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

FORM 10-K

(Mark One)
☑ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended **June 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**

SIMPLE TECH, INC.

(Exact name of registrant as specified in its charter)

Nevada	**98-0514037**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2829 Bird Avenue, Suite 12, Miami, Florida 33133
(Address of principal executive offices) (Zip Code)

(305) 529-4888
(Issuer's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: none.

Securities registered under Section 12(g) of the Exchange Act: common stock (title of class), $0.0001 par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933: Yes ☐ No ☑.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act: Yes ☐ No ☑.

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 if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐.

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: 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 ☐.

The aggregate market value of the registrant's common stock, $0.0001 par value (the only class of voting stock), held by non-affiliates (17,168,000 shares) was $3,433,600 based on the closing price ($0.20) for the common stock on July 31, 2009.

At July 31, 2009, the number of shares outstanding of the registrant's common stock, $0.0001 par value (the only class of voting stock), was 67,168,000.

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PART I

ITEM 1. BUSINESS

As used herein the terms "Simple Tech," "we," "our," "us," "it," and "its" refer to Simple Tech, Inc., and its subsidiary unless context indicates otherwise.

Corporate History

Simple Tech, Inc. was incorporated in the State of Nevada on November 16, 2006. We are a development stage company that has not generated revenue since inception.

During the year ended June 30, 2009 our operations focused on the provision of a website for basic computer maintenance and troubleshooting assistance. Our business plan was to develop a bridge to allow customers to contact computer technicians for assistance with basic computer needs. Our computer technicians would have operated as independent consultants from whom we were planning to generate revenues by charging a commission on services sold on the website. We were unable to realize our objectives and ultimately decided to discontinue our activities related to the provision of website based services.

Prior to the year ended June 30, 2009 we initiated a search to identify other businesses for development, merger or acquisition.

On July 27, 2009 Simple Tech and its wholly owned subsidiary, Sonnen Corporation ("Sonnen") executed a Licensing Agreement with P.T. Group, Ltd., 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 shares of our common stock, 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.

Our office is located at 2829 Bird Avenue, Suite 12, Miami, Florida, 33133, and our telephone number is (305) 529-4888. Our registered agent is Eastbiz.com, Inc., located at 5348 Vegas Drive, Las Vegas, Nevada, 89108.

Simple Tech is listed on the Over the Counter Bulletin Board under the symbol "SIMP."

Simple Tech

An Overview

Simple Tech has licensed the rights to a novel heterogeneous catalytic process consisting of specific materials and proprietary material combinations. The catalytic process is currently utilized in a great many industrial processes and applications including fuel cells. This technology exhibits extremely high power efficiencies at a cost lower than conventional fuel cells that could transition our hydrocarbon based economy to hydrogen without the immediate burden of building a new fuel delivery infrastructure.

Fuel cells convert fuel into electricity and heat without combustion, or noise, more efficiently than the internal combustion engine, using a variety of hydrocarbon fuel sources (gasoline, natural gas or diesel) as well as hydrogen. Simple Tech technology will significantly expand the operational parameters of fuel cells in general. Our fuel cells will directly utilize either common hydrocarbon fuels or hydrogen to produce electrical energy by an electrochemical reaction while differing fundamentally from existing fuel cells in manufacturing cost, design, materials, working mechanism and attainable parameters.

Most fuel cells use expensive rare earth or noble metals in their construction. These materials activate well with pure hydrogen, but become corrupted in the presence of catalyst pollutants common to hydrocarbon fuels. Expensive and bulky fuel reformers, scrubbers and complex pressurized systems, which greatly increase the footprint and capital costs of a fuel cell system, must be employed before fuel cells can utilize existing fossil fuel streams. The extra size, additional equipment and bulk make most fuel cells too large and too expensive for transport, small stationary power and other applications.

Mass commercialization of existing fuel cells relies on the development and implementation of a hydrogen delivery infrastructure. This creates technical problems that include the storage, compression, and safe delivery of hydrogen, in addition to costs associated with developing and building a new infrastructure. Simple Tech's technology does not rely on the implementation of a hydrogen delivery infrastructure to become viable.

