (5,000,000) non-statutory stock options (the "Options") as an incentive for the eligible persons to continue their employment or service. On August 31, 2009, the Company authorized the grant of an aggregate of one million eight hundred thousand (1,800,000) Options with an exercise price of one dollar (\$1.00) pursuant to the Plan. All Options vest over a three year period through August 31, 2013, in equal increments of one-third of potentially exercisable Options each year or in full if involuntarily terminated.

Note 6 – Related Party Transactions

At August 1, 2009, the Company entered into a consulting agreement with Prosper Financial, Inc., a company owned by the spouse of the Company's CEO and 37% owner of the Company. The agreement calls for monthly payments of \$2,500 for consulting services rendered and \$1,200 per month in rental payments for the use of Prosper Financial, Inc.'s office space. The agreement extends through July 31, 2010.

The Company has a consulting agreement with a shareholder, director and officer of the Company, which calls for an annual base fee of \$96,000 and extends through June 30, 2010. Through the quarter ended September 30, 2009, this shareholder had also made several advances to the Company and the amount due to this shareholder at quarter-end amounted to \$24,000.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 6 – Related Party Transactions - continued

During the quarter ended September 30, 2009, the Company held a bank account in a foreign bank, which created difficulties in paying its obligations. Until the Company was able to open its own bank account subsequent to quarter end, it used the bank account of a company related by virtue of common ownership through which it channeled its cash receipts and disbursements. At September 30, 2009, amounts due from this related party amounted to \$259,296.

Note 7 – Commitments and Contingencies

In connection with the licensing agreement entered into, PT Group has identified the possibility that a third party may make a claim for a beneficial interest in the technology. As a result, the Company entered into an indemnification agreement with PT Group in which the parties agree that if the third party makes a successful claim for a beneficial interest in the technology, it shall receive a royalty interest in the technology and/or products derived from the technology equal to PT Group's royalty will be reduced by certain percentage based on the royalty compensation gained by the third party.

Pursuant to the terms and conditions of the licensing agreement with P.T. Group, the Company is obligated to raise funds for research and development of no less than \$1,000,000 before July 27, 2010, no less than \$3,000,000 by July 27, 2011 and no less than \$6,000,000 by July 27, 2012 (see Note 4).

The Company has a consulting agreement with a shareholder, director and officer of the Company, which calls for an annual base fee of \$96,000 and extends through June 30, 2010. Through the quarter ended September 30, 2009, this shareholder had also made several advances to the Company and the amount due to this shareholder at quarter end amounted to \$24,000. The agreement may be terminated by the Company immediately with cause or with thirty days written notice by either party.

The Company has an employment agreement with an executive employee which calls for an annual base fee of \$96,000 and extends through June 30, 2010. The agreement may be terminated by the Company immediately with cause or with thirty days written notice by either party.

At August 1, 2009, the Company entered into a consulting agreement which calls for monthly compensation of \$5,000 and extends through July 31, 2010. The agreement may be terminated by the Company immediately with cause or with thirty days written notice by either party.

At August 1, 2009, the Company entered into a consulting agreement with Prosper Financial, Inc., a company owned by the wife of the Company's CEO who is also a 37% owner of the Company. The agreement calls for monthly payments of \$2,500 for consulting services rendered and \$1,200 per month in rental payments for use of the Prosper Financial, Inc. office. The agreement extends through July 31, 2010. The agreement may be terminated by the Company immediately with cause or with thirty days written notice by either party.

SONNEN CORPORATION & SUBSIDIARY
(Formerly known as Simple Tech, Inc.)
(A Development Stage Company)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
For the Quarter Ended September 30, 2009,
(Unaudited)

Note 7 – Commitments and Contingencies - continued

At August 5, 2009, the Company entered into a services agreement to provide, inter alia, corporate and investor web site development, investor and media relations strategy development and investor relations related vendor management, which calls for \$150,000 through November 2009. During the quarter-ended, the Company paid \$50,000 in cash for consulting services. On September 25, 2009, a Company shareholder compensated these consultants with 101,000 shares of the Company's stock in lieu of a \$100,000 payment.

At September 1, 2009, the Company entered into a consulting agreement for translation and business development services which calls for monthly compensation of \$2,000 and extends through August 31, 2010. The agreement may be terminated by the Company immediately for cause or with thirty days written notice by either party.

Note 8 – Subsequent Events

On November 3, 2009, the Company amended its articles of incorporation to change its name from "Simple Tech, Inc." to "Sonnen Corporation" and to decrease the number of its authorized common stock from one billion five hundred million (1,500,000,000) shares par value \$0.0001 to two hundred and fifty million (250,000,000) shares par value \$0.0001 without affecting the number of issued and outstanding shares. The Company's subsidiary changed its name from "Sonnen Corporation" to "Sonnen One, Inc."

On November 9, 2009, the Company formed a Scientific Advisory Board to support the Company with its research, development, and commercialization efforts through advice, counsel, and direct participation utilizing the industry expertise and professional and academic backgrounds of Scientific Advisory Board members.

On various dates subsequent to the quarter ended September 30, 2009, the Company entered into various employment agreements with the Company's President and Chief Executive Officer, Head of Research, Chief Scientific Officer, Business Development Officer, and Project Manager. All agreements are for a one year period, except for the Chief Scientific Officer's who's agreement extends through July 2014. Total salaries for all employees subject to employment agreements amount to \$378,000 annually. Each agreement may be terminated by the Company immediately for cause or with thirty-days written notice by either party.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can also be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our consolidated financial statements and related notes included in this report. Information presented herein is based on the three-month period ended September 30, 2009. Our fiscal year-end is June 30.

Discussion and Analysis

During the three months ended September 30, 2009, the Company was involved in (i) developing the technology acquired under a licensing agreement between our wholly-owned subsidiary and P.T. Group, Ltd. ("P.T. Group"), (ii) financing activities and (iii) satisfying continuous public disclosure requirements.

The licensing agreement provides the Company with a right to acquire an exclusive, non-transferable, license (with a limited right of sublicense), for the United States, Canada and Mexico, to make, have made, use, lease, sell and import products that rely upon a novel heterogeneous catalytic process consisting of specific materials and proprietary material combinations in exchange for 3,360,000 shares of our common stock valued at a price of \$0.20 per share (a total of \$672,000), commercialization of the license, and certain financial obligations, including a requirement to fund a minimum of \$10,000,000 for research, development and commercialization of the license over a three-year period.

Business Strategy

The Company's plan of operation will be carried out through our wholly owned subsidiary, Sonnen One, Inc. The plan begins with intensive research and development activities during which time we will take steps to develop and lay the ground work to implement our marketing plan.

Research and Development

The Company is in the process of completing a seven-phase development plan for the licensed technology which plan was initiated by P.T. Group. The first four stages were completed by P.T. Group with a set of processes designed to validate the efficacy of the proprietary materials in the design of a new class of fuel cells. Over the next fifteen months we intend to complete the last three phases of that development plan. Stage five will require approximately six months devoted to materials optimization intended to effectively integrate materials and components. Stage six will follow up a six month time frame focused on the construction of prototype fuel cells. Stage seven will be a three month program intended to optimize our fuel cells.

We will conduct tests intended to verify the high-diffusion properties of our ceramic materials and test the performance of our fuel cells. We are conducting fabrication and analysis work at 4D Labs, an applications and science-driven research center of Simon Fraser University, located in British Columbia, Canada. 4D Labs offers the use of multiple facilities with state-of-the-art equipment for academic, industrial and government researchers.

Following the successful completion of the last three phases of our initial research and development efforts we expect to begin manufacturing our fuel cells on a joint venture basis with existing manufacturers who are involved in this industry.

Management understands that new technologies must meet several critical milestones in advance of commercialization. Milestones include cost effectiveness, energy efficiencies, convenience of use and practicability. We believe that our products will be able to effectively compete with today's accepted technologies by optimizing low-cost manufacturing processes, ensuring enhanced energy efficiencies, and providing a reliable product with the flexibility to rely on alternative fuel sources. Our anticipated time frame for meeting these objectives and initiating the commercialization of our products is three years.

Marketing

Once a commercially viable product or products is ready to be manufactured, we intend to implement a public awareness campaign to educate consumers, industry leaders and government representatives alike as to the benefits of our licensed technology for a variety of applications. We expect to conduct this campaign with the benefit of press releases, contributions to scientific publications, meetings with environmental groups and general advertising within mass media markets. We anticipate a response that will include extensive media coverage, scientific community scrutiny, and support from the environmental lobby.

Manufacturing

We intend to manufacture our prospective products at a pilot plant to be constructed for the purpose of meeting initial orders for our fuel cells and proving our manufacturing processes. When proven we expect to enter into a series of joint ventures to expand the reach of our manufacturing facilities with experienced partners and to sublicense specific applications of the licensed technology in targeted industries. Our facilities and those of our joint venture partners and sublicensees will manufacture end user products that incorporate our fuel cells.

Financing

The Company intends to raise funds to meet its operational requirements through a combination of (i) private placements of equity to accredited investors, (ii) issuance of debt instruments to accredited investors, (iii) by government grant, and/or (iv) through sub-license agreements.

Revenues

We expect to realize revenue from the direct sale of products derived from the licensed technology, from revenues generated from joint venture relationships and from royalties imposed on sublicensees.

Results of Operations

Net Income/Losses

For the period from inception (November 16, 2006) until September 30, 2009, the Company incurred net losses of \$271,101. Net losses for the three months ended September 30, 2009, were \$201,079 as compared to net profits of \$5 for the three months ended September 30, 2008. The transition to net losses over the comparative periods can be attributed to the realization of operating expenses relating to the development of the technology acquired under our license agreement with P.T. Group. We have not generated any revenue since inception.

We will likely continue to operate at a loss through fiscal 2010 and due to the nature of the Company's research and development operations we cannot determine whether we will ever generate revenues from operations.

Operating Expenses

Operating expenses for the three months ended September 30, 2009, were \$201,079 as compared to \$0 for the three months ended September 30, 2008. The realization of operating expenses is primarily due to consulting, professional and research and development fees. Operating expenses include financing costs, accounting costs, employment costs, and costs associated with the preparation of disclosure documentation. We expect operating expenses to increase in future periods with our heavy focus on research and development of the licensed technology

Income Tax Expense (Benefit)

The Company has a prospective income tax benefit resulting from a net operating loss carry-forward and start-up costs that will offset any future operating profit.

Impact of Inflation

The Company believes that inflation has not had a material affect on operations for the period from inception (November 16, 2006) to September 30, 2009.

Capital Expenditures

The Company had no amounts on capital expenditures for the period from inception (November 16, 2006) to September 30, 2009.

Liquidity and Capital Resources

The Company has been in the development stage since inception.

At September 30, 2009, the Company had a working capital of \$298,439. The Company's current assets were \$424,296, which consisted of due from affiliate and prepaid expenses. The Company's total assets were \$1,096,296, which included the current assets and the License Agreement valued at \$672,000. At September 30, 2009, the Company had current and total liabilities of \$125,875 which included accounts payable of \$67,741.

Stockholders equity in the Company was \$970,439 as of September 30, 2009.

For the period from inception (November 16, 2006) until September 30, 2009, the Company's cash flow used in development stage activities was \$579,546. Cash flows used in operating activities for the three months ended September 30, 2009, were \$519,006 compared to \$5 from operating activities for the three months ended September 30, 2008. The increase in cash flow used in operating activities during the current period was due to net losses, accounts receivable and prepaid expenses.

For the period from inception (November 16, 2006) until September 30, 2009, our cash flow provided by financing activities was \$579,540. Cash flows provided by financing activities for the three months ended September 30, 2009, were \$510,000 compared to \$0 for the three months ended September 30, 2008. The cash flow provided by financing activities during the current period is primarily due to proceeds from the sale of common stock.

Our current assets are insufficient to conduct its plan of operation over the next twelve (12) months. We will have to realize at least \$1,000,000 in debt or equity financing over the next twelve months to fund our continued operations. We are further committed to raise an additional \$9,000,000 over the next thirty six (36) months to satisfy the terms of our Licensing Agreement with P.T. Group, Ltd. We have no current commitments or arrangements with respect to, or immediate sources of this funding. Further, no assurances can be given that such funding is available. Our shareholders are the most likely source of new funding in the form of loans or equity placements, though none have made any commitment for future investment and the Company has no such agreement formal or otherwise. Our inability to obtain funding will have a material adverse affect on our ability to maintain our licensing agreement and effect our plan of operation.

Cash dividends are not expected to be paid in the foreseeable future.

We had no lines of credit or other bank financing arrangements as of September 30, 2009.

Commitments for future capital expenditures were not material as of September 30, 2009, except in connection with those financial commitments tied to the Licensing Agreement with P.T. Group, Ltd.

We have no current plans for the purchase or sale of any plant or equipment at September 30, 2009, though plans are in place to purchase certain equipment in connection with the development of its licensed technology.

We have no plans to make any changes in the number of employees except as may be required in connection with the development of our licensed technology.

Off-Balance Sheet Arrangements

As of September 30, 2009, 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.

Going Concern

Our auditors have expressed an opinion as to the Company's ability to continue as a going concern as a result of net losses from inception through June 30, 2009, of \$60,945 that increased to \$201,079 through September 30, 2009. Our ability to continue as a going concern is subject to our ability to realize a profit and /or obtain funding from outside sources. Management's plan to address our ability to continue as a going concern includes: (i) obtaining funding from the private placement of debt or equity; (ii) realizing revenues from the commercialization of the licensed technology; and (iii) obtaining loans and grants from financial or government institutions. Management believes that it will be able to obtain funding to allow us to remain a going concern through the methods discussed above, though there can be no assurances that such methods will prove successful.

Forward Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled *Results of Operations*” and *“Description of Business”*, with the exception of historical facts, are forward looking statements. A safe-harbor provision may not be applicable to the forward looking statements made in this current report. Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance;
- uncertainties related to the research and development of the licensed technology;
- our ability to generate revenues through sales to fund future operations;
- our ability to raise additional capital to fund cash requirements for future operations;
- the volatility of the stock market; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated including the factors set forth in the section entitled *“Risk Factors”* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than that is required by law.

Stock-Based Compensation

We have adopted Accounting Standards Codification Topic (“ASC”) 718, formerly SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise’s equity instruments or that may be settled by the issuance of such equity instruments.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 505. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services.

Recent Accounting Pronouncements

In September 2009, the Financial Accounting Standards Board (FASB) issued ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The amendments in this update are effective for interim and annual periods ending after December 15, 2009. Early application is permitted in financial statements for earlier interim and annual periods that have not been issued. The adoption of this update will have no material effect on the Company’s financial condition or results of operations.

In August 2009, the FASB issued ASU 2009-05, *Fair Value Measurements and Disclosures (Topic 820): Measuring Liabilities at Fair Value*. This update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of liabilities. The guidance provided in this update is effective for the first reporting period beginning after issuance. The adoption of this statement has had no material effect on the Company’s financial condition or results of operations.

In June 2009, the FASB issued *The FASB Accounting Standards CodificationTM and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*, which is codified in FASB ASC 105 (formerly Statement of Financial Standards (“SFAS”) No. 168) *Generally Accepted Accounting Principles* (“ASC 105”). ASC 105 establishes the Codification as the source of authoritative GAAP in the United States (the “GAAP hierarchy”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. Once the Codification is in effect, all of its content will carry the same level of authority and the GAAP hierarchy will be modified to include only two levels of GAAP, authoritative and non-authoritative. ASC 105 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASC 105 has had no material effect on the Company’s financial condition or results of operation.

In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)* (“SFAS No. 167”), which amends the consolidation guidance applicable to variable interest entities. The amendments significantly affect the overall consolidation analysis under FASB ASC 810, *Consolidation* and require an enterprise to perform an analysis to determine whether the enterprise’s variable interest or interests give it a controlling financial interest in a variable interest entity. SFAS No. 167 has not yet been codified and in accordance with ASC 105, remains authoritative guidance until such time that it is integrated in the FASB ASC. SFAS No. 167 is effective as of the beginning of the first fiscal year that begins after November 15, 2009, early adoption is prohibited. The adoption of this update will have no material affect on the Company’s financial condition or results of operations.

In June, 2009, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No 166, *Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140* (“SFAS 166”). This statement removes the concept of a qualifying special-purpose entity Statement 140 and removes the exception from applying Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities*, to qualifying special-purpose entities. SFAS No. 166 has not yet been codified and in accordance with ASC 105, remains authoritative guidance until such time that it is integrated in the FASB ASC. SFAS No. 166 is effective for financial asset transfers occurring after the beginning of an entity’s first fiscal year that begins after November 15, 2009, and early adoption is prohibited. The adoption of this statement will have no material affect on the financial statements. The adoption of this statement will have no material effect on the Company’s financial condition or results of operations.

In May, 2009, FASB issued ASC 855 *Subsequent Events* which establishes principles and requirements for subsequent events. In accordance with the provisions of ASC 855, the Company currently evaluates subsequent events through the date the financial statements are available to be issued.

Critical Accounting Policies

In the notes to our audited consolidated financial statements for the year ended June 30, 2009 and 2008, included in the Company's Form 10-K, we discussed those accounting policies that are considered to be significant in determining the results of operations and financial position. Management believes that our accounting principles conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, we evaluate our estimates, including those related to bad debts, intangible assets, product liability, revenue, and income taxes. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended September 30, 2009, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

The Company's operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

Risks Related to the Company's Business

We have a history of significant operating losses and such losses may continue in the future.