All current fuel cell technologies suffer from significant levels of degradation of materials over time. Electrical efficiencies are high in early stages of use however degradation over relatively short periods of time requires expensive replacement. Our technology based fuel cells have shown no significant degradation in accelerated testing equivalent to more than 35,000 hours.

The simple design of our fuel cells embodies advanced materials with higher efficiencies that simplify the manufacturing process and overcome the obstacles to mass commercialization.

The Technology

Simple Tech has licensed a novel heterogeneous catalytic process consisting of specific materials and proprietary material combinations. This catalytic process is currently utilized in a great many industrial processes and applications including fuel cells.

Our technology includes materials and devices for a unique Non-Faraday Ceramic Fuel Cell, for which no similar technology has been identified. Moderate operating temperatures allow the use of stainless steel couplers and connectors. The Non-Faraday Ceramic Fuel Cell utilizes a solid oxide ceramic electrolyte, is made of inexpensive components and is resistant to fouling in the presence of hydrocarbon pollutants thus eliminating the use of costly fuel scrubbers and reformers. Both hydrogen and hydrocarbon fuels can be utilized directly. The device's ceramic substrate exhibits very large diffusion coefficients for oxygen resulting in much higher conductivity potentials—2-3 orders of magnitude higher than other known fuel cells. No noble metals or high cost materials are used thereby greatly reducing per kW production costs. Simple Tech Non-Faraday Ceramic Fuel Cells operate efficiently under normal atmospheric pressure with a demonstrated life span of >35,000 hrs under accelerated testing.

The Advantages

Heterogeneous catalysis is utilized extensively in world wide industry in many applications. In particular we expect that our Non-Faraday Ceramic Fuel Cells will exhibit efficiencies far above any known fuel conversion device resulting in a higher power density that should drive down the cost per kWh generated over conventional devices. The manufacture of our fuel cells is expected to be substantially cheaper than the alternatives due to our use of cheaper materials based on a simplified system configuration. We believe that the application of our fuel cells will constitute a truly transitional technology that runs on either hydrocarbon or hydrogen fuel so as not to require the capital cost of building a new fuel infrastructure in advance of commercialization. Our fuel cells will be designed for scalability to allow product adaptation for a range of uses without creating a significant carbon footprint. Like conventional fuel cells, our fuel cells will produce emissions of water and small amounts of carbon dioxide, but will not foul or deactivate in the presence of common hydrocarbon pollutants.

The Market

Catalysis is the key to both life and lifestyle. It is an essential technology for chemical and materials manufacturing, for fuel cells and other energy conversion systems, for combustion devices, and for pollution control systems which greatly impact everyone on our planet. Without catalysts and catalytic technologies, the ease of transportation and the ready access to all of the materials needed for our daily lives would not be possible.

The economic contribution from catalysis is as remarkable as the phenomenon itself. Four pillars of the world's economy - petroleum, energy production, chemicals production, and the food industry; together account for more than 10 trillion dollars of the world's GNP, and all are critically dependent on the use of catalysts. Estimates are that catalysis contributes to greater than 35% of global GDP [North American Catalysis Society].

Simple Tech has licensed a breakthrough catalysis system that will significantly reduce expense, simplify manufacturing, and improve performance in a multitude of commercial and industrial applications. These catalyst materials are manufactured from inexpensive ceramics and components that exhibit catalytic properties more advantageous than those utilizing platinum which deactivates in the presence of common fuel pollutants. Currently, more than 20% of all consumer goods rely on catalytic reactions that utilize platinum. Examples include: petroleum cracking and reforming, hard disk drives, anti-cancer drugs, fiber-optic cables, LCD displays, eyeglasses, fertilizers, explosives, paints, pacemakers and fuel cells. Simple Tech expects that its catalysis system will be able to replace platinum in most, if not all, of these applications, and may have additional applications.

Simple Tech has chosen to concentrate development initially in the global fuel cell market. The design and operation of the new Simple Tech fuel cell is unlike any other and will be cheaper, lighter and simpler than other fuel cell systems. Existing catalysts deactivate quickly and are expensive to operate—the Simple Tech catalysis system exhibits superior robustness, greatly enhanced efficiencies and can be built for a fraction of the cost. We intend to raise $1.5 - $2.0 million in start-up capital. The capital will allow us 15 months of runway to hit product and manufacturability milestones, file patents, and manufacture an initial prototype fuel cell.

Simple Tech fuel cells will directly utilize either common hydrocarbon fuels or hydrogen to produce electrical energy by an electrochemical reaction. The ability to directly utilize available hydrocarbon fuel streams until hydrogen becomes readily available means that these devices will be positioned to enter the market quickly as a viable and competitive green alternative.

Within the fuel cell industry we have identified the following markets where we believe our unique fuel cells will deliver the largest benefits in the near term as residential cogeneration, commercial cogeneration, and catalytic converters. Over the longer term we plan to develop the technology for applications such as carbon-catalyzed fuel cells (solid fuel), energy storage devices and automotive power systems.

Residential Cogeneration

We intend to manufacture and provide small (up to ~ 15 kW) fuel cell units to remote and residential customers in test markets that will target both grid–independent and grid-connected customers. The former will enjoy less expensive initial customer wire-up costs as well as less expensive operations and maintenance costs; the later will benefit from the creation of a decentralized production grid in which multiple, small fuel cell users will produce electricity sufficient for internal use and provide excess back to grid for compensation from the utility provider (a practice called "load sharing"). Grid-connected customers can utilize low cost fuel cells as their primary power source or backup and still use distributed utility power for their secondary power needs.

Commercial Cogeneration

We intend to manufacture and provide medium and large sized (>15 kW) fuel cell units to remote and residential customers in test markets that will target both grid–independent and grid-connected customers. Since our fuel cells will operate at moderate temperatures, excess heat will permit the adoption of efficient cogeneration systems. We expect that our fuel cell will have the highest efficiencies of any power generation system available and be ideal for stationary power generation up to 100 MW capacity range.

The market potential for commercial cogeneration is large, but in the near term, demand will likely be focused in areas with high electricity costs and government subsidies, with an emphasis on locations where byproducts of the manufacturing process can power the fuel cell.

Catalytic Converters

The licensed technology exhibits catalytic properties more advantageous than those utilizing platinum. By substituting our catalytic system made of inexpensive ceramics for existing systems relying on platinum, rhodium and palladium, we will be able to cut material costs dramatically. Like conventional automotive catalysts, our materials should speed up chemical reactions of pollutants such as nitrogen oxide, carbon monoxide and hydrocarbons, to create non-toxic emissions. However, our materials do not foul in the presence of pollutants, and this fact alone should result in longer operating life.

Carbon-Catalyzed Fuel Cells

We expect to manufacture carbon-catalyzed fuel cells that will allow us to utilize coal, coke, char, or a non-fossilized source of carbon as a fuel in a galvanic fuel element. The coal (or other solid fuel) would comprise a consumable portion of the anode and would be directly catalyzed—no reforming necessary. The cathode, electrolyte and ceramic portion of the anode would be utilized as oxygen molecule generators providing the charge carrier. The cell would produce energy by combining carbon and oxygen, which would release carbon dioxide and waters as its only by-products. The carbon-catalyzed fuel cell would not rely on combustion. Moreover, as the fuel cell would operate under normal atmospheric pressure and below 700 degrees Celsius, nitrogen oxide emissions would be eliminated (NOx forms at temperatures above 1,600 C).

We expect that carbon-catalyzed fuel cells will achieve the same electric efficiency as our fuel cells powered by liquid and gaseous fuels. Further, due to the higher charge state of the carbon atoms, the current density at the carbon anode is doubled compared to hydrogen gas molecules, giving it a beneficial energy to weight ratio.

Energy Storage Devices

Energy storage devices cover a variety of operating conditions, loosely classified as 'energy applications' and 'power applications.' Energy applications discharge the stored energy relatively slowly and over a long duration. Power applications discharge the stored energy quickly at high rates [Alternative Energy Storage: John Peterson, DEC 2008].