Since November 16, 2006, our expenses have resulted in continuing losses and an accumulated deficit of \$271,101 at September 30, 2009. We will increase operating losses as we build our business and develop the licensed technology. Our only expectation of future profitability is dependent upon whether we produce revenue from sales and sublicensing agreements related to the licensed technology. Should we be unable to produce revenue from the licensed technology the Company will continue to incur losses.

We need to continue as a going concern if our business is to succeed.

Our independent accountant's report on our audited financial statements for the period ended June 30, 2009, included in our form 10-K filed with the Commission indicates that there are a number of factors that raise substantial doubt as to our ability to continue as a going concern. Such factors identified in the report include our ability to meet our obligations, to obtain additional financing as may be required, and ultimately to attain profitability. If we are not able to continue as a going concern, it is likely that our shareholders will lose their investments.

We will continue to incur losses into the foreseeable future.

Prior to completion of our research and development program, we anticipate that we will incur increased operating expenses without realizing any revenues. Therefore, we expect to continue to incur losses into the foreseeable future. We recognize that if we are ultimately unable to generate revenues from the development of the licensed technology we may not be able to continue operations.

Our business development strategy is prone to significant risks.

The Company's business development strategy is prone to significant risks and uncertainties which could have an immediate impact on its efforts to generate a positive net cash flow and could deter the anticipated development of our technology. Historically, we have not generated sufficient cash flow to sustain operations and have had to rely on debt or equity financing to remain in business. Therefore, we cannot offer that future expectations that the licensed technology will be commercially developed or that it will be sufficient to generate the revenue required for our operations. Should we be unable to generate cash flow, the Company may be forced to sell assets or seek additional debt or equity financing as alternatives to the cessation of operations. The success of such measures can in no way be assured.

If we do not obtain additional financing, our business will fail.

Our current operating funds are insufficient for the development of the licensed technology. Pursuant to the terms and conditions of our licensing agreement with P.T. Group we are obligated to raise funds for research and development of no less than \$1,000,000 before July 27, 2010, an additional \$3,000,000 by July 27, 2011, and an additional \$6,000,000 by July 27, 2012. Therefore, in order to maintain our licensing agreement and effect our plan of operation we will need to obtain additional financing. However, we have no commitment from any source of financing to provide us with this capital. Should we be unable to secure the requisite financing our business will fail.

Risks Related to the Technology

General economic conditions will affect the development of the licensed technology.

Changes in the general domestic and international climate may adversely affect the financial performance of the Company and its products. Factors that may contribute to a change in the general economic climate include industrial disputes, interest rates, inflation, international currency fluctuations and political and social reform.

The delayed revival of the global economy is not conducive to rapid growth, particularly of technology companies. However, we believe that as the world continues to become more environmentally conscious, governments are under increasing pressure to develop environmentally cleaner alternatives for generating electricity than those offered by conventional technology. Fuel cell technology is seen as a promising alternative. No assurance can be given that governments will elect to develop environmentally cleaner alternatives such as fuel cell technology.

Environmental laws and other governmental legislation may affect our business.

Should the licensed technology or products based on the licensed technology not comply with applicable environmental laws or if the Company is exposed to liability claims, our business and financial results could be seriously harmed. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, changes in legislation and government policy could also negatively impact us. We are unaware of any introduced or proposed bills, or policy, that may cause any specific changes to our operations. However, no assurance can be given that we will be able to obtain any necessary license required in the future or that future changes in laws or government policies affecting the licensed technology or products will not impose additional regulatory requirements on the Company, intensify competition in the fuel cell technology industry or otherwise have a material adverse effect on our business, financial condition and results of operations.

There are significant commercialization risks related to technological businesses.

The industry in which we operate is characterized by the continual search for technological advances that deliver improved reliability, lower emission levels and reduced cost. Our growth and future financial performance will depend on our ability to enhance the licensed technology for the purpose of developing and introducing products that keep pace with technological developments and evolving industry requirements. Should we be unable to keep pace with outside technological developments such failure will have a material adverse effect on our business.

The research and development required to commercialize products requires significant investment and innovation to keep pace with technological developments. Should we fail to anticipate or respond adequately to technological developments, or if the Company experiences significant delays in product development, its products may become obsolete. Should our products not keep pace with technological developments or fail to gain widespread market acceptance there is a significant likelihood that we may not be able to sustain our business.

We face competition.

We face competition from both conventional electricity generating technology and fuel cell technology companies, including competitors which may have greater research and development, management, financial, technical, manufacturing, marketing, sales, and other resources than those currently available to us. There can be no assurance that we will be able to compete successfully against its current and future competitors.

We may face liability claims on our future products.

Although we intend to implement exhaustive testing programs to identify potential material defects in our technology any undetected defects could harm our reputation, diminish our customer base, shrink revenues and expose us to product liability claims.

We rely upon patents and other intellectual property

We rely on a combination of patent applications, trade secrets, trademarks, copyrights and licenses, together with non-disclosure and confidentiality agreements, to establish and protect our proprietary rights in the licensed technologies. Should we be unable to adequately protect our intellectual property rights or become subject to a claim of infringement, our business may be materially adversely affected. We are in the process of preparing patent applications in accordance with our worldwide intellectual property strategy. However, we cannot be certain that any patents will be issued with respect to the patents pending or future patent applications. Further, we do not know whether any future patents will be upheld as valid, proven enforceable against alleged infringers or be effective in preventing the development of competitive patents.

The Company believes that it has implemented a sophisticated internal intellectual property management system to promote effective identification and protection of its inventions and know-how in connection with the licensed technology.

We will rely upon co-development partners.

We expect to derive a large portion of our future revenues from entering into co-development partnership agreements though we have not yet entered into any such agreements. Should we be unable to negotiate co-development partnership agreements on favorable terms or at all, such failure will negatively impact our results of operations.

We will rely upon manufacturing joint venture agreements.

Our plan of operation contemplates entering into manufacturing joint venture agreements with one or more external parties to manufacture products that rely on the licensed technology. Should we be unable to secure manufacturing joint venture agreements on favorable terms or at all, such failure will negatively impact our ability to manufacture our anticipated products.

We may not be able to effectively manage our growth.

We expect considerable future growth in our business. However, to achieve this growth in an efficient and timely manner, we will have to maintain strict controls over our internal management, technical, accounting, marketing, and research and development departments. We believe that we have retained sufficient quality personnel to manage our anticipated future growth and have adequate reporting and control systems in place. Should we be unable to successfully manage our anticipated future growth by adherence to these strictures, costs may increase, growth could be impaired and our ability to keep pace with technological advances may be impaired which failures could result in a loss of future customers.

We rely on key personnel.

Our success depends to a large degree on the continued services of its senior management and key personnel. We believe that responsible management processes, an emphasis on people management, and restraint of trade clauses within employment contracts reduce the likelihood of such personnel becoming competitors. Nonetheless, the loss of services provided by senior management, particularly to a competitor, could disrupt operations and harm our business.

Risks Related to the Company's Stock

Capital funding requirements may result in dilution to existing shareholders.

We must realize significant capital funding over the next three years to satisfy the terms and conditions of our Licensing Agreement with the P.T. Group, Ltd. We intend to raise this capital through equity offerings, debt placements or joint ventures. Should we secure a commitment to provide us with capital such commitment may obligate us to issue shares of our common stock, warrants or create other rights to acquire our common stock. New issuances of our common stock will result in a dilution of our existing shareholders interests.

The market for our stock is limited and our future stock price may be volatile.

The market for our common stock on the Over the Counter Bulletin Board is limited to sporadic trading which may result in future volatility in the market price of our stock. Due to these factors our shareholders may face extraordinary difficulties in selling the Company's shares in an orderly and timely manner.

We do not pay cash dividends.

The Company does not pay cash dividends. We have not paid any cash dividends since inception and have no intention of paying any cash dividends in the foreseeable future. Any future dividends would be at the discretion of our board of directors and would depend on, among other things, future earnings, our operating and financial condition, our capital requirements, and general business conditions. Therefore, shareholders should not expect any type of cash flow from their investment.

We incur significant expenses as a result of the Sarbanes-Oxley Act of 2002, which expenses may continue to negatively impact our financial performance.

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. Compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as discussed in the following risk factor, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly. Further, expenses related to our compliance may increase in the future, as legislation affecting smaller reporting companies comes into effect that may negatively impact our financial performance to the point of having a material adverse effect on our results of operations and financial condition.

Our internal controls over financial reporting may not be considered effective in the future, which could result in a loss of investor confidence in our financial reports and in turn have an adverse effect on our stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to continue to assert that our internal controls are effective, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

The Company's shareholders may face significant restrictions on their stock.

The Company's stock differs from many stocks in that it is a "penny stock." The Commission has adopted a number of rules to regulate "penny stocks" including, but not limited to, those rules from the Securities Act of 1933, as amended ("Securities Act") as follows:

- 3a51-1 which defines penny stock as, generally speaking, those securities which are not listed on either NASDAQ or a national securities exchange and are priced under \$5, excluding securities of issuers that have net tangible assets greater than \$2 million if they have been in operation at least three years, greater than \$5 million if in operation less than three years, or average revenue of at least \$6 million for the last three years;
- 15g-1 which outlines transactions by broker/dealers which are exempt from 15g-2 through 15g-6 as those whose commissions from traders are lower than 5% total commissions;
- 15g-2 which details that brokers must disclose risks of penny stock on Schedule 15G; 17
- 15g-3 which details that broker/dealers must disclose quotes and other information relating to the penny stock market;
- 15g-4 which explains that compensation of broker/dealers must be disclosed;
- 15g-5 which explains that compensation of persons associated in connection with penny stock sales must be disclosed;
- 15g-6 which outlines that broker/dealers must send out monthly account statements; and
- 15g-9 which defines sales practice requirements.

Since our securities constitute a “penny stock” within the meaning of the rules, the rules would apply to us and our securities. Because these rules provide regulatory burdens upon broker-dealers, they may affect the ability of shareholders to sell their securities in any market that may develop; the rules themselves may limit the market for penny stocks. Additionally, the market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all. Shareholders should be aware that, according to Commission Release No. 34-29093 dated April 17, 1991, the market for penny stocks has suffered from patterns of fraud and abuse. These patterns include:

- control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- “boiler room” practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;
- excessive and undisclosed bid-ask differentials and mark-ups by selling broker-dealers; and
- the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On August 31, 2009, the Company’s board of directors authorized the grant of one million eight hundred thousand (1,800,000) non-statutory stock options with an exercise price of one dollar (\$1.00) pursuant to the Company’s 2009, Stock Option Plan (the “Plan”) in reliance on the exemptions provided by Section 4(2) and Regulation S of the Securities Act as an incentive for the following persons to continue their employment or service with the Company:

| <i>Grantee</i> | <i>Options</i> |
|------------------------|----------------|
| Paul Leonard | 200,000 |
| Costas Takkas | 500,000 |
| Dr. Vladimir Kopylov | 400,000 |
| Prosper Financial Inc. | 500,000 |
| Christopher W. Allen | 100,000 |
| Carol Laws | 100,000 |

The Company made this offering based on the following factors: (1) the offerings were isolated private transactions by the Company which did not involve a public offering; (2) there were only six grantees which were granted option pursuant to option agreements; (3) the grantees stated an intention not to sell the options; (4) there were no subsequent or contemporaneous public offerings of the options; (5) the options were not broken down into smaller denominations; and (6) the negotiations that lead to the grant of the options took place directly between the grantees and the Company.

Regulation S provides generally that any offer or sale that occurs outside of the United States is exempt from the registration requirements of the Securities Act, provided that certain conditions are met. Regulation S has two safe harbors. One safe harbor applies to offers and sales by issuers, securities professionals involved in the distribution process pursuant to contract, their respective affiliates, and persons acting on behalf of any of the foregoing, and the other applies to resales by persons other than the issuer, securities professionals involved in the distribution process pursuant to contract, their respective affiliates (except certain officers and directors), and persons acting on behalf of any of the foregoing. An offer, sale or resale of securities that satisfied all conditions of the applicable safe harbor is deemed to be outside the United States as required by Regulation S.

The Company complied with the requirements of Regulation S by having no directed offering efforts made in the United States, by offering only to grantees that were outside the United States at the time the options agreements were executed, and ensuring that the grantees are non-U.S. grantees with addresses in foreign countries.

On September 30, 2009, the Company's Board of Directors authorized the issuance six hundred and twenty five thousand (625,000) units, each unit comprised of one (1) common share and one half (½) common purchase warrant exercisable for a period of two (2) years at an exercise price equal to \$1.20 per common share in exchange for \$500,000 or \$0.80 per unit pursuant to the terms and conditions of a unit purchase agreement in reliance on the exemptions provided by Section 4(2) and Regulation S of the Securities Act to the following offerees:

| <i>Offeree</i> | <i>Units</i> | <i>Shares</i> | <i>Warrants</i> | <i>Cash Consideration</i> |
|---------------------------------|--------------|---------------|-----------------|-------------------------------|
| Paramount Trading Company, Inc. | 500,000 | 500,000 | 250,000 | \$400,000 |
| Stratton SA | 125,000 | 125,000 | 62,500 | \$100,000 |

The Company made this offering based on the following factors: (1) the offerings were isolated private transactions by the Company which did not involve a public offering; (2) there were only two offerees who were offered the units pursuant to the unit purchase agreements; (3) the offerees stated an intention not to resell the units; (4) there were no subsequent or contemporaneous public offerings of the units; (5) the units were not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the units took place directly between the offerees and the Company.

No commissions were paid in connection with this offering.

The Company complied with the requirements of Regulation S by having no directed selling efforts made in the United States, by selling only to offerees who were outside the United States at the time the unit purchase agreements were executed, and ensuring that the offerees are non-U.S. offerees with addresses in foreign countries.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On September 24, 2009, the Company's board of directors passed resolutions to change our name from "Simple Tech, Inc." to "Sonnen Corporation" and to decrease the number of our authorized common stock from one billion five hundred million (1,500,000,000) shares par value \$0.0001 to two hundred and fifty million (250,000,000) shares par value \$0.0001 without affecting the number of issued and outstanding shares. The proposed amendments were presented to the holders of a majority of the issued and outstanding shares entitled to vote in accordance with *Title 7, Article 78, Section 390* and *Title 7, Article 92a, Section 120* of the Nevada Revised Statutes and *Article III, Section 10* of the Company's bylaws. On September 30, 2009, the proposed amendments were approved by the written consent of the holders of a majority of the issued and outstanding shares of the Company's common stock entitled to vote as of the record date.

The amendments to our articles of incorporation were effective as of November 3, 2009, and our symbol on the Over the Counter Bulletin Board changed to "SONP" effective November 17, 2009.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 30 of this Form 10-Q, and are incorporated herein by this reference.

SIGNATURES

Pursuant to the requirements 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.

Sonnen Corporation

Date

/s/ Robert Miller
Robert Miller
Chief Executive Officer and Director

November 23, 2009

/s/ Costas Takkas
Costas Takkas
Chief Financial Officer, Principal Accounting Officer and Director

November 23, 2009

EXHIBITS

| <i>Exhibit</i> | <i>Description</i> |
|-----------------------|--|
| 3.1(i)* | Articles of Incorporation, incorporated by reference to the Company's Form SB-2 filed with the Commission on August 6, 2007. |
| 3.1(ii)* | Amendment to the Articles of Incorporation, incorporated by reference to the Company's Definitive 14C filed with the Commission on October 14, 2009. |
| 3.2* | Bylaws, incorporated by reference to the Company's Form SB-2 filed with the Commission on August 6, 2007. |
| 10(i)* | Licensing Agreement between the Company, the Company's wholly owned subsidiary, and P.T. Group, Ltd., dated July 27, 2009, incorporated by reference to the Company's Form 10-K filed with the Commission on August 3, 2009. |
| 10(ii)* | Consulting Agreement between the Company and Costas Takkas, dated July 27, 2009, incorporated by reference to the Company's Form 10-K filed with the Commission on August 3, 2009. |
| 10(iii)* | Indemnification Agreement between P.T. Group, Ltd. and the Company dated July 27, 2009, incorporated by reference to the Company's Form 10-K filed with the Commission on August 3, 2009. |
| 10(iv)* | Employment Agreement between the Company and Paul Leonard dated July 27, 2009, incorporated by reference to the Company's Form 10-K filed with the Commission on August 3, 2009. |
| 10(v)* | Warranty Agreement between P.T. Group, Ltd, the Company and Paul Leonard dated July 27, 2009, incorporated by reference to the Company's Form 10-K filed with the Commission on August 3, 2009. |
| 10(vi) | Employment Agreement between the Company and David Greenbaum dated August 1, 2009. |
| 10(vii) | Consulting Agreement between the Company and Carol Laws dated August 1, 2009. |
| 10(viii) | Employment Agreement between the Company and Robert H. Miller dated August 5, 2009. |
| 10(ix) | Employment Agreement between the Company and Vladimir Kopylov dated August 1, 2009. |
| 10(x) | Consulting Agreement between the Company and Backend Technologies, LLC dated August 5, 2009. |
| 21 | Subsidiaries of the Company. |
| 31(i) | Certification of the Chief Executive Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31(ii) | Certification of the Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32(i) | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32(ii) | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

* Incorporated by reference from previous filings of the Company.

EMPLOYMENT AGREEMENT

Employment Agreement, between Simple Tech Inc. (the "Company") and David Greenbaum (the "Employee").

1. For good consideration, the Company employs the Employee on the following terms and conditions.

2. **Term of Employment.** Subject to the provisions for termination set forth below this agreement will begin on August 1, 2009, unless sooner terminated.

3. **Salary.** The Company shall pay Employee a salary of \$72,000 per year, for the services of the Employee, payable at regular payroll periods. Employee will also be granted 100,000 stock options with an exercise price of \$1.25 per share, that vest equally over 3 years, with the first third deemed to be vested on signing.

4. **Duties and Position.** The Company hires the Employee in the capacity as Head of Research. The Employee's duties may be reasonably modified at the Company's discretion from time to time.

5. **Employee to Devote 50% of His Time to Company.** The Employee will devote one half of his time, attention, and energies to the business of the Company, and, during this employment, will not engage in any other business activity, regardless of whether such activity is pursued for profit, gain, or other pecuniary advantage. Employee is not prohibited from making personal investments in any other businesses provided those investments do not require active involvement in the operation of said companies.

6. **Confidentiality of Proprietary Information.** Employee agrees, during or after the term of this employment, not to reveal confidential information, or trade secrets to any person, firm, corporation, or entity. Should Employee reveal or threaten to reveal this information, the Company shall be entitled to an injunction restraining the Employee from disclosing same, or from rendering any services to any entity to whom said information has been or is threatened to be disclosed, the right to secure an injunction is not exclusive, and the Company may pursue any other remedies it has against the Employee for a breach or threatened breach of this condition, including the recovery of damages from the Employee.

7. **Reimbursement of Expenses.** The Employee may incur reasonable expenses for furthering the Company's business, including expenses for entertainment, travel, and similar items. The Company shall reimburse Employee for all business expenses after the Employee presents an itemized account of expenditures, pursuant to Company policy.

8. **Vacation.** The Employee shall be entitled to a yearly vacation of 4 weeks at full pay.

9. **Disability.** In the event that the Employee cannot perform the duties because of illness or incapacity for a period of more than 4 weeks, the compensation otherwise due during said illness or incapacity will be reduced by the amount of time missed over 4 weeks per year. The Employee's full compensation will be reinstated upon return to work. However, if the Employee is absent from work for any reason for a continuous period of over two months, the Company may terminate the Employee's employment, and the Company's obligations under this agreement will cease on that date.

10. Termination of Agreement. Without cause, the Company may terminate this agreement at any time upon 30 days' written notice to the Employee. If the Company requests, the Employee will continue to perform his/her duties and may be paid his/her regular salary up to the date of termination. In addition, the Company will pay the Employee on the date of the termination a severance allowance of \$12,000 less taxes and Social Security required to be withheld, without cause, the Employee may terminate employment upon 30 days' written notice to the Company. Employee may be required to perform his or her duties and will be paid the regular salary to date of termination but shall not receive severance allowance. Notwithstanding anything to the contrary contained in this agreement, the Company may terminate the Employee's employment upon 30 days' notice to the Employee should any of the following events occur:

- (a) The sale of substantially all of the Company's assets to a single purchaser or group of associated purchasers; or
- (b) The sale, exchange, or other disposition, in one transaction of the majority of the Company's outstanding corporate shares; or
- (c) The Company's decision to terminate its business and liquidate its assets;
- (d) The merger or consolidation of the Company with another company.
- (e) Bankruptcy or chapter 11 reorganization.

11. Death Benefit. Should Employee die during the term of employment, the Company shall pay to Employee's estate any compensation due through the end of the month in which death occurred.

12. Restriction on Post Employment Compensation. For a period of 6 months after the end of employment, the Employee shall not control, consult to or be employed by any business similar to that conducted by the company, either by soliciting any of its accounts or by operating within Employer's general trading area.

13. Assistance in Litigation. Employee shall upon reasonable notice, furnish such information and proper assistance to the Company as it may reasonably require in connection with any litigation in which it is, or may become, a party either during or after employment.

14. Effect of Prior Agreements. This Agreement supersedes any prior agreement between the Company or any predecessor of the Company and the Employee, except that this agreement shall not affect or operate to reduce any benefit or compensation inuring to the Employee of a kind elsewhere provided and not expressly provided in this agreement.

15. Settlement by Arbitration. Any claim or controversy that arises out of or relates to this agreement, or the breach of it, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered may be entered in any court with jurisdiction.

16. Limited Effect of Waiver by Company. Should Company waive breach of any provision of this agreement by the Employee, that waiver will not operate or be construed as a waiver of further breach by the Employee.

17. **Severability.** If, for any reason, any provision of this agreement is held invalid, all other provisions of this agreement shall remain in effect. If this agreement is held invalid or cannot be enforced, then to the full extent permitted by law any prior agreement between the Company (or any predecessor thereof) and the Employee shall be deemed reinstated as if this agreement had not been executed.

18. **Assumption of Agreement by Company's Successors and Assignees.** The Company's rights and obligations under this agreement will inure to the benefit and be binding upon the Company's successors and assignees.

19. **Oral Modifications Not Binding.** This instrument is the entire agreement of the Company and the Employee. Oral changes have no effect. It may be altered only by a written agreement signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

Signed this 1st day of August, 2009.

SIMPLE TECH INC.

/s/ Robert Miller
Robert Miller, CEO

/s/ David Greenbaum
David Greenbaum

CONSULTING AGREEMENT

This CONSULTING AGREEMENT is made and entered into as of August 1, 2009, by and between Carol Laws ("Consultant"), having a place of business at 4527 West 10th Avenue, Vancouver, B.C. V6R 2J2 and Simple Tech Inc., a State of Nevada corporation ("Simple Tech Inc." or the "Company"), having a place of business at 2829 Bird Avenue, Miami, FL 33130

WHEREAS, Consultant is in the business of providing consulting services; and

WHEREAS, Simple Tech Inc. desires Consultant to provide its consulting services to Simple Tech Inc. and Consultant desires to provide such services to Simple Tech Inc.

NOW, THEREFORE, the parties hereto agree as follows:

1. INDEPENDENT CONTRACTOR STATUS. The parties acknowledge and agree that Consultant is an independent contractor and not an employee, agent, joint venture or partner of Simple Tech Inc. Consultant acknowledges and agrees that, as an independent contractor, Consultant will not be entitled to (i) make a claim for unemployment, worker's compensation or disability, or (ii) receive any vacation, health, retirement or other benefits, pursuant to this Agreement or Consultant's relationship with Simple Tech Inc. Simple Tech Inc. will not make state or federal unemployment insurance contributions on behalf of Consultant, or withhold FICA (Social Security) contributions or state and federal income taxes from its payments to Consultant. Consultant agrees that it shall make such contributions and withhold such taxes for any of its employees performing services.

2. PERFORMANCE OF SERVICES.

2.1. Consultant shall perform such duties as a consultant as may be, from time to time, reasonably delegated by or agreed to with the Board of Directors of Simple Tech Inc. consistent with the Consultant's abilities. Consultant agrees to provide services to Simple Tech Inc., and to promptly deliver to Simple Tech Inc. any work product resulting from the performance of services.

2.2. Consultant will determine the general method, details and means of performing the Services, provided that Consultant shall strictly observe any Simple Tech Inc. policies or procedures applicable to the workplace if using the premises and/or equipment of Simple Tech Inc.

During the consulting period, the Consultant shall expend sufficient time during its working time to meet the corporate objectives as assigned to it by Simple Tech Inc.'s Board; shall devote its best efforts, energy and skill to the services of Simple Tech Inc. and the promotion of its interests; and shall not take part in activities detrimental to the best interests of Simple Tech Inc. Nothing in this Agreement shall preclude the Consultant during the term of this Agreement from engaging, directly or indirectly, in any business activity which is not competitive with the then existing business of Simple Tech Inc. This Agreement is non-exclusive in that the Consultant shall have the right to perform work for others during the term of this Agreement and Simple Tech Inc. may cause similar work to be performed by its own personnel or other contractors or consultants during the term of this Agreement.

3.0. COMPENSATION; EXPENSES; AND PAYMENT.

3.1. Commencing August 1, 2009, Simple Tech Inc. will pay the Consultant for all services rendered to Simple Tech Inc. by the Consultant, a consulting fee of \$5,000.00 USD for the month of August 2009; and each month thereafter through the terms of this Agreement.

3.2. Simple Tech Inc. shall reimburse the Consultant for all reasonable business expenses incurred by it in the performance of its duties hereunder.

3.3 Simple Tech Inc. will pay the Consultant upon receipt of invoice at the end of the month for which the services were rendered.

3.4 Carol Laws shall be entitled to 100,000 incentive stock options, upon the date of executing this agreement. The exercise price for these options will be equal to the conversion price per share of the next equity financing completed by Simple Tech Inc. or in the alternative at any price so determined by the Board of Directors. Additional options grants will be awarded on a yearly basis as determined by the Compensation Committee.

4.0. TERM; TERMINATION OF SERVICES AND/OR AGREEMENT.

4.1. This Agreement is entered into as of August 1, 2009, and will continue in effect through June 30, 2010 unless terminated earlier in accordance with this Section 4.2. Thereafter this Agreement will be deemed to have been renewed on an annual basis unless formally terminated in writing in accordance with this Section 4.2.

4.2. Either party may terminate this Agreement by giving 30 days written notice to the other. On termination of this Agreement, Consultant shall cease providing services and submit any final expenses, receipts or costs for reimbursement. On termination of this Agreement for any reason, any remaining Stock Options at the discretion of the Consultant will be deemed to have vested forthwith, and the Consultant will have a further 30 days during which to exercise such Stock Options according to this Agreement, with reference to item 3.3 above. On termination of this Agreement for any reason, the Consultant will be paid its regular monthly fee for the remainder of the month during which the notice of termination was received. Any payments to the Consultant due on termination of this Agreement shall be paid by Simple Tech Inc. forthwith.

5.0. CONFIDENTIAL INFORMATION.

5.1. Consultant shall maintain in strict confidence all confidential information that Consultant receives in the course of providing services or otherwise in connection with its relationship with Simple Tech Inc., and shall use confidential information only for the specific purposes of performing Consultant's obligations hereunder. Confidential information shall include any trade secrets, knowledge, data, intellectual property or other information of the Company relating to the Company and its businesses in whatever form, tangible or intangible, including, without limitation, information regarding cost of new accounts, customer lists, customer activity rates and other customer information, technology (hardware and software), discoveries, processes, algorithms, mask works, strategies, products, processes, know how, technical data, designs, formulas, test data, business plans, marketing plans and advertising results, research, product plans, financial data and information or other subject matter pertaining to any business of the Company or any of its clients, customers, consultants, licensees or affiliates which Consultant may produce, obtain or otherwise learn of during the course of Consultant's performance of services.

5.2. The restrictions in Section 5.1 above shall not apply to information that (i) was already lawfully known to Consultant; (ii) was independently developed by Consultant; (iii) becomes rightfully known to Consultant from another source, without restriction on subsequent disclosure or use; or (iv) is or becomes part of the public domain through no wrongful act of Consultant.

6.0. OWNERSHIP OF WORK PRODUCT.

6.1. The parties agree that all work product of the Consultant under this Agreement will be the property of the Company, and the Consultant will maintain in strict confidence all information received in the course of providing services or otherwise in connection with its relationship with Simple Tech Inc., and will use such information only for the specific purposes of performing the Consultant's obligations hereunder.

6.2. Notwithstanding anything to the contrary herein, Consultant shall be free to use its general skills, know-how and expertise in the course of providing its services to others, provided that Consultant shall not specifically disclose any Confidential Information in so doing.

7. GENERAL.

7.1. Simple Tech Inc. hereby agrees to indemnify and hold Consultant harmless from any and all liabilities incurred by Consultant under the Securities Act of 1933, as amended (the "Act"), the various state securities acts, or otherwise, insofar as such liabilities arise out of or are based upon (i) any material misstatement or omission contained in any offering documents provided by Simple Tech Inc., or (ii) any intentional actions by Simple Tech Inc., direct or indirect, in connection with any offering by Simple Tech Inc., in violation of any applicable federal or state securities laws or regulations. Furthermore, Simple Tech Inc. agrees to reimburse Consultant for any legal or other expenses incurred by Consultant in connection with investigating or defending any action, proceeding, investigation, or claim in connection herewith. The indemnity obligations of Simple Tech Inc. under this paragraph shall extend to the shareholders, directors, officers, employees, agents, and control persons of Consultant.

7.2. The indemnity obligations of Simple Tech Inc. under this Agreement shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of Simple Tech Inc., the Consultant, and any other such persons or entities mentioned hereinabove.

7.3. The parties agree that they will make good faith efforts to settle any dispute, claim or controversy arising out of or relating to this Agreement by discussion, negotiation and/or mediation.

7.4. Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws of Nevada.

7.5. Notice. Any notice required or desired to be given under this Agreement will be deemed sufficiently given and received if in writing and delivered or sent by facsimile, email or regular mail to the address of Simple Tech Inc. or to any of Simple Tech Inc.'s Directors, and to the Consultant, and each party will keep the other apprised of its current contact information.

7.6. Modifications. Any modifications of this Agreement shall be in writing and signed by both parties.

7.7. Complete Agreement. This Agreement, including all attachments hereto, constitutes the complete and exclusive statement of the agreement between Simple Tech Inc. and Consultant, and it supersedes all proposals, oral or written, and all other communications between Simple Tech Inc. and Consultant relating to the subject matter of this Agreement.

7.8. Severability. If any provision of this Agreement shall be unenforceable under any applicable law, then notwithstanding such unenforceability, the remainder of this Agreement shall continue in full force and effect.

7.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Simple Tech Inc.

By: /s/Robert H. Miller
Authorized Signatory
Robert Miller
Director

CAROL LAWS

By: /s/ Carol Laws
Authorized Signatory

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into on this 5th day of August, 2009, effective as of 1st of August, 2009, by and between Simple Tech Inc., a Nevada based corporation (the "Company"), and Robert H. Miller (hereinafter, the "Executive").

WITNESSETH:

WHEREAS, the Executive is to be employed as President and Chief Executive Officer of the Company.

WHEREAS, the Executive possesses intimate knowledge of the business and affairs of the Company, its policies, methods and personnel;

WHEREAS, the Board of Directors of the Company recognizes that the Executive has contributed to the growth and success of the Company, and desires to assure the Company of the Executive's continued employment and to compensate him therefor;

WHEREAS, the Board has determined that this Agreement will reinforce and encourage the Executive's continued attention and dedication to the Company;

WHEREAS, the Executive is willing to make his services available to the Company and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and the Executive hereby agree as follows:

1. Definitions.

When used in this Agreement, the following terms shall have the following meanings:

- (i) ***"Accrued Obligations"*** means:
 - (a) all accrued but unpaid Base Salary through the end of the Term of Employment;
 - (b) any unpaid or un-reimbursed expenses incurred in accordance with Company policy, including amounts due under Article 5(a) hereof, to the extent incurred during the Term of Employment;
 - (c) any benefits provided under the Company's employee benefit plans, programs or arrangements in which the Executive participates, in accordance with the terms thereof, including rights to equity in the Company pursuant to any plan or grant;
 - (d) any unpaid Bonus in respect to any completed fiscal year that has ended on or prior to the end of the Term of Employment; and

- (e) rights to indemnification by virtue of the Executive's position as an officer or director of the Company or its subsidiaries and the benefits under any directors' and officers' liability insurance policy maintained by the Company, in accordance with its terms thereof.
- (ii) "**Affiliate**" means any entity that controls, is controlled by, or is under common control with, the Company.
- (iii) "**Base Salary**" means the salary provided for in Article 4(a) hereof or any increased salary granted to Executive pursuant to Article 4(a) hereof.
- (iv) "**Beneficial Ownership**" shall have the meaning ascribed to such term in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.
- (v) "**Board**" means the Board of Directors of the Company.
- (vi) "**Bonus**" means any bonus payable to the Executive pursuant to Article 4(b) hereof.
- (vii) "**Bonus Period**" means the period for which a Bonus is payable. Unless otherwise specified by the Board, the Bonus Period shall be the fiscal year of the Company.
- (viii) "**Cause**" means:
 - (a) a conviction of the Executive, or a plea of nolo contendere, to a felony involving moral turpitude; or
 - (b) willful misconduct or gross negligence by the Executive resulting, in either case, in material economic harm to the Company or any Related Entities; or
 - (c) a willful continued failure by the Executive to carry out the reasonable and lawful directions of the Board; or
 - (d) fraud, embezzlement, theft or dishonesty of a material nature by the Executive against the Company or any Affiliate or Related Entity, or a willful material violation by the Executive of a policy or procedure of the Company or any Affiliate or Related Entity, resulting, in any case, in material economic harm to the Company or any Affiliate or Related Entity; or
 - (e) a willful material breach by the Executive of this Agreement.

An act or failure to act shall not be "willful" if (i) done by the Executive in good faith or (ii) the Executive reasonably believed that such action or inaction was in the best interests of the Company and the Related Entities.

(ix) “*Change in Control*” means:

- (a) The acquisition by any Person of Beneficial Ownership of more than fifty percent (50%) of the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) (the foregoing Beneficial Ownership hereinafter being referred to as a “Controlling Interest”); provided, however, that for purposes of this definition, the following acquisitions shall not constitute or result in a Change of Control: (v) any acquisition directly from the Company; (w) any acquisition by the Company; (x) any acquisition by any person that as of the Commencement Date owns Beneficial Ownership of a Controlling Interest; (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary of the Company; or (z) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) below; or
- (b) During any period of two (2) consecutive years (not including any period prior to the Commencement Date) individuals who constitute the Board on the Commencement Date (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Commencement Date whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

- (c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination beneficially owns, directly or indirectly, twenty percent (20%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or any Person that as of the Commencement Date owns Beneficial Ownership of a Controlling Interest beneficially owns, directly or indirectly, more than fifty percent (50%) of the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the Board of Directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or
- (d) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.
- (x) “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.
- (xi) “**Code**” means the Internal Revenue Code of 1986, as amended.
- (xii) “**Commencement Date**” means July 1st, 2009.
- (xiii) “**Common Stock**” means the common stock of the Company’s parent company, par value \$0.0001 per share.