Energy storage is an enabling technology for the clean energy revolution. Energy storage is utilized to smooth out the peaks and valleys in wind and solar power, maximize the savings from hybrid electric vehicles (HEVs), provide greatly improved performance (acceleration) for automotive fuel cells and reduce the end-user cost of other clean energy solutions. Simple Tech expects to develop and offer low cost, highly efficient and inexpensive energy storage devices in both energy and power applications.

Automotive Power Systems

Transportation fuel cells have always been a key end goal for the fuel cell industry based on the large market size and the potential ability to reduce tailpipe emissions and reduce dependence on foreign oil.

We may choose to sub-license our licensed technology to automotive, trucking, public transportation, and shipping for their specific applications. Initial and follow-on improvements of the licensed technology will be provided based upon applicable uses resulting from ongoing research and development at our laboratories. We plan to work in concert with transportation manufacturers, developers, and designers to ensure that our research in this area leads to better size/cost-performance.

Preliminary tests show that our fuel cells are expected to efficiently generate high power densities, thereby making the technology attractive for mobile applications. For vehicular applications, it is estimated that one of our 220 hp (~180 kW) fuel cells would occupy less than 3 cubic feet of volume. Our fuel cells are expected to be 2.5 to three times more fuel efficient than current technology at a fraction of the weight that could immediately utilize existing hydrocarbon fuel streams. Our ability to use existing infrastructure provides us with a huge advantage in the race to mass commercialize fuel cells. The licensed technology is ideal for transitioning us to the hydrogen economy of the future. Similar benefits are projected for the use of our fuel cells in trucking, public transportation and shipping.

The Business Model

We plan to market our products in multiple markets as both an original equipment manufacturer (OEM) and by possibly sub-licensing specific applications of the technology to manufacturers in various targeted industries. We intend to hire fuel cell industry veterans to enable large scale manufacturing of our fuel cells. We will also work with select application development partners to manufacture end-user products incorporating our fuel cells and other products.

The Development Stage

P.T. Group, Ltd initiated a 7-phase development plan. The first four of those stages have been successfully completed. We are engaged in the final three stages of that plan devoted to materials optimization and engineering for the development of commercial prototypes.

The Patent Work

We are currently preparing multiple patents based on the licensed technology for review and submission to the U.S. Patent Office. We will apply for additional patents as we continue to develop and optimize the licensed technology.

Tax Incentives and Other Support for Fuel Cells

The U.S. government currently maintains a 30% capital or $1,000 per kW investment tax credit in support of fuel cells. Additionally, firms can adopt a five-year decelerated depreciation schedule (typical fuel cell system life of 20 years). California currently provides a $4,500 kW subsidy for biogas powered fuel cells and a $2,500 kW subsidy for natural gas powered fuel cell units. Over half of U.S. states have financial incentives to support fuel cell installation. In fact, the South Coast Air Quality Management District in southern California and regulatory authorities in both Massachusetts and Connecticut have exempted fuel cells from air quality permitting requirements. Some states have portfolio standards or earmarked funds for fuel cells. Additionally, there are major fuel cell programs in New York (NYSERDA), Connecticut (Connecticut Clean Energy Fund), Ohio (Ohio Development Department), and California (California Energy Commission). Certain states have favourable policies that improve the economics of fuel cell projects. For example, some states have net metering for fuel cells which obligates utilities to deduct any excess power produced by fuel cells from the customer's bill.

Dependence on Major Customers

We have no customers at this time. However, if and when we begin to manufacture devices utilizing the licensed technology, we do not expect to be dependent on a few major customers due to the broad range of possible applications.

Competition

The fuel cell industry is highly fragmented by competing technologies employed by many companies seeking to develop the standard for the industry. The competitors include public companies focused on developing fuel cell technologies as well as a number of electronics manufacturers, automotive manufacturers and conglomerates such as General Electric. While fuel cell research and development has been ongoing for some time, in most cases fuel cell technology has not been able to supplant existing technology due to higher fabrication costs and performance issues, and consequently up to this point the industry in general has yielded little revenue. Since our business model focuses initially on the development and manufacture of fuel cells, we intend to compete broadly with all companies that produce power generation devices.

There are many companies offering fuel cells in both the transportation and stationary markets. Bloom Energy Inc. ("Bloom") and Ballard Power Systems, Inc ("Ballard") are two such companies.

Bloom is developing an alternative fuel cell system and has raised $250 million in capital to develop energy generators for homes and businesses that utilize hydrocarbon solid-oxide fuel cells. The 5 KWh Bloom cell is apparently highly functional. Tests conducted at the University of Tennessee in Chattanooga indicated that a Bloom cell ran on natural gas for 6,000 hours with at efficiency twice as good as a boiler burning natural gas, and with 60 percent lower carbon emissions. The Bloom cell can produce electricity using natural gas or a variety of liquid fuels, including ethanol.

Ballard installed 201 solid-oxide fuel cell units in 2005, 315 units in 2006, and 400 in 2007 as part of a subsidized Japanese residential program. Japan's high electricity costs and public support of alternative energy and technology have been the catalysts behind the government's multi million dollar subsidies to replace hot water boilers in Japanese homes with integrated fuel cell systems that provide base-load electricity and hot water. The Ballard units are run on natural gas, reducing demand for high cost grid electricity. Ballard believes it is on track to achieve targets of an impressive 40,000 hour fuel cell lifetime.

Despite the existence of these and other competitors we believe that our licensed technology will successfully compete against existing fuel cell technologies due to the following factors:

- Greater Power Generation: Our fuel cells are expected to exhibit efficiencies far above any known fuel conversion device resulting in higher power density and driving down the cost per KWh generated.

- Lower Cost Manufacturing and Materials: Our fuel cells are expected to be substantially cheaper to manufacture due to the use of less expensive materials and a simplified system configuration.

- Transitional Technology: Our fuel cells will run on either hydrocarbon or hydrogen fuel so are not to require the construction of additional fuel infrastructure prior to commercialization.

- Multitude of Market Applications: A flexible, scalable design should allow our licensed technology to be adapted to various uses.

- Environmental Benefits: Moderate operating temperatures without combustion mean that no nitrogen oxide (NOx) emissions will be formed even when directly utilizing hydrocarbon fuels.

Marketability

When and if Simple Tech develops a fuel cell based on the licensed technology, it will initially target regions with high electricity costs, like the New England states, Pacific states (primarily California), Alaska, and Hawaii for its residential and commercial markets subject to the availability of given fuel sources in combination with the optimization of active components.

Residential Power Market Size

As of 2005, there were more than 108 million homes in the United States: 56M utilized natural gas, 9.3M used fuel oil and 6.2M utilized liquefied petroleum gasses (i.e. propane) for heating. In addition, 34M households utilized electricity for heating and cooling. All together, these major users account for 97.5% of the energy usage for heating in the US and all are potential customers for Simple Tech.

The market for residential power is large because natural gas will be needed to power our fuel cells and more than half of all homes in the United States use natural gas for heating and appliances. The cost of electricity from our natural gas-fuelled residential fuel cell systems is expected to compare favourably to the cost of electricity from the grid. Our residential fuel cell systems will offer home-building contractors and homeowners the opportunity to build developments or individual homes powered by convenient, efficient and environmentally friendly fuel cells rather than by the electric grid.

Additionally, there are nearly two billion people worldwide without electricity and many countries have centralized electric power infrastructures that are unreliable and outdated. Many of these developing countries do not have the means to build or upgrade large, central power generation plants and accompanying transmission and distribution networks to serve a broad customer base. These countries may selectively purchase and deploy fuel cell systems to supply electricity where it is most needed as an alternative to major capital investment.

Commercial Power Market Size

Latest available statistics show that there were 4.8M commercial buildings in the United States as of 2003 with an average energy expenditure of more than $22,000 per building. The major sources of energy were electricity 75%, natural gas 15%, district heat 6.7%, fuel oil 1.7%). The licensed technology should prove a viable replacement for each of the above sources, especially in areas where waste heat has value.