- (xiv) “**Competitive Activity**” means an activity that is in material or direct competition with the Company in any of the States within the United States, or countries within the world, in which the Company conducts business with respect to a business in which the Company engaged while the Executive was employed by the Company.
- (xv) “**Confidential Information**” means all trade secrets and information disclosed to the Executive or known by the Executive as a consequence of or through the unique position of his employment with the Company or any Related Entity (including information conceived, originated, discovered or developed by the Executive and information acquired by the Company or any Related Entity from others) prior to or after the date hereof, and not generally or publicly known (other than as a result of unauthorized disclosure by the Executive), about the Company or any Related Entity or its business.
- (xvi) “**Disability**” means the Executive’s inability, or failure, to perform the essential functions of his position, with or without reasonable accommodation, for any period of three months or more in any 12 month period, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- (xvii) “**Equity Awards**” means any stock options, restricted stock, restricted stock units, stock appreciation rights, phantom stock or other equity based awards granted by the Company or any of its Affiliates to the Executive.
- (xviii) “**Excise Tax**” means any excise tax imposed by Section 4999 of the Code, together with any interest and penalties imposed with respect thereto, or any interest or penalties are incurred by the Executive with respect to any such excise tax.
- (xix) “**Expiration Date**” means the date on which the Term of Employment, including any renewals thereof under Article 3(b), shall expire.
- (xx) “**Good Reason**” means:
 - (a) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, titles and reporting requirements), authority, duties or responsibilities as contemplated by Article 2(b) of this Agreement, or any other action by the Company that results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;
 - (b) any material failure by the Company to comply with any of the provisions of Article 6 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive;

- (c) any purported termination by the Company of the Executive's employment other than for Cause pursuant to Article 6(b), or by reason of the Executive's Disability pursuant to Article 6(c) of this Agreement, prior to the Expiration Date.
- (xxi) "**Group**" shall have the meaning ascribed to such term in Section 13(d) of the Securities Exchange Act of 1934.
- (xxii) "**Initial Term**" means August 1, 2009, to July 31, 2010.
- (xxiii) "**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Securities Exchange Act of 1934 and used in Sections 13(d) and 14(d) thereof.
- (xxiv) "**Related Entity**" means any subsidiary, and any business, corporation, partnership, limited liability company or other entity designated by Board in which the Company or a subsidiary holds a substantial ownership interest.
- (xxv) "**Restricted Period**" shall be the Term of Employment and if the Term of Employment is terminated for any reason other than by the Company for Cause or by the Executive for Good Reason, the two (2) year period immediately following termination of the Term of Employment. Notwithstanding the foregoing, the Restricted Period shall end in the event that (i) the Company fails to make any payments or provide any Benefits required by Article 6 hereof with 15 days of written notice from the Executive of such failure or (ii) the Company no longer has the rights to the confidential information.
- (xxvi) "**Severance Amount**" shall mean:
 - (a) in the event of the termination of Executive's employment with the Company by reason of the Executive's death or Disability, the amount of the Executive's annual Base Salary as in effect at the time of such termination payable in either cash or Common Stock at the discretion of the Company, based on the five day weighted trading average ending on the Termination Date, and
 - (b) in the event of termination of the Executive's employment by the Company without Cause or by the Executive with Good Reason, or upon the Expiration Date, an amount equal to one (1) times the Executive's annual Base Salary as in effect immediately prior to the Termination Date payable in either cash or Common Stock at the discretion of the Company, based on the five day weighted trading average ending on the Termination Date.
- (xxvii) "**Severance Term**" means the one (1) year period following the date on which the Term of Employment ends.
- (xxviii) "**Stock Option**" means a right granted to the Executive under Article 5(d) hereof to purchase Common Stock under the Company's parent company Stock Option Plan.

- (xxix) ***“Stock Option Plan”*** means the Directors and Employees Incentive Stock Option Plan that will be adopted and implemented by the Company’s parent company, as amended from time to time, and any successor plan thereto.
- (xxx) ***“Term of Employment”*** means the period during which the Executive shall be employed by the Company pursuant to the terms of this Agreement.
- (xxxi) ***“Termination Date”*** means the date on which the Term of Employment ends.

2. *Employment.*

(i) *Employment and Term.*

The Company hereby agrees to employ the Executive and the Executive hereby agrees to serve the Company during the Term of Employment on the terms and conditions set forth herein.

(ii) *Duties of Executive.*

During the Term of Employment, the Executive shall be employed and serve as Director President and Chief Executive Officer of the Company, and shall have such duties typically associated with such title, including, without limitation supervising operations and management of the Company. The Executive shall faithfully and diligently perform all services as may be assigned to him by the Board of the Company (provided that, such services shall not materially differ from the services currently provided by the Executive), and shall exercise such power and authority as may from time to time be delegated to him by the Board. The Executive shall devote sixty percent of his time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company. The Executive shall not engage in any other business or occupation, other than as declared and existing at the Commencement Date during the Term of Employment, including, without limitation, any activity that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company’s best interests. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for the Executive to (x) serve on corporate, civic or charitable boards or committees, (y) deliver lectures, fulfill speaking engagements or teach at educational institutions, so long as such activities do not significantly interfere with or significantly detract from the performance of the Executive’s responsibilities to the Company in accordance with this Agreement.

3. *Term.*

(i) *Initial Term.*

The initial Term of Employment under this Agreement, and the employment of the Executive hereunder, shall commence on the Commencement Date and shall expire on July 31st, 2010, unless sooner terminated in accordance with Article 6 hereof.

(ii) *Renewal Terms.*

At the end of the Initial Term, the Term of Employment automatically shall renew for successive one (1) year terms (subject to earlier termination as provided in Section 6 hereof), unless the Company or the Executive delivers written notice to the other at least three (3) months prior to the Expiration Date of its or his election not to renew the Term of Employment.

4. *Compensation.*

(i) *Base Salary.*

The Executive shall receive a Base Salary at the annual rate of \$90,000 during the Term of Employment, with such Base Salary payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. The Base Salary shall be increased upon completion of certain milestones:

- (a) to \$10,000 per month upon the parent of the Company raising a cumulative total of \$1,500,000.
- (b) to \$12,000 per month upon the Company raising a cumulative total of \$5,000,000 for the development of the Technology;
- (c) to \$15,000 per month upon completion of (ii) above and having developed a business plan, approved by the Board of Directors of the Company, for the use of the technology in an application other than for the use of the Technology in fuel cells utilizing gaseous fuels;
- (d) to \$20,000 per month upon completion of (iii) above and the Company raising a cumulative total of \$10,000,000 for the development of the Technology;
- (e) The Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Compensation Committee of the Board, be increased at any time or from time to time, but may not be decreased from the then current Base Salary.

(ii) *Bonuses.*

- (a) The Executive shall receive such additional bonuses, if any, as the Board may in its sole and absolute discretion determine.
- (b) Any Bonus payable pursuant to this Article 4(b) shall be paid by the Company to the Executive within 2 ½ months after the end of the Bonus Period for which it is payable.

5. Expense Reimbursement and Other Benefits.

(i) Reimbursement of Expenses.

Upon the submission of proper substantiation by the Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of executive personnel, the Company shall reimburse the Executive for all reasonable expenses actually paid or incurred by the Executive during the Term of Employment in the course of and pursuant to the business of the Company. The Executive shall account to the Company in writing for all expenses for which reimbursement is sought and shall supply to the Company copies of all relevant invoices, receipts or other evidence reasonably requested by the Company.

(ii) Compensation/Benefit Programs.

During the Term of Employment, the Executive shall be entitled to participate in all medical, dental, hospitalization, accidental death and dismemberment, disability, travel and life insurance plans, and any and all other plans as are presently and hereinafter offered by the Company to its executive personnel, including savings, pension, profit-sharing and deferred compensation plans, subject to the general eligibility and participation provisions set forth in such plans. During the term of employment the Company shall provide health insurance which shall include medical, dental and prescription coverage with a co-pay to be determined.

(iii) Working Facilities.

During the Term of Employment, the Company shall furnish the Executive with an office, secretarial help and such other facilities and services suitable to his position and adequate for the performance of his duties hereunder.

(iv) Automobile

During the term of agreement, the Company shall provide the Executive with an automobile.

(v) Stock Options.

The Company shall cause to be granted to the Executive options to purchase shares of Common Stock, at a time to be decided on by the Board of Directors, subject to the terms and conditions set forth in the stock option agreement, and the provisions of the Stock Option Plan. During the Term of Employment, the Executive shall be eligible to be granted additional stock options under (and therefore subject to all terms and conditions of) the stock option plan or such other plans or programs as the Company may from time to time adopt, and subject to all rules of regulation of the Securities and Exchange Commission applicable thereto. The number and type of additional stock options, and the terms and conditions thereof, shall be determined by the Compensation Committee of the Board, or by the Board in its discretion and pursuant to the stock option plan or the plan or arrangement pursuant to which they are granted.

(vi) *Other Benefits.*

The Executive shall be entitled to four (4) weeks of paid vacation each calendar year during the Term of Employment, to be taken at such times as the Executive and the Company shall mutually determine and provided that no vacation time shall significantly interfere with the duties required to be rendered by the Executive hereunder. Any vacation time not taken by Executive during any calendar year may be carried forward into any succeeding calendar year. The Executive shall receive such additional benefits, if any, as the Board of the Company shall from time to time determine.

6. *Termination.*

(i) *General.*

The Term of Employment shall terminate upon the earliest to occur of (i) the Executive's death, (ii) a termination by the Company by reason of the Executive's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, the Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company or any of its subsidiaries.

(ii) *Termination By Company for Cause.*

The Company shall at all times have the right, upon written notice to the Executive, to terminate the Term of Employment, for Cause. In no event shall a termination of the Executive's employment for Cause occur unless the Company gives written notice to the Executive in accordance with this Agreement stating with reasonable specificity the events or actions that constitute Cause and providing the Executive with an opportunity to cure (if curable) within a reasonable period of time. No termination of the Executive's employment for Cause shall be permitted unless the Termination Date occurs during the 120-day period immediately following the date that the events or actions constituting Cause first become known to the Board. Cause shall in no event be deemed to exist except upon a decision made by the Board, at a meeting, duly called and noticed, to which the Executive (and the Executive's counsel) shall be invited upon proper notice. If the Executive's employment is terminated by the Company for Cause by reason of Article 6(b) hereof, and the Executive's conviction is overturned on appeal, then the Executive's employment shall be deemed to have been terminated by the Company without Cause in accordance with Article 6(e) below. For purposes of this Article 6(b), any good faith determination by the Board of Cause shall be binding and conclusive on all interested parties. In the event that the Term of Employment is terminated by the Company for Cause, Executive shall be entitled only to the Accrued Obligations.

(iii) Disability.

The Company shall have the option, in accordance with applicable law, to terminate the Term of Employment upon written notice to the Executive, at any time during which the Executive is suffering from a Disability. In the event that the Term of Employment is terminated due to the Executive's Disability, the Executive shall be entitled to:

- (a) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- (b) the continuation of the health benefits provided to Executive and his covered dependents under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term on the first anniversary of the Termination Date, or (B) the date the Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA;

(iv) Death.

In the event that the Term of Employment is terminated due to the Executive's death, the Executive shall be entitled to:

- (a) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- (b) the Severance Amount, payable for the Severance Term; and
- (c) the continuation of the health benefits provided to the Executive's covered dependents under the Company health plans as in effect from time to time after the Executive's death at the same cost applicable to dependents of active employees until the expiration of the Severance Term on the first anniversary of the Termination Date; provided, however, that as a condition of continuation of such benefits, the Company may require the covered dependents to elect to continue such health insurance pursuant to COBRA.

(v) Termination Without Cause.

The Company may terminate the Term of Employment at any time without Cause, by written notice to the Executive not less than 30 days prior to the effective date of such termination. In the event that the Term of Employment is terminated by the Company without Cause (other than due to the Executive's death or Disability) the Executive shall be entitled to:

- (a) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- (b) the Severance Amount, payable for the Severance Term;
- (c) the continuation of the health benefits provided to Executive and his covered dependents under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term, or (B) the date the Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA; and

(vi) *Termination by Executive for Good Reason.*

The Executive may terminate the Term of Employment for Good Reason by providing the Company thirty (30) days' written notice setting forth in reasonable specificity the event that constitutes Good Reason, which written notice, to be effective, must be provided to the Company within one hundred and twenty(120) days of the occurrence of such event. During such thirty (30) day notice period, the Company shall have a cure right (if curable), and if not cured within such period, the Executive's termination shall be effective upon the date immediately following the expiration of the thirty (30) day notice period, and the Executive shall be entitled to the same payments and benefits as provided in Article 6(e) above for a termination without Cause.

(vii) *Termination by Executive Without Good Reason.*

The Executive may terminate his employment without Good Reason by providing the Company thirty (30) days' written notice of such termination. In the event of a termination of employment by the Executive under this Section 6(g), the Executive shall be entitled only to the Accrued Obligations. In the event of termination of the Executive's employment under this Article 6(g), the Company may, in its sole and absolute discretion, by written notice, accelerate such date of termination and still have it treated as a termination without Good Reason.

(viii) *Termination Upon Expiration Date.*

In the event that Executive's employment with the Company terminates upon the expiration of the Term of Employment, the Executive shall be entitled to and the Company shall pay the Executive:

- (a) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- (b) a payment equal to the Severance Amount; and

- (c) the continuation of the health benefits provided to Executive and his covered dependants under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term, or (B) the date Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA.

(ix) *Change in Control of the Company.*

If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason during (x) the 6-month period preceding the date of the Change in Control or (y) the two 2 year period immediately following the Change in Control, the Executive shall be entitled to:

- (a) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- (b) a payment equal to the Severance Amount,; and
- (c) the continuation of the health benefits provided to Executive and his covered dependants under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term, or (B) the date Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA.

(x) *Release.*

Any payments due to Executive under this Article 6 (other than the Accrued Obligations on any payments due on account of the Executive's death) shall be conditioned upon Executive's execution of a general release of claims in the form attached hereto as Exhibit A (subject to such modifications as the Company reasonably may request).

(xi) *Obligation to Mitigate Damages.*

In the event of termination of the Term of Employment, the Executive shall make reasonable efforts to mitigate damages by seeking other employment, provided, however, that the Executive shall not be required to accept a position of substantially different character than the position from which the Executive was terminated. To the extent that the Executive shall receive compensation, benefits and service credit for benefits from such other employment, the payment to be made and the benefits and service credit for benefits to be provided by the Company under the provisions of this Article 6 shall be correspondingly reduced.

(xii) Cooperation.

Following the Term of Employment, the Executive shall give his assistance and cooperation willingly, upon reasonable advance notice with due consideration for his other business or personal commitments, in any matter relating to his position with the Company, or his expertise or experience as the Company may reasonably request, including his attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company's defense or prosecution of any existing or future claims or litigations or other proceedings relating to matters in which he was involved or potentially had knowledge by virtue of his employment with the Company. In no event shall his cooperation materially interfere with his services for a subsequent employer or other similar service recipient. To the extent permitted by law, the Company agrees that (i) it shall promptly reimburse the Executive for his reasonable and documented expenses in connection with his rendering assistance and/or cooperation under this Article 6(l) upon his presentation of documentation for such expenses and (ii) the Executive shall be reasonably compensated for any continued material services as required under this Article 6(l).

(xiii) Return of Company Property.

Following the Termination Date, the Executive or his personal representative shall return all Company property in his possession, including but not limited to all computer equipment (hardware and software), telephones, facsimile machines, palm pilots and other communication devices, credit cards, office keys, security access cards, badges, identification cards and all copies (including drafts) of any documentation or information (however stored) relating to the business of the Company, its customers and clients or its prospective customers and clients (provided that the Executive may retain a copy of the addresses contained in his rolodex, palm pilot, PDA or similar device).

(xiv) Section 409A.

To the extent that the Executive otherwise would be entitled to any payment (whether pursuant to this Agreement or otherwise) during the six months beginning on the Termination Date that would be subject to the additional tax imposed under Section 409A of the Code ("Section 409A"), (x) the payment shall not be made to the Executive during such six month period and instead shall be made to a trust in compliance with Revenue Procedure 92-64 (the "Rabbi Trust") and (y) the payment shall be paid to the Executive on the earlier of the six-month anniversary of the Termination Date or the Executive's death or Disability. Similarly, to the extent that the Executive otherwise would be entitled to any benefit (other than a payment) during the six months beginning on the Termination Date that would be subject to the Section 409A additional tax, the benefit shall be delayed and shall begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay) on the earlier of the six-month anniversary of the Termination Date, or the Executive's death or Disability.

- (a) The Company shall not take any action that would expose any payment or benefit to the Executive to the additional tax of Section 409A, unless (w) the Company is obligated to take the action under an agreement, plan or arrangement to which the Executive is a party, (x) the Executive requests the action, (y) the Company advises the Executive in writing that the action may result in the imposition of the additional tax, and (z) the Executive subsequently requests the action in a writing that acknowledges that the Executive shall be responsible for any effect of the action under Section 409A.
- (b) It is the Company's intention that the benefits and rights to which the Executive could become entitled in connection with termination of employment comply with Section 409A. If the Executive or the Company believes, at any time, that any of such benefit or right does not comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on the Executive and on the Company).