The market potential for commercial cogeneration is large as we focus on areas with high electricity costs and government subsidies. We will place particular emphasis on locations where by-products of the manufacturing process can power fuel cells, like wastewater treatment centers and natural gas letdown stations.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements and Labour Contracts

We are currently preparing multiple patents for submission to the U.S. Patent Office in connection with the technology licensed from P.T. Group, Ltd. Additional patents will be applied for as we develop and optimize the technology.

Our technology license requires that we pay royalties of one percent (1%) on revenue related to the licensed technology as well as 25 percent (25%) of any revenue received from sub-license agreements to P.T. Group, Ltd.

We have no patents, trademarks, licenses, franchises, concessions, or labour contracts.

Governmental and Environmental Regulation

Our operations remain subject to a variety of national, federal, state and local laws, rules and regulations relating to, among other things, worker safety and the use, storage, discharge and disposal of environmentally sensitive materials. We are in full compliance with the Resource Conservation Recovery Act ("RCRA"), the key legislation dealing with hazardous waste generation, management and disposal. Nonetheless, under some of the laws regulating the use, storage, discharge and disposal of environmentally sensitive materials, an owner or lessee of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in, or emanating from, such property, as well as related costs of investigation and property damage. Laws of this nature often impose liability without regard to whether the owner or lessee knew of, or was responsible for, the presence of hazardous or toxic substances.

We do not generate dangerous waste products and are not aware of any waste management concerns in connection with our operations. We believe that we are in compliance in all material respects with all laws, rules, regulations and requirements that affect our business. Further, we believe that compliance with such laws, rules, regulations and requirements does not impose a material impediment on our ability to conduct business.

Research and Development

We are involved in fabrication and analysis work at 4D Labs (www.4dlabs.ca), an applications and science-driven research centre of Simon Fraser University, located in British Columbia, Canada. 4D Labs offers us the use of state-of-the-art equipment for academic, industrial and government researchers. We are also in the process of conducting verification of the properties of our material and characterization of our cell performance at applied research governmental organizations.

Employees

As of July 31, 2009 we have 7 full-time employees and consultants including two executive officers who work on a full-time basis. We have also engaged a full time technology consultant and expect to engage several additional technology consultants in the near term. We use additional consultants, attorneys, and accountants as necessary in addition to professional engineers to assist in the development of our business.

Reports to Security Holders

Simple Tech's annual report contains audited financial statements. We are not required to deliver an annual report to security holders and will not automatically deliver a copy of the annual report to our security holders unless a request is made for such delivery. We file all of our required reports and other information with the Securities and Exchange Commission (the "Commission"). The public may read and copy any materials that are filed by the Simple Tech with the Commission at the Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The statements and forms filed by us with the Commission have also been filed electronically and are available for viewing or copy on the Commission maintained Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission. The internet address for this site can be found at *www.sec.gov*.

ITEM 1A. RISK FACTORS

Simple Tech'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 Simple Tech'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 $60,945 at June 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 Simple Tech 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 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.

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, Ltd. we are 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. 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 Simple Tech 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 Simple Tech is exposed to liability claims, its 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. Simple Tech is currently unaware of any introduced or proposed bills, or policy, that may cause any specific changes to its 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 Simple Tech, 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 Simple Tech's 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 its business.

The research and development required to commercialize products requires significant investment and innovation to keep pace with technological developments. Should Simple Tech fail to anticipate or respond adequately to technological developments, or if Simple Tech experiences significant delays in product development, its products may become obsolete. Should Simple Tech's 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.

Simple Tech 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 favourable 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 favourable 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 Simple Tech'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 Simple Tech's shares in an orderly and timely manner.

We do not pay cash dividends.

Simple Tech 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 are not considered effective, 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. As we have found material weaknesses in our internal controls, we are unable to assert that our internal controls are effective. As such, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our future stock price to decline. Nonetheless, Simple Tech is committed to implementing effective internal controls over the next twelve months.