(xv) *Clawback of Certain Compensation and Benefits.*

If, after the termination of the Executive's employment with the Company for any reason other than by the Company for Cause:

- (a) it is determined in good faith by the Board and in accordance with the due process requirements of Article 6(b) that the Executive's employment could have been terminated by the Company for Cause under Article 6(b) (unless the Board knew or should have known that as of the Termination Date the Executive's employment could have been terminated for Cause in accordance with Article 6(b)); or
- (b) the Executive breaches Article 7; then, in addition to any other remedy that may be available to the Company in law or equity and/or pursuant to any other provisions of this Agreement, the Executive's employment shall be deemed to have been terminated for Cause retroactively to the Termination Date and the Executive also shall be subject to the following provision: the Executive shall be required to pay to the Company, immediately upon written demand by the Board, all amounts paid to him by the Company, whether or not pursuant to this Agreement, on or after the Termination Date (including the pre-tax cost to the Company of any benefits that are in excess of the total amount that the Company would have been required to pay (and the pre-tax cost of any benefits that the Company would have been required to provide) to the Executive if the Executive's employment with the Company had been terminated by the Company for Cause in accordance with Article 6(b) above;

7. Restrictive Covenants.

(i) *Non-competition.*

At all times during the Restricted Period, the Executive shall not, directly or indirectly (whether as a principal, agent, partner, employee, officer, investor, owner, consultant, board member, security holder, creditor or otherwise), engage in any Competitive Activity, or have any direct or indirect interest in any sole proprietorship, corporation, company, partnership, association, venture or business or any other person or entity that directly or indirectly (whether as a principal, agent, partner, employee, officer, investor, owner, consultant, board member, security holder, creditor, or otherwise) engages in a Competitive Activity; provided that the foregoing shall not apply to the Executive's ownership of Common Stock of the Company or the acquisition by the Executive, solely as an investment, of securities of any issuer that is registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, and that are listed or admitted for trading on any United States national securities exchange or that are quoted on the Nasdaq Stock Market, or any similar system or automated dissemination of quotations of securities prices in common use, so long as the Executive does not control, acquire a controlling interest in or become a member of a group which exercises direct or indirect control of, more than five percent (5%) of any class of capital stock of such corporation.

(ii) *Nonsolicitation of Employees and Certain Other Third Parties.*

At all times during the Restricted Period, the Executive shall not, directly or indirectly, for himself or for any other person, firm, corporation, partnership, association or other entity (i) employ or attempt to employ or enter into any contractual arrangement with any employee, consultant or independent contractor performing services for the Company, or any Affiliate or Related Entity, unless such employee, consultant or independent contractor, has not been employed or engaged by the Company for a period in excess of six (6) months, and/or (ii) call on or solicit any of the actual or targeted prospective customers or clients of the Company or any Affiliate or Related Entity on behalf of any person or entity in connection with any Competitive Activity, nor shall the Executive make known the names and addresses of such actual or targeted prospective customers or clients, or any information relating in any manner to the trade or business relationships of the Company or any Affiliates or Related Entities with such customers or clients, other than in connection with the performance of the Executive's duties under this Agreement, and/or (iii) persuade or encourage or attempt to persuade or encourage any persons or entities with whom the Company or any Affiliate or Related Entity does business or has some business relationship to cease doing business or to terminate its business relationship with the Company or any Affiliate or Related Entity or to engage in any Competitive Activity on its own or with any competitor of the Company or any Affiliate or Related Entity.

(iii) Confidential Information.

The Executive shall not at any time divulge, communicate, use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any Confidential Information pertaining to the business of the Company. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Company (which shall include, but not be limited to, information concerning the Company's financial condition, prospects, technology, customers, suppliers, sources of leads and methods of doing business) shall be deemed a valuable, special and unique asset of the Company that is received by the Executive in confidence and as a fiduciary, and the Executive shall remain a fiduciary to the Company with respect to all of such information. Notwithstanding the foregoing, nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information as required to perform his duties under this Agreement or to the extent required by law. If any person or authority makes a demand on the Executive purporting to legally compel him to divulge any Confidential Information, the Executive immediately shall give notice of the demand to the Company so that the Company may first assess whether to challenge the demand prior to the Executive's divulging of such Confidential Information. The Executive shall not divulge such Confidential Information until the Company either has concluded not to challenge the demand, or has exhausted its challenge, including appeals, if any. Upon request by the Company, the Executive shall deliver promptly to the Company upon termination of his services for the Company, or at any time thereafter as the Company may request, all memoranda, notes, records, reports, manuals, drawings, designs, computer files in any media and other documents (and all copies thereof) containing such Confidential Information.

(iv) *Ownership of Developments.*

All processes, concepts, techniques, inventions and works of authorship, including new contributions, improvements, formats, packages, programs, systems, machines, compositions of matter manufactured, developments, applications and discoveries, and all copyrights, patents, trade secrets, or other intellectual property rights associated therewith conceived, invented, made, developed or created by the Executive during the Term of Employment either during the course of performing work for the Companies or their clients or which are related in any manner to the business (commercial or experimental) of the Company or its clients (collectively, the “Work Product”) shall belong exclusively to the Company and shall, to the extent possible, be considered a work made by the Executive for hire for the Company within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered work made by the Executive for hire for the Company, the Executive agrees to assign, and automatically assign at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest the Executive may have in such Work Product. Upon the request of the Company, the Executive shall take such further actions, including execution and delivery of instruments of conveyance, as may be appropriate to give full and proper effect to such assignment. The Executive shall further: (i) promptly disclose the Work Product to the Company; (ii) assign to the Company, without additional compensation, all patent or other rights to such Work Product for the United States and foreign countries; (iii) sign all papers necessary to carry out the foregoing; and (iv) give testimony in support of his inventions, all at the sole cost and expense of the Company. The Company's right and interest in certain technology, known as the PTG Technology, and any developments or Work Product thereto are subject to the provisions of a License Agreement in which the Company is the Licensee and such developments accrue to the Licensor.

(v) *Books and Records.*

All books, records, and accounts relating in any manner to the customers or clients of the Company, whether prepared by the Executive or otherwise coming into the Executive's possession, shall be the exclusive property of the Company and shall be returned immediately to the Company on termination of the Executive's employment hereunder or on the Company's request at any time.

(vi) *Acknowledgment by Executive.*

The Executive acknowledges and confirms that the restrictive covenants contained in this Article 7 (including without limitation the length of the term of the provisions of this Article 7) are reasonably necessary to protect the legitimate business interests of the Company, and are not overbroad, overlong, or unfair and are not the result of overreaching, duress or coercion of any kind. The Executive further acknowledges and confirms that the compensation payable to the Executive under this Agreement is in consideration for the duties and obligations of the Executive hereunder, including the restrictive covenants contained in this Article 7, and that such compensation is sufficient, fair and reasonable. The Executive further acknowledges and confirms that his full, uninhibited and faithful observance of each of the covenants contained in this Article 7 will not cause him any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained herein will not impair his ability to obtain employment commensurate with his abilities and on terms fully acceptable to him or otherwise to obtain income required for the comfortable support of him and his family and the satisfaction of the needs of his creditors. The Executive acknowledges and confirms that his special knowledge of the business of the Company is such as would cause the Company serious injury or loss if he were to use such ability and knowledge to the benefit of a competitor or were to compete with the Company in violation of the terms of this Article 7. The Executive further acknowledges that the restrictions contained in this Article 7 are intended to be, and shall be, for the benefit of and shall be enforceable by, the Company's successors and assigns. The Executive expressly agrees that upon any breach or violation of the provisions of this Article 6, the Company shall be entitled, as a matter of right, in addition to any other rights or remedies it may have, to (i) temporary and/or permanent injunctive relief in any court of competent jurisdiction as described in Article 7(h) hereof, and (ii) such damages as are provided at law or in equity. The existence of any claim or cause of action against the Company or its affiliates, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of the restrictions contained in this Article 7.

(vii) *Reformation by Court.*

In the event that a court of competent jurisdiction shall determine that any provision of this Article 7 is invalid or more restrictive than permitted under the governing law of such jurisdiction, then only as to enforcement of this Article 7 within the jurisdiction of such court, such provision shall be interpreted or reformed and enforced as if it provided for the maximum restriction permitted under such governing law.

(viii) *Extension of Time.*

If the Executive shall be in violation of any provision of this Article 7, then each time limitation set forth in this Article 7 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from such violation in any court, then the covenants set forth in this Article 7 shall be extended for a period of time equal to the duration of such proceeding including all appeals by the Executive.

(ix) Injunction.

It is recognized and hereby acknowledged by the parties hereto that a breach by the Executive of any of the covenants contained in Article 7 of this Agreement will cause irreparable harm and damage to the Company, the monetary amount of which may be virtually impossible to ascertain. As a result, the Executive recognizes and hereby acknowledges that the Company shall be entitled to an injunction from any court of competent jurisdiction enjoining and restraining any violation of any or all of the covenants contained in Article 7 of this Agreement by the Executive or any of his affiliates, associates, partners or agents, either directly or indirectly, and that such right to injunction shall be cumulative and in addition to whatever other remedies the Company may possess.

8. Representations and Warranties of Executive.

Executive represents and warrants to the Company that:

- (i)** The Executive's employment will not conflict with or result in his breach of any agreement to which he is a party or otherwise may be bound;
- (ii)** The Executive has not violated, and in connection with his employment with the Company will not violate, any non-solicitation, non-competition or other similar covenant or agreement of a prior employer by which he is or may be bound; and
- (iii)** In connection with Executive's employment with the Company, he will not use any confidential or proprietary information that he may have obtained in connection with employment with any prior employer; and
- (iv)** The Executive has not (i) been convicted of any felony; or (ii) committed any criminal act with respect to Executive's current or any prior employment; and
- (v)** The Executive is not dependent on alcohol or the illegal use of drugs

9. Mediation.

Except to the extent the Company has the right to seek an injunction under Article 7(h) hereof, in the event a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties hereby agree first to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Employment Mediation Rules before resorting to arbitration pursuant to Section 11 hereof.

10. Taxes.

Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholding as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

11. Arbitration.

(i) Exclusive Remedy.

The parties recognize that litigation in federal or state courts or before federal or state administrative agencies of disputes arising out of the Executive's employment with the Company or out of this Agreement, or the Executive's termination of employment or termination of this Agreement, may not be in the best interests of either the Executive or the Company, and may result in unnecessary costs, delays, complexities, and uncertainty. The parties agree that any dispute between the parties arising out of or relating to the Executive's employment, or to the negotiation, execution, performance or termination of this Agreement or the Executive's employment, including, but not limited to, any claim arising out of this Agreement, claims under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, Section 1981 of the Civil Rights Act of 1966, as amended, the Family Medical Leave Act, the Employee Retirement Income Security Act, and any similar federal, state or local law, statute, regulation, or any common law doctrine, whether that dispute arises during or after employment shall be resolved by arbitration in the State of Florida, in accordance with the National Employment Arbitration Rules of the American Arbitration Association, as modified by the provisions of this Article 11. Except as set forth below with respect to Article 7 of this Agreement, the parties each further agree that the arbitration provisions of this Agreement shall provide each party with its exclusive remedy, and each party expressly waives any right it might have to seek redress in any other forum, except as otherwise expressly provided in this Agreement. Notwithstanding anything in this Agreement to the contrary, the provisions of this Article 11 shall not apply to any injunctions that may be sought with respect to disputes arising out of or relating to Article 7 of this Agreement. The parties acknowledge and agree that their obligations under this arbitration agreement survive the expiration or termination of this Agreement and continue after the termination of the employment relationship between the Executive and the Company. **By election of arbitration as the means for final settlement of all claims, the parties hereby waive their respective rights to, and agree not to, sue each other in any action in a Federal, State or local court with respect to such claims, but may seek to enforce in court an arbitration award rendered pursuant to this Agreement. The parties specifically agree to waive their respective rights to a trial by jury, and further agree that no demand, request or motion will be made for trial by jury.**

(ii) *Arbitration Procedure and Arbitrator's Authority.*

In the arbitration proceeding, each party shall be entitled to engage in any type of discovery permitted by the Federal Rules of Civil Procedure, to retain its own counsel, to present evidence and cross-examine witnesses, to purchase a stenographic record of the proceedings, and to submit post-hearing briefs. In reaching his/her decision, the arbitrator shall have no authority to add to, detract from, or otherwise modify any provision of this Agreement. The arbitrator shall submit with the award a written opinion which shall include findings of fact and conclusions of law. Judgment upon the award rendered by the arbitrator may be entered in any court having competent jurisdiction.

(iii) *Effect of Arbitrator's Decision; Arbitrator's Fees.*

The decision of the arbitrator shall be final and binding between the parties as to all claims which were or could have been raised in connection with the dispute, to the full extent permitted by law. In all cases in which applicable federal law precludes a waiver of judicial remedies, the parties agree that the decision of the arbitrator shall be a condition precedent to the institution or maintenance of any legal, equitable, administrative, or other formal proceeding by the Executive in connection with the dispute, and that the decision and opinion of the arbitrator may be presented in any other forum on the merits of the dispute. If the arbitrator finds that the Executive was terminated in violation of law or this Agreement, the parties agree that the arbitrator acting hereunder shall be empowered to provide the Executive with any remedy available should the matter have been tried in a court, including equitable and/or legal remedies, compensatory damages and back pay. The arbitrator's fees and expenses and all administrative fees and expenses associated with the filing of the arbitration shall be borne by the non-prevailing party.

12. Assignment.

The Company shall have the right to assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any corporation or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said corporation or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. The Executive may not assign or transfer this Agreement or any rights or obligations hereunder.

13. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to principles of conflict of laws.

14. Jurisdiction and Venue.

The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Miami, Florida, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the parties irrevocably and unconditionally (i) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement which is expressly permitted by the terms of this Agreement to be brought in a court of law, shall be brought in the courts of record of the State of Florida in Miami-Dade County or the court of the United States; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it or he may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (iv) agrees that service of any court papers may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in such courts.

15. Survival.

The respective rights and obligations of the parties hereunder shall survive any termination of the Executive's employment hereunder, including without limitation, the Company's obligations under Article 6 and the Executive's obligations under Article 7 above, and the expiration of the Term of Employment, to the extent necessary to the intended preservation of such rights and obligations.

16. Notices.

All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered by courier, sent by registered or certified mail, return receipt requested or sent by confirmed facsimile transmission addressed as set forth herein. Notices personally delivered, sent by facsimile or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given upon the earlier of receipt by the addressee, as evidenced by the return receipt thereof, or three (3) days after deposit in the U.S. mail. Notice shall be sent (i) if to the Company, addressed to 2829 Bird Avenue, Suite 12, Miami, FL 33133 Attention: Robert Miller and (ii) if to the Executive, to his address as reflected on the payroll records of the Company, or to such other address as either party shall request by notice to the other in accordance with this provision.

17. Benefits; Binding Effect.

This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where permitted and applicable, assigns, including, without limitation, any successor to the Company, whether by merger, consolidation, sale of stock, sale of assets or otherwise.

18. *Right to Consult with Counsel; No Drafting Party.*

The Executive acknowledges having read and considered all of the provisions of this Agreement carefully, and having had the opportunity to consult with counsel of his own choosing, and, given this, the Executive agrees that the obligations created hereby are not unreasonable. The Executive acknowledges that he has had an opportunity to negotiate any and all of these provisions and no rule of construction shall be used that would interpret any provision in favor of or against a party on the basis of who drafted the Agreement.

19. *Severability.*

The invalidity of any one or more of the words, phrases, sentences, clauses, provisions, sections or articles contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses, provisions, sections or articles contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, provisions or provisions, section or sections or article or articles had not been inserted. If such invalidity is caused by length of time or size of area, or both, the otherwise invalid provision will be considered to be reduced to a period or area which would cure such invalidity.

20. *Waivers.*

The waiver by either party hereto of a breach or violation of any term or provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation.

21. *Damages; Attorneys Fees.*

Nothing contained herein shall be construed to prevent the Company or the Executive from seeking and recovering from the other damages sustained by either or both of them as a result of its or his breach of any term or provision of this Agreement. In the event that either party hereto seeks to collect any damages resulting from, or the injunction of any action constituting, a breach of any of the terms or provisions of this Agreement, then the party found to be at fault shall pay all reasonable costs and attorneys' fees of the other.

22. *Waiver of Jury Trial.*

The Executive hereby knowingly, voluntarily and intentionally waives any right that the Executive may have to a trial by jury in respect of any litigation based hereon, or arising out of, under or in connection with this Agreement and any agreement, document or instrument contemplated to be executed in connection herewith, or any course of conduct, course of dealing statements (whether verbal or written) or actions of any party hereto.

23. *No Set-off or Mitigation.*

The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement.

24. *Section Headings.*

The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

25. *No Third Party Beneficiary.*

Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person other than the Company, the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

26. *Counterparts.*

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument and agreement.

27. *Indemnification.*

- (i) Subject to limitations imposed by law, the Company shall indemnify and hold harmless the Executive to the fullest extent permitted by law from and against any and all claims, damages, expenses (including attorneys' fees), judgments, penalties, fines, settlements, and all other liabilities incurred or paid by him in connection with the investigation, defense, prosecution, settlement or appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and to which the Executive was or is a party or is threatened to be made a party by reason of the fact that the Executive is or was an officer, employee or agent of the Company, or by reason of anything done or not done by the Executive in any such capacity or capacities, provided that the Executive acted in good faith, in a manner that was not grossly negligent or constituted willful misconduct and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The Company also shall pay any and all expenses (including attorney's fees) incurred by the Executive as a result of the Executive being called as a witness in connection with any matter involving the Company and/or any of its officers or directors.

- (ii) The Company shall pay any expenses (including attorneys' fees), judgments, penalties, fines, settlements, and other liabilities incurred by the Executive in investigating, defending, settling or appealing any action, suit or proceeding described in this Article 27 in advance of the final disposition of such action, suit or proceeding. The Company shall promptly pay the amount of such expenses to the Executive, but in no event later than 10 days following the Executive's delivery to the Company of a written request for an advance pursuant to this Article 27, together with a reasonable accounting of such expenses.
- (iii) The Executive hereby undertakes and agrees to repay to the Company any advances made pursuant to this Article 27 if and to the extent that it shall ultimately be found that the Executive is not entitled to be indemnified by the Company for such amounts.
- (iv) The Company shall make the advances contemplated by this Article 27 regardless of the Executive's financial ability to make repayment, and regardless whether indemnification of the Indemnitee by the Company will ultimately be required. Any advances and undertakings to repay pursuant to this Article 27 shall be unsecured and interest-free. The provisions of this Article 27 shall survive the termination of the Term of Employment or expiration of the term of this Agreement.
- (v) ***The provisions of this Article 27 shall survive the termination of the Term of Employment or expiration of the term of this Agreement.***

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

COMPANY:

Simple Tech Inc.

By: /s/ Costas Takkas
Name: Costas Takkas
Title: CFO and Director

EXECUTIVE:

/s/ Robert H. Miller
Robert H. Miller

**EXHIBIT A
FORM OF RELEASE**

GENERAL RELEASE OF CLAIMS

Robert Miller ("Executive"), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for the consideration received pursuant to Articles 6(c) (in the case of Disability), Articles 6(e) or 6(f) (other than the Accrued Obligations) of the Employment Agreement to which this release is attached as Exhibit A (the "Employment Agreement"), does hereby release and forever discharge Sonnen Corporation (the "Company"), its subsidiaries, affiliated companies, successors and assigns, and its current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the "Released Parties") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Executive's employment or termination thereof, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Executive acknowledges that the Company encouraged him to consult with an attorney of his choosing, and through this General Release of Claims encourages him to consult with his attorney with respect to possible claims under the Age Discrimination in Employment Act ("ADEA") and that he understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Executive expressly waives any and all claims under ADEA that he may have as of the date hereof. Executive further understands that by signing this General Release of Claims he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any actions to enforce rights arising under, or any claim for benefits which may be due Executive pursuant to, the Employment Agreement, (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification rights Executive may have as a former officer or director of the Company or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors' and officers' liability policy maintained by the Company or its subsidiaries or affiliated companies in accordance with the terms of such policy, and (v) any rights as a holder of equity securities of the Company.

Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that he will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Executive pursuant to paragraph 1 hereof (a "Proceeding"); provided, however, Executive shall not have relinquished his right to commence a Proceeding to challenge whether Executive knowingly and voluntarily waived his rights under ADEA.

Executive hereby acknowledges that the Company has informed him that he has up to twenty-one (21) days to sign this General Release of Claims and he may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. Executive also understands that he shall have seven (7) days following the date on which he signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company.

Executive acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the State of Florida applicable to contracts made and to be performed entirely within such State.

Executive acknowledges that he has read this General Release of Claims, that he has been advised that he should consult with an attorney before he executes this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

This General Release of Claims shall take effect on the eighth day following Executive's execution of this General Release of Claims unless Executive's written revocation is delivered to the Company within seven (7) days after such execution.

_____, 20__

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into on this 1st day of August, 2009, effective as of August 1, 2009, by and between Sonnen Corporation, a Nevada based corporation (the "Company"), and Vladimir Kopylov (hereinafter, the "Executive").

WITNESSETH:

WHEREAS, the Executive is currently providing services as an Independent Contractor acting as the Scientific Advisor of the Company.

WHEREAS, the Executive possesses intimate knowledge of the technology and development plans of the Company;

WHEREAS, the Board of Directors of the Company recognizes that the Executive is important to the growth and success of the Company, and desires to assure the Company of the Executive's continued employment and to compensate him therefore;

WHEREAS, the Board has determined that this Agreement will reinforce and encourage the Executive's continued attention and dedication to the Company;

WHEREAS, the Executive is willing to make his services available as Chief Scientific Officer of the Company and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and the Executive hereby agree as follows:

1) Definitions.

When used in this Agreement, the following terms shall have the following meanings:

a) "Accrued Obligations" means:

- i) all accrued but unpaid Base Salary through the end of the Term of Employment;
- ii) any unpaid or un-reimbursed expenses incurred in accordance with Company policy, including amounts due under Article 5(a) hereof, to the extent incurred during the Term of Employment;
- iii) any benefits provided under the Company's employee benefit plans, programs or arrangements in which the Executive participates, in accordance with the terms thereof, including rights to equity in the Company pursuant to any plan or grant;
- iv) any unpaid Bonus in respect to any completed fiscal year that has ended on or prior to the end of the Term of Employment; and

- v) rights to indemnification by virtue of the Executive's position as an officer or director of the Company or its subsidiaries and the benefits under any directors' and officers' liability insurance policy maintained by the Company, in accordance with its terms thereof.
- b) "**Affiliate**" means any entity that controls, is controlled by, or is under common control with, the Company.
- c) "**Base Salary**" means the salary provided for in Article 4(a) hereof or any increased salary granted to Executive pursuant to Article 4(a) hereof.
- d) "**Beneficial Ownership**" shall have the meaning ascribed to such term in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.
- e) "**Board**" means the Board of Directors of the Company.
- f) "**Bonus**" means any bonus payable to the Executive pursuant to Article 4(b) hereof.
- g) "**Bonus Period**" means the period for which a Bonus is payable. Unless otherwise specified by the Board, the Bonus Period shall be the fiscal year of the Company.
- h) "**Cause**" means:
 - i) a conviction of the Executive, or a plea of nolo contendere, to a felony involving moral turpitude; or
 - ii) willful misconduct or gross negligence by the Executive resulting, in either case, in material economic harm to the Company or any Related Entities; or
 - iii) a willful continued failure by the Executive to carry out the reasonable and lawful directions of the Board; or
 - iv) fraud, embezzlement, theft or dishonesty of a material nature by the Executive against the Company or any Affiliate or Related Entity, or a willful material violation by the Executive of a policy or procedure of the Company or any Affiliate or Related Entity, resulting, in any case, in material economic harm to the Company or any Affiliate or Related Entity; or
 - v) a willful material breach by the Executive of this Agreement.

An act or failure to act shall not be "willful" if (i) done by the Executive in good faith or (ii) the Executive reasonably believed that such action or inaction was in the best interests of the Company and the Related Entities.

- i) ***“Change in Control”*** means:
- i) The acquisition by any Person of Beneficial Ownership of more than fifty percent (50%) of the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) (the foregoing Beneficial Ownership hereinafter being referred to as a “Controlling Interest”); provided, however, that for purposes of this definition, the following acquisitions shall not constitute or result in a Change of Control: (v) any acquisition directly from the Company; (w) any acquisition by the Company; (x) any acquisition by any person that as of the Commencement Date owns Beneficial Ownership of a Controlling Interest; (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary of the Company; or (z) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) below; or
 - ii) During any period of two (2) consecutive years (not including any period prior to the Commencement Date) individuals who constitute the Board on the Commencement Date (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Commencement Date whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

- iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination beneficially owns, directly or indirectly, twenty percent (20%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or any Person that as of the Commencement Date owns Beneficial Ownership of a Controlling Interest beneficially owns, directly or indirectly, more than fifty percent (50%) of the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the Board of Directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or
- iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.
- j) “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.
- k) “**Code**” means the Internal Revenue Code of 1986, as amended.
- l) “**Commencement Date**” means July 1st, 2009.
- m) “**Common Stock**” means the common stock of the Company’s parent company, par value \$0.0001 per share.
- n) “**Competitive Activity**” means an activity that is in material or direct competition with the Company in any of the States within the United States, or countries within the world, in which the Company conducts business with respect to a business in which the Company engaged while the Executive was employed by the Company.

- o) “**Confidential Information**” means all trade secrets and information disclosed to the Executive or known by the Executive as a consequence of or through the unique position of his employment with the Company or any Related Entity (including information conceived, originated, discovered or developed by the Executive and information acquired by the Company or any Related Entity from others) prior to or after the date hereof, and not generally or publicly known (other than as a result of unauthorized disclosure by the Executive), about the Company or any Related Entity or its business.
- p) “**Disability**” means the Executive’s inability, or failure, to perform the essential functions of his position, with or without reasonable accommodation, for any period of three months or more in any 12 month period, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- q) “**Equity Awards**” means any stock options, restricted stock, restricted stock units, stock appreciation rights, phantom stock or other equity based awards granted by the Company or any of its Affiliates to the Executive.
- r) “**Excise Tax**” means any excise tax imposed by Section 4999 of the Code, together with any interest and penalties imposed with respect thereto, or any interest or penalties are incurred by the Executive with respect to any such excise tax.
- s) “**Expiration Date**” means the date on which the Term of Employment, including any renewals thereof under Article 3(b), shall expire.
- t) “**Good Reason**” means:
 - i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive's position (including status, titles and reporting requirements), authority, duties or responsibilities as contemplated by Article 2(b) of this Agreement, or any other action by the Company that results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;
 - ii) any material failure by the Company to comply with any of the provisions of Article 6 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive;
 - iii) any purported termination by the Company of the Executive's employment other than for Cause pursuant to Article 6(b), or by reason of the Executive’s Disability pursuant to Article 6(c) of this Agreement, prior to the Expiration Date.
- u) “**Group**” shall have the meaning ascribed to such term in Section 13(d) of the Securities Exchange Act of 1934.
- v) “**Initial Term**” means August 1, 2009, to July 31, 2014.

- w) **“Person”** shall have the meaning ascribed to such term in Section 3(a)(9) of the Securities Exchange Act of 1934 and used in Sections 13(d) and 14(d) thereof.
- x) **“Related Entity”** means any subsidiary, and any business, corporation, partnership, limited liability company or other entity designated by Board in which the Company or a subsidiary holds a substantial ownership interest.
- y) **“Restricted Period”** shall be the Term of Employment and if the Term of Employment is terminated for any reason other than by the Company for Cause or by the Executive for Good Reason, the two (2) year period immediately following termination of the Term of Employment. Notwithstanding the foregoing, the Restricted Period shall end in the event that (i) the Company fails to make any payments or provide any Benefits required by Article 6 hereof with 15 days of written notice from the Executive of such failure or (ii) the Company no longer has the rights to the confidential information.
- z) **“Severance Amount”** shall mean:
 - i) in the event of the termination of Executive’s employment with the Company by reason of the Executive’s death or Disability, the amount of the Executive’s annual Base Salary as in effect at the time of such termination payable in either cash or Common Stock at the discretion of the Company, based on the five day weighted trading average ending on the Termination Date, and
 - ii) in the event of termination of the Executive’s employment by the Company without Cause or by the Executive with Good Reason, or upon the Expiration Date, an amount equal to one (1) times the Executive’s annual Base Salary as in effect immediately prior to the Termination Date payable in either cash or Common Stock at the discretion of the Company, based on the five day weighted trading average ending on the Termination Date.
- aa) **“Severance Term”** means the one (1) year period following the date on which the Term of Employment ends.
- bb) **“Stock Option”** means a right granted to the Executive under Article 5(d) hereof to purchase Common Stock under the Company’s parent company Stock Option Plan.
- cc) **“Stock Option Plan”** means the Directors and Employees Incentive Stock Option Plan that will be adopted and implemented by the Company’s parent company, as amended from time to time, and any successor plan thereto.
- dd) **“Term of Employment”** means the period during which the Executive shall be employed by the Company pursuant to the terms of this Agreement.
- ee) **“Termination Date”** means the date on which the Term of Employment ends.

2) Employment.

a) Employment and Term.

The Company hereby agrees to employ the Executive and the Executive hereby agrees to serve the Company during the Term of Employment on the terms and conditions set forth herein.

b) Duties of Executive.

During the Term of Employment, the Executive shall be employed and serve as the Chief Scientific Officer of the Company, and shall have such duties typically associated with such title, including, without limitation supervising research and development of the Company and its subsidiaries. The Executive shall faithfully and diligently perform all services as may be assigned to him by the Chief Executive Officer (the “CEO”) or the President of the Company (if someone other than the Executive) or the Board (provided that, such services shall not materially differ from the services currently provided by the Executive), and shall exercise such power and authority as may from time to time be delegated to him by the CEO or the President or the Board. The Executive shall devote his full business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company. The Executive shall not engage in any other business or occupation during the Term of Employment, including, without limitation, any activity that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company’s best interests.

Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for the Executive to (a) serve on corporate, civic or charitable boards or committees, (b) deliver lectures, fulfill speaking engagements or teach at educational institutions, so long as such activities do not significantly interfere with or significantly detract from the performance of the Executive’s responsibilities to the Company in accordance with this Agreement.

3) Term.

a) Initial Term.

The initial Term of Employment under this Agreement, and the employment of the Executive hereunder, shall commence on the Commencement Date and shall expire on July 31, 2014, unless sooner terminated in accordance with Article 6 hereof.

b) Renewal Terms.

At the end of the Initial Term, the Term of Employment automatically shall renew for successive one (1) year terms (subject to earlier termination as provided in Section 6 hereof), unless the Company or the Executive delivers written notice to the other at least three (3) months prior to the Expiration Date of its or his election not to renew the Term of Employment.

4) Compensation.

a) Base Salary.

The Executive shall receive a Base Salary at the annual rate of \$96,000 during the Term of Employment, with such Base Salary payable in installments consistent with the Company’s normal payroll schedule, subject to applicable withholding and other taxes. The Base Salary shall be increased upon completion of certain milestones:

- (i) to \$10,000 per month upon the parent of the Company raising a cumulative total of \$1,000,000.
- (ii) to \$12,000 per month upon the Company raising a cumulative total of \$2,500,000 for the development of the Technology;
- (iii) to \$15,000 per month upon completion of (ii) above and having developed a business plan, approved by the Board of Directors of the Company, for the use of the technology in an application other than for the use of the Technology in fuel cells utilizing gaseous fuels;
- (iv) to \$20,000 per month upon completion of (iii) above and the Company raising a cumulative total of \$10,000,000 for the development of the Technology;
- (v) The Base Salary shall be reviewed, at least annually, for merit increases and may, by action and in the discretion of the Compensation Committee of the Board, be increased at any time or from time to time, but may not be decreased from the then current Base Salary.

b) Bonuses.

- i) The Executive shall receive such additional bonuses, if any, as the Board may in its sole and absolute discretion determine.
- ii) Any Bonus payable pursuant to this Article 4(b) shall be paid by the Company to the Executive within 2 ½ months after the end of the Bonus Period for which it is payable.

5) Expense Reimbursement and Other Benefits.

a) Reimbursement of Expenses.

Upon the submission of proper substantiation by the Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of executive personnel, the Company shall reimburse the Executive for all reasonable expenses actually paid or incurred by the Executive during the Term of Employment in the course of and pursuant to the business of the Company. The Executive shall account to the Company in writing for all expenses for which reimbursement is sought and shall supply to the Company copies of all relevant invoices, receipts or other evidence reasonably requested by the Company.

b) Compensation/Benefit Programs.

During the Term of Employment, the Executive shall be entitled to participate in all medical, dental, hospitalization, accidental death and dismemberment, disability, travel and life insurance plans, and any and all other plans as are presently and hereinafter offered by the Company to its executive personnel, including savings, pension, profit-sharing and deferred compensation plans, subject to the general eligibility and participation provisions set forth in such plans. During the term of employment the Company shall provide health insurance which shall include medical, dental and prescription coverage with a co-pay to be determined.

c) *Working Facilities.*

During the Term of Employment, the Company shall furnish the Executive with an office, secretarial help and such other facilities and services suitable to his position and adequate for the performance of his duties hereunder.

d) *Stock Options.*

The Company shall cause to be granted to the Executive options to purchase up to 400,000 shares of Common Stock, at an exercise price of \$1.00 per share, subject to the terms and conditions set forth in the stock option agreement, and the provisions of the Stock Option Plan, such options to be set by July 31, 2009. During the Term of Employment, the Executive shall be eligible to be granted additional stock options under (and therefore subject to all terms and conditions of) the stock option plan or such other plans or programs as the Company may from time to time adopt, and subject to all rules of regulation of the Securities and Exchange Commission applicable thereto.

The number and type of additional stock options, and the terms and conditions thereof, shall be determined by the Compensation Committee of the Board, or by the Board in its discretion and pursuant to the stock option plan or the plan or arrangement pursuant to which they are granted.

6) *Residency.*

Provided that the Executive is not disqualified for approval, the Executive shall be provided with a permanent residency card in either the United States or Canada as soon as possible.

7) *Other Benefits.*

The Executive shall be entitled to four (4) weeks of paid vacation each calendar year during the Term of Employment, to be taken at such times as the Executive and the Company shall mutually determine and provided that no vacation time shall significantly interfere with the duties required to be rendered by the Executive hereunder. Any vacation time not taken by Executive during any calendar year may be carried forward into any succeeding calendar year. The Executive shall receive such additional benefits, if any, as the Board of the Company shall from time to time determine.