Simple Tech's shareholders may face significant restrictions on their stock.

Simple Tech'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;

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 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Simple Tech currently maintains its corporate offices at 2829 Bird Avenue, Suite 12, Miami, Florida 33133 in office space provided by one of our directors at no charge to us. Simple Tech does not believe that it will need to procure additional office at any time in the near future to carry out the plan of operation described herein.

ITEM 3. LEGAL PROCEEDINGS

There are no pending legal proceedings to which Simple Tech is a party or in which any director, officer or affiliate of Simple Tech, any owner of record or beneficially of more than 5% of any class of voting securities of Simple Tech, or security holder is a party adverse to Simple Tech or has a material interest adverse to Simple Tech. Simple Tech's property is not the subject of any pending legal proceedings.

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

During the period ending June 30, 2009, there has not been any matter which was submitted to a vote of Simple Tech's shareholders through the solicitation of proxies or otherwise.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES

Simple Tech's common stock has been quoted on the Over the Counter Bulletin Board, a service maintained by the National Association of Securities Dealers, Inc. under the symbol "SIMP". Trading has been limited and sporadic and the quotations set forth below are not necessarily indicative of actual market conditions. Further, these prices reflect inter-dealer prices without retail mark-up, mark-down, or commission, and may not necessarily reflect actual transactions. The following table sets forth for the periods indicated the high and low bid prices for the common stock as reported each quarterly period since October 29, 2007 on which date our common stock was accepted for quotation. The prices have been adjusted to reflect a ten for one forward split effective May 26, 2009.

High and Low Bid Prices Since Quotation on the OTCBB			
Year	Quarter Ended	High	Low
2009	June 30	$0.35	$0.15
	March 31	$0.15	$0.15
2008	December 31	$0.20	$0.15
	September 30	$0.00	$0.00
	June 30	$0.00	$0.00
	March 31	$0.00	$0.00
2007	December 31	$0.00	$0.00

Capital Stock

The following is a summary of the material terms of the Simple Tech's capital stock. This summary is subject to and qualified by our articles of incorporation and bylaws.

Common Stock

As of July 31, 2009 there were 56 shareholders of record holding a total of 67,168,400 shares of fully paid and non-assessable common stock of the 1,500,000,000 shares of common stock, par value $0.0001, authorized. The board of directors believes that the number of beneficial owners is greater than the number of record holders because a portion of our outstanding common stock is held in broker "street names" for the benefit of individual investors. The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no pre-emptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Preferred Stock

As of July 31, 2009 there were no shares issued and outstanding of the 50,000,000 shares of preferred stock authorized. The par value of the preferred stock is $0.0001 per share. The Simple Tech's preferred stock may have such rights, preferences and designations and may be issued in such series as determined by the board of directors.

Dividends

Simple Tech has not declared any cash dividends since inception and does not anticipate paying any dividends in the near future. The payment of dividends is within the discretion of the board of directors and will depend on our earnings, capital requirements, financial condition, and other relevant factors. There are no restrictions that currently limit Simple Tech's ability to pay dividends on its common stock other than those generally imposed by applicable state law.

Securities Authorized For Issuance under Equity Compensation Plans

Simple Tech had not approved any equity compensation plans as of June 30, 2009.

Warrants

Simple Tech had no warrants to purchase shares of its common stock outstanding as of June 30, 2009.

Stock Options

Simple Tech had no stock options to purchase shares of its common stock outstanding as of June 30, 2009 though it does intend to implement a Stock Option Plan during 2009.

Convertible Securities

Simple Tech had no securities convertible into the shares of its common stock as of June 30, 2009.

Transfer Agent and Registrar

Our transfer agent is Island Capital Management, LLC, d/b/a Island Stock Transfer, located at 100 Second Avenue South, Suite 300, St. Petersburg, Florida, 33701. Their phone number is (727) 289-0010.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On July 27, 2009 Simple Tech's authorized the issuance of 3,360,000 shares of restricted common stock to P.T Group, Ltd., in accordance with the terms and conditions of that certain Licensing Agreement between Simple Tech, its wholly owned subsidiary and PTG Group, Ltd. dated July 27, 2009 in reliance on the exemptions provided by Section 4(2) and Regulation S of the Securities Act.