8) *Termination.*

a) *General.*

The Term of Employment shall terminate upon the earliest to occur of (i) the Executive's death, (ii) a termination by the Company by reason of the Executive's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, the Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company or any of its subsidiaries.

b) Termination By Company for Cause.

The Company shall at all times have the right, upon written notice to the Executive, to terminate the Term of Employment, for Cause. In no event shall a termination of the Executive's employment for Cause occur unless the Company gives written notice to the Executive in accordance with this Agreement stating with reasonable specificity the events or actions that constitute Cause and providing the Executive with an opportunity to cure (if curable) within a reasonable period of time. No termination of the Executive's employment for Cause shall be permitted unless the Termination Date occurs during the 120-day period immediately following the date that the events or actions constituting Cause first become known to the Board.

Cause shall in no event be deemed to exist except upon a decision made by the Board, at a meeting, duly called and noticed, to which the Executive (and the Executive's counsel) shall be invited upon proper notice. If the Executive's employment is terminated by the Company for Cause by reason of Article 6(b) hereof, and the Executive's conviction is overturned on appeal, then the Executive's employment shall be deemed to have been terminated by the Company without Cause in accordance with Article 6(e) below. For purposes of this Article 6(b), any good faith determination by the Board of Cause shall be binding and conclusive on all interested parties. In the event that the Term of Employment is terminated by the Company for Cause, Executive shall be entitled only to the Accrued Obligations.

c) Disability.

The Company shall have the option, in accordance with applicable law, to terminate the Term of Employment upon written notice to the Executive, at any time during which the Executive is suffering from a Disability. In the event that the Term of Employment is terminated due to the Executive's Disability, the Executive shall be entitled to:

- i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- ii) the continuation of the health benefits provided to Executive and his covered dependents under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term on the first anniversary of the Termination Date, or (B) the date the Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA;

d) Death.

In the event that the Term of Employment is terminated due to the Executive's death, the Executive shall be entitled to:

- i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- ii) the Severance Amount, payable for the Severance Term; and

- iii) the continuation of the health benefits provided to the Executive's covered dependents under the Company health plans as in effect from time to time after the Executive's death at the same cost applicable to dependents of active employees until the expiration of the Severance Term on the first anniversary of the Termination Date; provided, however, that as a condition of continuation of such benefits, the Company may require the covered dependents to elect to continue such health insurance pursuant to COBRA.

e) Termination Without Cause.

The Company may terminate the Term of Employment at any time without Cause, by written notice to the Executive not less than 30 days prior to the effective date of such termination. In the event that the Term of Employment is terminated by the Company without Cause (other than due to the Executive's death or Disability) the Executive shall be entitled to:

- i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- ii) the Severance Amount, payable for the Severance Term;
- iii) the continuation of the health benefits provided to Executive and his covered dependents under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term, or (B) the date the Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA; and

f) Termination by Executive for Good Reason.

The Executive may terminate the Term of Employment for Good Reason by providing the Company thirty (30) days' written notice setting forth in reasonable specificity the event that constitutes Good Reason, which written notice, to be effective, must be provided to the Company within one hundred and twenty(120) days of the occurrence of such event. During such thirty (30) day notice period, the Company shall have a cure right (if curable), and if not cured within such period, the Executive's termination shall be effective upon the date immediately following the expiration of the thirty (30) day notice period, and the Executive shall be entitled to the same payments and benefits as provided in Article 6(e) above for a termination without Cause.

g) Termination by Executive Without Good Reason.

The Executive may terminate his employment without Good Reason by providing the Company thirty (30) days' written notice of such termination. In the event of a termination of employment by the Executive under this Section 6(g), the Executive shall be entitled only to the Accrued Obligations. In the event of termination of the Executive's employment under this Article 6(g), the Company may, in its sole and absolute discretion, by written notice, accelerate such date of termination and still have it treated as a termination without Good Reason.

h) Termination Upon Expiration Date.

In the event that Executive's employment with the Company terminates upon the expiration of the Term of Employment, the Executive shall be entitled to and the Company shall pay the Executive:

- i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- ii) a payment equal to the Severance Amount; and
- iii) the continuation of the health benefits provided to Executive and his covered dependants under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term, or (B) the date Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA.

i) Change in Control of the Company.

If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason during (x) the 6-month period preceding the date of the Change in Control or (y) the two 2 year period immediately following the Change in Control, the Executive shall be entitled to:

- i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Employment not ended;
- ii) a payment equal to the Severance Amount,; and
- iii) the continuation of the health benefits provided to Executive and his covered dependants under the Company health plans as in effect from time to time after the date of such termination at the same cost applicable to active employees until the earlier of: (A) the expiration of the Severance Term, or (B) the date Executive commences employment with any person or entity and, thus, is eligible for health insurance benefits; provided, however, that as a condition of continuation of such benefits, the Company may require the Executive to elect to continue his health insurance pursuant to COBRA.

j) Release.

Any payments due to Executive under this Article 6 (other than the Accrued Obligations on any payments due on account of the Executive's death) shall be conditioned upon Executive's execution of a general release of claims in the form attached hereto as Exhibit A (subject to such modifications as the Company reasonably may request).

k) Obligation to Mitigate Damages.

In the event of termination of the Term of Employment, the Executive shall make reasonable efforts to mitigate damages by seeking other employment, provided, however, that the Executive shall not be required to accept a position of substantially different character than the position from which the Executive was terminated. To the extent that the Executive shall receive compensation, benefits and service credit for benefits from such other employment, the payment to be made and the benefits and service credit for benefits to be provided by the Company under the provisions of this Article 6 shall be correspondingly reduced.

l) Cooperation.

Following the Term of Employment, the Executive shall give his assistance and cooperation willingly, upon reasonable advance notice with due consideration for his other business or personal commitments, in any matter relating to his position with the Company, or his expertise or experience as the Company may reasonably request, including his attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company's defense or prosecution of any existing or future claims or litigations or other proceedings relating to matters in which he was involved or potentially had knowledge by virtue of his employment with the Company. In no event shall his cooperation materially interfere with his services for a subsequent employer or other similar service recipient. To the extent permitted by law, the Company agrees that (i) it shall promptly reimburse the Executive for his reasonable and documented expenses in connection with his rendering assistance and/or cooperation under this Article 6(l) upon his presentation of documentation for such expenses and (ii) the Executive shall be reasonably compensated for any continued material services as required under this Article 6(l).

m) Return of Company Property.

Following the Termination Date, the Executive or his personal representative shall return all Company property in his possession, including but not limited to all computer equipment (hardware and software), telephones, facsimile machines, palm pilots and other communication devices, credit cards, office keys, security access cards, badges, identification cards and all copies (including drafts) of any documentation or information (however stored) relating to the business of the Company, its customers and clients or its prospective customers and clients (provided that the Executive may retain a copy of the addresses contained in his rolodex, palm pilot, PDA or similar device).

n) Section 409A.

- (i) To the extent that the Executive otherwise would be entitled to any payment (whether pursuant to this Agreement or otherwise) during the six months beginning on the Termination Date that would be subject to the additional tax imposed under Section 409A of the Code ("Section 409A"), (x) the payment shall not be made to the Executive during such six month period and instead shall be made to a trust in compliance with Revenue Procedure 92-64 (the "Rabbi Trust") and (y) the payment shall be paid to the Executive on the earlier of the six-month anniversary of the Termination Date or the Executive's death or Disability.

- (ii) Similarly, to the extent that the Executive otherwise would be entitled to any benefit (other than a payment) during the six months beginning on the Termination Date that would be subject to the Section 409A additional tax, the benefit shall be delayed and shall begin being provided (together, if applicable, with an adjustment to compensate the Executive for the delay) on the earlier of the six-month anniversary of the Termination Date, or the Executive's death or Disability.
- (iii) The Company shall not take any action that would expose any payment or benefit to the Executive to the additional tax of Section 409A, unless (w) the Company is obligated to take the action under an agreement, plan or arrangement to which the Executive is a party, (x) the Executive requests the action, (y) the Company advises the Executive in writing that the action may result in the imposition of the additional tax, and (z) the Executive subsequently requests the action in a writing that acknowledges that the Executive shall be responsible for any effect of the action under Section 409A. It is the Company's intention that the benefits and rights to which the Executive could become entitled in connection with termination of employment comply with Section 409A. If the Executive or the Company believes, at any time, that any of such benefit or right does not comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on the Executive and on the Company).

o) Clawback of Certain Compensation and Benefits.

If, after the termination of the Executive's employment with the Company for any reason other than by the Company for Cause:

- i) it is determined in good faith by the Board and in accordance with the due process requirements of Article 6(b) that the Executive's employment could have been terminated by the Company for Cause under Article 6(b) (unless the Board knew or should have known that as of the Termination Date the Executive's employment could have been terminated for Cause in accordance with Article 6(b)); or
- ii) the Executive breaches Article 7; then, in addition to any other remedy that may be available to the Company in law or equity and/or pursuant to any other provisions of this Agreement, the Executive's employment shall be deemed to have been terminated for Cause retroactively to the Termination Date and the Executive also shall be subject to the following provision: the Executive shall be required to pay to the Company, immediately upon written demand by the Board, all amounts paid to him by the Company, whether or not pursuant to this Agreement, on or after the Termination Date (including the pre-tax cost to the Company of any benefits that are in excess of the total amount that the Company would have been required to pay (and the pre-tax cost of any benefits that the Company would have been required to provide) to the Executive if the Executive's employment with the Company had been terminated by the Company for Cause in accordance with Article 6(b) above;

9) Restrictive Covenants.

a) Non-competition.

At all times during the Restricted Period, the Executive shall not, directly or indirectly (whether as a principal, agent, partner, employee, officer, investor, owner, consultant, board member, security holder, creditor or otherwise), engage in any Competitive Activity, or have any direct or indirect interest in any sole proprietorship, corporation, company, partnership, association, venture or business or any other person or entity that directly or indirectly (whether as a principal, agent, partner, employee, officer, investor, owner, consultant, board member, security holder, creditor, or otherwise) engages in a Competitive Activity; provided that the foregoing shall not apply to the Executive's ownership of Common Stock of the Company or the acquisition by the Executive, solely as an investment, of securities of any issuer that is registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, and that are listed or admitted for trading on any United States national securities exchange or that are quoted on the Nasdaq Stock Market, or any similar system or automated dissemination of quotations of securities prices in common use, so long as the Executive does not control, acquire a controlling interest in or become a member of a group which exercises direct or indirect control of, more than five percent (5%) of any class of capital stock of such corporation.

b) Nonsolicitation of Employees and Certain Other Third Parties.

At all times during the Restricted Period, the Executive shall not, directly or indirectly, for himself or for any other person, firm, corporation, partnership, association or other entity (i) employ or attempt to employ or enter into any contractual arrangement with any employee, consultant or independent contractor performing services for the Company, or any Affiliate or Related Entity, unless such employee, consultant or independent contractor, has not been employed or engaged by the Company for a period in excess of six (6) months, and/or (ii) call on or solicit any of the actual or targeted prospective customers or clients of the Company or any Affiliate or Related Entity on behalf of any person or entity in connection with any Competitive Activity, nor shall the Executive make known the names and addresses of such actual or targeted prospective customers or clients, or any information relating in any manner to the trade or business relationships of the Company or any Affiliates or Related Entities with such customers or clients, other than in connection with the performance of the Executive's duties under this Agreement, and/or (iii) persuade or encourage or attempt to persuade or encourage any persons or entities with whom the Company or any Affiliate or Related Entity does business or has some business relationship to cease doing business or to terminate its business relationship with the Company or any Affiliate or Related Entity or to engage in any Competitive Activity on its own or with any competitor of the Company or any Affiliate or Related Entity.

c) Confidential Information.

The Executive shall not at any time divulge, communicate, use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any Confidential Information pertaining to the business of the Company. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Company (which shall include, but not be limited to, information concerning the Company's financial condition, prospects, technology, customers, suppliers, sources of leads and methods of doing business) shall be deemed a valuable, special and unique asset of the Company that is received by the Executive in confidence and as a fiduciary, and the Executive shall remain a fiduciary to the Company with respect to all of such information. Notwithstanding the foregoing, nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information as required to perform his duties under this Agreement or to the extent required by law. If any person or authority makes a demand on the Executive purporting to legally compel him to divulge any Confidential Information, the Executive immediately shall give notice of the demand to the Company so that the Company may first assess whether to challenge the demand prior to the Executive's divulging of such Confidential Information. The Executive shall not divulge such Confidential Information until the Company either has concluded not to challenge the demand, or has exhausted its challenge, including appeals, if any. Upon request by the Company, the Executive shall deliver promptly to the Company upon termination of his services for the Company, or at any time thereafter as the Company may request, all memoranda, notes, records, reports, manuals, drawings, designs, computer files in any media and other documents (and all copies thereof) containing such Confidential Information.

d) Ownership of Developments.

All processes, concepts, techniques, inventions and works of authorship, including new contributions, improvements, formats, packages, programs, systems, machines, compositions of matter manufactured, developments, applications and discoveries, and all copyrights, patents, trade secrets, or other intellectual property rights associated therewith conceived, invented, made, developed or created by the Executive during the Term of Employment either during the course of performing work for the Companies or their clients or which are related in any manner to the business (commercial or experimental) of the Company or its clients (collectively, the "Work Product") shall belong exclusively to the Company's Licensor, due to fact that the Company's right and interest in certain technology, known as the PTG Technology, and any developments or Work Product thereto are subject to the provisions of a License Agreement in which the Company is the Licensee and such developments accrue to the Licensor.

e) Books and Records.

All books, records, and accounts relating in any manner to the customers or clients of the Company, whether prepared by the Executive or otherwise coming into the Executive's possession, shall be the exclusive property of the Company and shall be returned immediately to the Company on termination of the Executive's employment hereunder or on the Company's request at any time.

f) Acknowledgment by Executive.

The Executive acknowledges and confirms that the restrictive covenants contained in this Article 7 (including without limitation the length of the term of the provisions of this Article 7) are reasonably necessary to protect the legitimate business interests of the Company, and are not overbroad, overlong, or unfair and are not the result of overreaching, duress or coercion of any kind. The Executive further acknowledges and confirms that the compensation payable to the Executive under this Agreement is in consideration for the duties and obligations of the Executive hereunder, including the restrictive covenants contained in this Article 7, and that such compensation is sufficient, fair and reasonable. The Executive further acknowledges and confirms that his full, uninhibited and faithful observance of each of the covenants contained in this Article 7 will not cause him any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained herein will not impair his ability to obtain employment commensurate with his abilities and on terms fully acceptable to him or otherwise to obtain income required for the comfortable support of him and his family and the satisfaction of the needs of his creditors. The Executive acknowledges and confirms that his special knowledge of the business of the Company is such as would cause the Company serious injury or loss if he were to use such ability and knowledge to the benefit of a competitor or were to compete with the Company in violation of the terms of this Article 7. The Executive further acknowledges that the restrictions contained in this Article 7 are intended to be, and shall be, for the benefit of and shall be enforceable by, the Company's successors and assigns. The Executive expressly agrees that upon any breach or violation of the provisions of this Article 6, the Company shall be entitled, as a matter of right, in addition to any other rights or remedies it may have, to (i) temporary and/or permanent injunctive relief in any court of competent jurisdiction as described in Article 7(h) hereof, and (ii) such damages as are provided at law or in equity. The existence of any claim or cause of action against the Company or its affiliates, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of the restrictions contained in this Article 7.

g) Reformation by Court.

In the event that a court of competent jurisdiction shall determine that any provision of this Article 7 is invalid or more restrictive than permitted under the governing law of such jurisdiction, then only as to enforcement of this Article 7 within the jurisdiction of such court, such provision shall be interpreted or reformed and enforced as if it provided for the maximum restriction permitted under such governing law.

h) Extension of Time.

If the Executive shall be in violation of any provision of this Article 7, then each time limitation set forth in this Article 7 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from such violation in any court, then the covenants set forth in this Article 7 shall be extended for a period of time equal to the duration of such proceeding including all appeals by the Executive.

i) Injunction.

It is recognized and hereby acknowledged by the parties hereto that a breach by the Executive of any of the covenants contained in Article 7 of this Agreement will cause irreparable harm and damage to the Company, the monetary amount of which may be virtually impossible to ascertain. As a result, the Executive recognizes and hereby acknowledges that the Company shall be entitled to an injunction from any court of competent jurisdiction enjoining and restraining any violation of any or all of the covenants contained in Article 7 of this Agreement by the Executive or any of his affiliates, associates, partners or agents, either directly or indirectly, and that such right to injunction shall be cumulative and in addition to whatever other remedies the Company may possess.

10) Representations and Warranties of Executive.

The Executive represents and warrants to the Company that:

- a) The Executive's employment will not conflict with or result in his breach of any agreement to which he is a party or otherwise may be bound;
- b) The Executive has not violated, and in connection with his employment with the Company will not violate, any non-solicitation, non-competition or other similar covenant or agreement of a prior employer by which he is or may be bound; and
- c) In connection with Executive's employment with the Company, he will not use any confidential or proprietary information that he may have obtained in connection with employment with any prior employer; and
- d) The Executive has not (i) been convicted of any felony; or (ii) committed any criminal act with respect to Executive's current or any prior employment; and
- e) The Executive is not dependent on alcohol or the illegal use of drugs

11) Mediation.

Except to the extent the Company has the right to seek an injunction under Article 7(h) hereof, in the event a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties hereby agree first to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Employment Mediation Rules before resorting to arbitration pursuant to Section 11 hereof.

12) Taxes.

Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholding as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

13) Arbitration.

a) Exclusive Remedy.

The parties recognize that litigation in federal or state courts or before federal or state administrative agencies of disputes arising out of the Executive's employment with the Company or out of this Agreement, or the Executive's termination of employment or termination of this Agreement, may not be in the best interests of either the Executive or the Company, and may result in unnecessary costs, delays, complexities, and uncertainty. The parties agree that any dispute between the parties arising out of or relating to the Executive's employment, or to the negotiation, execution, performance or termination of this Agreement or the Executive's employment, including, but not limited to, any claim arising out of this Agreement, claims under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, Section 1981 of the Civil Rights Act of 1966, as amended, the Family Medical Leave Act, the Employee Retirement Income Security Act, and any similar federal, state or local law, statute, regulation, or any common law doctrine, whether that dispute arises during or after employment shall be resolved by arbitration in the State of Florida, in accordance with the National Employment Arbitration Rules of the American Arbitration Association, as modified by the provisions of this Article 11. Except as set forth below with respect to Article 7 of this Agreement, the parties each further agree that the arbitration provisions of this Agreement shall provide each party with its exclusive remedy, and each party expressly waives any right it might have to seek redress in any other forum, except as otherwise expressly provided in this Agreement. Notwithstanding anything in this Agreement to the contrary, the provisions of this Article 11 shall not apply to any injunctions that may be sought with respect to disputes arising out of or relating to Article 7 of this Agreement. The parties acknowledge and agree that their obligations under this arbitration agreement survive the expiration or termination of this Agreement and continue after the termination of the employment relationship between the Executive and the Company. **By election of arbitration as the means for final settlement of all claims, the parties hereby waive their respective rights to, and agree not to, sue each other in any action in a Federal, State or local court with respect to such claims, but may seek to enforce in court an arbitration award rendered pursuant to this Agreement. The parties specifically agree to waive their respective rights to a trial by jury, and further agree that no demand, request or motion will be made for trial by jury.**

b) Arbitration Procedure and Arbitrator's Authority.

In the arbitration proceeding, each party shall be entitled to engage in any type of discovery permitted by the Federal Rules of Civil Procedure, to retain its own counsel, to present evidence and cross-examine witnesses, to purchase a stenographic record of the proceedings, and to submit post-hearing briefs. In reaching his/her decision, the arbitrator shall have no authority to add to, detract from, or otherwise modify any provision of this Agreement. The arbitrator shall submit with the award a written opinion which shall include findings of fact and conclusions of law. Judgment upon the award rendered by the arbitrator may be entered in any court having competent jurisdiction.

c) Effect of Arbitrator's Decision; Arbitrator's Fees.

The decision of the arbitrator shall be final and binding between the parties as to all claims which were or could have been raised in connection with the dispute, to the full extent permitted by law. In all cases in which applicable federal law precludes a waiver of judicial remedies, the parties agree that the decision of the arbitrator shall be a condition precedent to the institution or maintenance of any legal, equitable, administrative, or other formal proceeding by the Executive in connection with the dispute, and that the decision and opinion of the arbitrator may be presented in any other forum on the merits of the dispute. If the arbitrator finds that the Executive was terminated in violation of law or this Agreement, the parties agree that the arbitrator acting hereunder shall be empowered to provide the Executive with any remedy available should the matter have been tried in a court, including equitable and/or legal remedies, compensatory damages and back pay. The arbitrator's fees and expenses and all administrative fees and expenses associated with the filing of the arbitration shall be borne by the non-prevailing party.

14) Assignment.

The Company shall have the right to assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any corporation or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said corporation or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. The Executive may not assign or transfer this Agreement or any rights or obligations hereunder.

15) Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to principles of conflict of laws.

16) Jurisdiction and Venue.

The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Miami, Florida, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the parties irrevocably and unconditionally (i) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement which is expressly permitted by the terms of this Agreement to be brought in a court of law, shall be brought in the courts of record of the State of Florida in Miami-Dade County or the court of the United States; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it or he may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (iv) agrees that service of any court papers may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in such courts.

17) Survival.

The respective rights and obligations of the parties hereunder shall survive any termination of the Executive's employment hereunder, including without limitation, the Company's obligations under Article 6 and the Executive's obligations under Article 7 above, and the expiration of the Term of Employment, to the extent necessary to the intended preservation of such rights and obligations.

18) Notices.

All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered by courier, sent by registered or certified mail, return receipt requested or sent by confirmed facsimile transmission addressed as set forth herein. Notices personally delivered, sent by facsimile or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given upon the earlier of receipt by the addressee, as evidenced by the return receipt thereof, or three (3) days after deposit in the U.S. mail. Notice shall be sent (i) if to the Company, addressed to 2829 Bird Avenue, Suite 12, Miami, FL 33133 Attention: Robert Miller and (ii) if to the Executive, to his address as reflected on the payroll records of the Company, or to such other address as either party shall request by notice to the other in accordance with this provision.

19) Benefits; Binding Effect.

This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where permitted and applicable, assigns, including, without limitation, any successor to the Company, whether by merger, consolidation, sale of stock, sale of assets or otherwise.

20) Right to Consult with Counsel; No Drafting Party.

The Executive acknowledges having read and considered all of the provisions of this Agreement carefully, and having had the opportunity to consult with counsel of his own choosing, and, given this, the Executive agrees that the obligations created hereby are not unreasonable. The Executive acknowledges that he has had an opportunity to negotiate any and all of these provisions and no rule of construction shall be used that would interpret any provision in favor of or against a party on the basis of who drafted the Agreement.

21) Severability.

The invalidity of any one or more of the words, phrases, sentences, clauses, provisions, sections or articles contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses, provisions, sections or articles contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, provisions or provisions, section or sections or article or articles had not been inserted. If such invalidity is caused by length of time or size of area, or both, the otherwise invalid provision will be considered to be reduced to a period or area which would cure such invalidity.

22) *Waivers.*

The waiver by either party hereto of a breach or violation of any term or provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation.

23) *Damages; Attorneys Fees.*

Nothing contained herein shall be construed to prevent the Company or the Executive from seeking and recovering from the other damages sustained by either or both of them as a result of its or his breach of any term or provision of this Agreement. In the event that either party hereto seeks to collect any damages resulting from, or the injunction of any action constituting, a breach of any of the terms or provisions of this Agreement, then the party found to be at fault shall pay all reasonable costs and attorneys' fees of the other.

24) *Waiver of Jury Trial.*

The Executive hereby knowingly, voluntarily and intentionally waives any right that the Executive may have to a trial by jury in respect of any litigation based hereon, or arising out of, under or in connection with this Agreement and any agreement, document or instrument contemplated to be executed in connection herewith, or any course of conduct, course of dealing statements (whether verbal or written) or actions of any party hereto.

25) *No Set-off or Mitigation.*

The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement.

26) *Section Headings.*

The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

27) *No Third Party Beneficiary.*

Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person other than the Company, the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

28) *Counterparts.*

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument and agreement.

29) Indemnification.

- a) Subject to limitations imposed by law, the Company shall indemnify and hold harmless the Executive to the fullest extent permitted by law from and against any and all claims, damages, expenses (including attorneys' fees), judgments, penalties, fines, settlements, and all other liabilities incurred or paid by him in connection with the investigation, defense, prosecution, settlement or appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and to which the Executive was or is a party or is threatened to be made a party by reason of the fact that the Executive is or was an officer, employee or agent of the Company, or by reason of anything done or not done by the Executive in any such capacity or capacities, provided that the Executive acted in good faith, in a manner that was not grossly negligent or constituted willful misconduct and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The Company also shall pay any and all expenses (including attorney's fees) incurred by the Executive as a result of the Executive being called as a witness in connection with any matter involving the Company and/or any of its officers or directors.
- b) The Company shall pay any expenses (including attorneys' fees), judgments, penalties, fines, settlements, and other liabilities incurred by the Executive in investigating, defending, settling or appealing any action, suit or proceeding described in this Article 27 in advance of the final disposition of such action, suit or proceeding. The Company shall promptly pay the amount of such expenses to the Executive, but in no event later than 10 days following the Executive's delivery to the Company of a written request for an advance pursuant to this Article 27, together with a reasonable accounting of such expenses.
- c) The Executive hereby undertakes and agrees to repay to the Company any advances made pursuant to this Article 27 if and to the extent that it shall ultimately be found that the Executive is not entitled to be indemnified by the Company for such amounts.
- d) The Company shall make the advances contemplated by this Article 27 regardless of the Executive's financial ability to make repayment, and regardless whether indemnification of the Indemnitee by the Company will ultimately be required. Any advances and undertakings to repay pursuant to this Article 27 shall be unsecured and interest-free. The provisions of this Article 27 shall survive the termination of the Term of Employment or expiration of the term of this Agreement.
- e) The provisions of this Article 27 shall survive the termination of the Term of Employment or expiration of the term of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

COMPANY:
EXECUTIVE:

Sonnen Corporation

Vladimir Kopylov

By: /s/ Robert Miller
Name: Robert Miller
Title: President

/s/ Vladimir Kopylov
Vladimir Kopylov

**EXHIBIT A
FORM OF RELEASE**

GENERAL RELEASE OF CLAIMS

Vladimir Kopylov (“Executive”), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for the consideration received pursuant to Articles 6(c) (in the case of Disability), Articles 6(e) or 6(f) (other than the Accrued Obligations) of the Employment Agreement to which this release is attached as Exhibit A (the “Employment Agreement”), does hereby release and forever discharge Sonnen Corporation (the “Company”), its subsidiaries, affiliated companies, successors and assigns, and its current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the “Released Parties”) from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Executive’s employment or termination thereof, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Executive acknowledges that the Company encouraged him to consult with an attorney of his choosing, and through this General Release of Claims encourages him to consult with his attorney with respect to possible claims under the Age Discrimination in Employment Act (“ADEA”) and that he understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Executive expressly waives any and all claims under ADEA that he may have as of the date hereof. Executive further understands that by signing this General Release of Claims he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any actions to enforce rights arising under, or any claim for benefits which may be due Executive pursuant to, the Employment Agreement, (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification rights Executive may have as a former officer or director of the Company or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors’ and officers’ liability policy maintained by the Company or its subsidiaries or affiliated companies in accordance with the terms of such policy, and (v) any rights as a holder of equity securities of the Company.

Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that he will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Executive pursuant to paragraph 1 hereof (a “Proceeding”); provided, however, Executive shall not have relinquished his right to commence a Proceeding to challenge whether Executive knowingly and voluntarily waived his rights under ADEA.

Executive hereby acknowledges that the Company has informed him that he has up to twenty-one (21) days to sign this General Release of Claims and he may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. Executive also understands that he shall have seven (7) days following the date on which he signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company.

Executive acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the State of Florida applicable to contracts made and to be performed entirely within such State.

Executive acknowledges that he has read this General Release of Claims, that he has been advised that he should consult with an attorney before he executes this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

This General Release of Claims shall take effect on the eighth day following Executive's execution of this General Release of Claims unless Executive's written revocation is delivered to the Company within seven (7) days after such execution.

_____, 20__

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT, dated for reference the 5th day of August 2009, between Simple Tech, Inc. (the "Company") and Backend Technologies, LLC, a Florida Limited Liability Company (the "Consultant").

WHEREAS, Company wishes to engage the services of the Consultant to act as a consultant for Company and, the Consultant has agreed to accept such engagement on the terms and conditions set out herein.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. APPOINTMENT

Company hereby agrees to retain the Consultant and the Consultant agrees to work for Company, all in accordance with the terms and provisions of this Agreement.

2. SERVICES

The Consultant shall provide investor relations, project management and strategic consulting services in the following areas including, but not limited to: investor and media relations strategy development; story and message development; corporate and investor website development; material announcement composition; investor relations related vendor management; strategic business consulting; and other related consulting activities that may be required or assigned to Consultant from time to time.

3. TERM

The initial term of this Agreement shall be three (3) months commencing on August 5, 2009, and ending on November, 2009, (the "Initial Term").

4. REMUNERATION

The Consultant shall receive from the Company a fee of one hundred fifty thousand dollars (\$150,000) (the "Fee") for services.

5. EXPENSES

The Company shall reimburse the Consultant on demand for all extraordinary expenses and other disbursements, including but not limited to, travel, entertainment, mailing, printing and postage incurred by the Consultant on behalf of Company in connection with the performance of the consulting services pursuant to this Agreement. Extraordinary expenses and other disbursements, exceeding two hundred fifty dollars (\$250.00), shall have the Company's preapproval in writing.

6. TERMINATION

Either party may terminate this Agreement by giving notice to the other party in writing thirty (30) days prior to the effective date of such termination. Any compensation called for under this Agreement through the termination date shall be paid by Company to Consultant.

7. CONFIDENTIALITY

The Consultant agrees that he shall not, either during the Term or at any time thereafter, disclose to any person, any confidential information concerning the business or affairs of Company which the Consultant may have acquired in the course of or incidental to the performance of obligations hereunder or otherwise, and the Consultant shall not directly or indirectly use (whether for his own benefit or to the detriment or intended detriment of Company) any confidential information he may acquire with respect to the business or affairs of Company. All such information shall be held by the Consultant in trust for Company for the sole benefit of Company.

8. INDEMNIFICATION

a. The Client agrees to indemnify and hold harmless the Consultant and each partner, officer, director and controlling person of the Consultant against any losses, claims, damages, liabilities and/or expenses (including any legal or other expenses reasonably incurred in investigating or defending any action or claim in respect thereof) to which the Consultant or such partner officer, director or controlling person may become subject, including those under the Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended, because of actions of the Client or its agent, Client's material publicly available to the Consultant, or material provided to Consultant by Client for use by Consultant in its performance under this Agreement.

b. The Consultant agrees to indemnify and hold harmless the Client and each officer, director and controlling person of the Client against any losses, claims, damages, liabilities and/or expenses (including any legal or other expenses reasonably incurred in investigating or defending any action or claim in request thereof) to which the Client or such officer, director or controlling person may become subject, including those under the Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended, because of actions of the Consultant or its agent(s).

9. INDEPENDENT CONTRACTORS

The relationship between the parties is that of independent contractors only, and nothing in this Agreement shall be construed as creating a master - servant or partnership relationship between the parties. In addition, the parties agree that this Agreement may not be assigned in whole or in part by the Consultant or Company.

10. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

11. NOTICES

Any notice required or permitted to be given under this Agreement shall be considered to be sufficient if in writing and delivered to the address below-noted of the party being notified:

a. If to the Company:

Simple Tech, Inc.
2829 Bird Ave., Suite 12
Miami, FL 33133

b. If to the Consultant:

Backend Technologies, LLC
440 N. Luna Ct.
Hollywood, FL 33021

12. ARBITRATION

All matters and differences in relation to this Agreement shall be referred to arbitration by a single arbitrator if the parties agree on one, and otherwise to three (3) arbitrators, one to be appointed by each party and a third to be chosen by the first two appointed with the arbitration proceeding and any hearing thereon being held in Miami, Florida. Any award or determination of such arbitrator or arbitrators shall be final and binding.

13. ENTIRE AGREEMENT

This Agreement contains the entire agreement of the parties and may be modified only by agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as indicated below.

SIMPLETECH, INC.

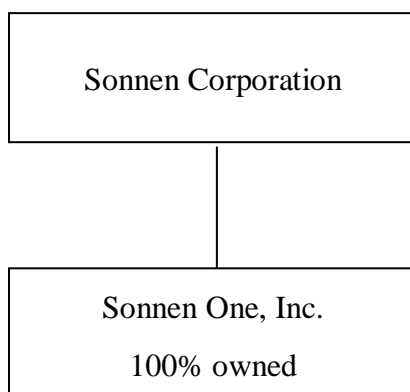
By: /s/ Robert Miller
Robert Miller, CEO

Agreed to and accepted by:

BACKEND TECHNOLOGIES, LLC

By: /s/ Jason Thaler
Jason Thaler, Managing Member

SUBSIDIARIES OF SONNEN CORPORATION



CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14 OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION
302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Miller, certify that:

1. I have reviewed this report on Form 10-Q of Sonnen Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls 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 controls over financial reporting.

Date: November 23, 2009

/s/ Robert Miller
Robert Miller
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14 OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION
302 OF THE SARBANES-OXLEY ACT OF 2002

I, Costas Takkas, certify that:

1. I have reviewed this report on Form 10-Q of Sonnen Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls 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 controls over financial reporting.

Date: November 23, 2009

/s/ Costas Takkas
Costas Takkas
Chief Financial Officer

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

In connection with the report on Form 10-Q of Sonnen Corporation for the quarterly period ended September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof, I, Robert Miller, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this report fairly presents, in all material respects, the financial condition of the registrant at the end of the period covered by this report and results of operations of the registrant for the period covered by this report.

Date: November 23, 2009

/s/ Robert Miller
Robert Miller
Chief Executive Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the report on Form 10-Q of Sonnen Corporation for the quarterly period ended September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof, I, Costas Takkas, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (3) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (4) The information contained in this report fairly presents, in all material respects, the financial condition of the registrant at the end of the period covered by this report and results of operations of the registrant for the period covered by this report.

Date: November 23, 2009

/s/ Costas Takkas
Costas Takkas
Chief Financial Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.