Simple Tech made this offering based on the following factors: (1) the issuance was an isolated private transaction by Simple Tech which did not involve a public offering; (2) there was only one offeree who was issued Simple Tech's stock as one of the terms and conditions of a licensing agreement; (3) the offeree stated an intention not to resell the stock; (4) there were no subsequent or contemporaneous public offerings of the stock; (5) the stock was not broken down into smaller denominations; and (6) the negotiations that lead to the issuance of the stock took place directly between the offeree and Simple Tech.

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 forgoing. 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.

Simple Tech complied with the requirements of Regulation S by having no directed selling efforts made in the United States, by selling only to an offeree who was outside the United States at the time the licensing agreement was executed, and ensuring that the offeree is a non-U.S. person with an address in a foreign country.

Purchases of Equity Securities made by the Issuer and Affiliated Purchasers

Simple Tech has not repurchased any shares of its common stock during the fiscal year ended June 30, 2009.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this current 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 financial statements and notes thereto included in this current report. Our fiscal year end is June 30.

Discussion and Analysis of the Simple Tech's Plan of Operation

During the year ended June 30, 2009 Simple Tech was involved in (i) developing a website for independent computer technicians from whom we were to generate revenues from commissions on computer support services, (ii) seeking out business opportunities with which to merger or acquire, (iii) winding down our website development, (iv) negotiating a Licensing Agreement between our subsidiary and P.T. Group, Ltd. for the procurement of the licensed technology, and (vi) satisfying continuous public disclosure requirements.

Business Strategy

Simple Tech's plan of operation 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

Simple Tech is in the process of completing a seven-phase development plan for the licensed technology which plan was initiated by P.T. Group, Ld. The first four stages were completed by P.T. Group Ltd. 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 15 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 centre 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 pubic 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 sublicenses will manufacture end user products that incorporate our fuel cells.

Financing

Simple Tech 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 accrued from joint venture relationships and from royalties imposed on sublicenses.

Business Strategy Risks

Simple Tech'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 its technology. Historically, Simple Tech has not generated sufficient cash flow to sustain operations and has 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, Simple Tech 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.

Results of Operations

Net Income/Losses

For the period from inception until June 30, 2009 Simple Tech incurred net losses of $60,945. Net losses for the year ended June 30, 2009 were $9,795 as compared to $45,111 for the year ended June 30, 2008. The decrease in net losses over the comparative periods can be attributed to a decrease in operating expenses. 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 Simple Tech's research and development operations cannot determine whether we will ever generate revenues from operations.

Operating Expenses

Operating expenses for the year ended June 30, 2009 were $9,820 as compared to $45,810 for the year ended June 30, 2008. The decrease in operating expenses is primarily due to a decrease in professional fees. Operating expenses include financing costs, accounting costs, consulting fees, 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)

Simple Tech 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

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

Capital Expenditures

Simple Tech has not spent significant amounts of capital for the period from November 16, 2006 (inception) to June 30, 2009.

Liquidity and Capital Resources

Simple Tech has been in the development stage since inception.

At June 30, 2009 Simple Tech had a working capital surplus of $8,595 and current and total assets of $9,000 that consisted of cash on hand. At June 30, 2009 Simple Tech had current and total liabilities of $405 consisting of accounts payable and accrued expenses.

Stockholders equity in Simple Tech was $8,595 as of June 30, 2009.

For the period from inception until June 30, 2009 Simple Tech's cash flow used in operating activities was $60,540. Cash flows used in operating activities for the year ended June 30, 2009 were $11,390 compared to $43,111 for the year ended June 30, 2008. The cash flow used in operating activities during the current period due to net losses and adjustments from an increase in accounts payable.

For the period from inception until June 30, 2009 Simple Tech had no cash flow used in or provided by investing activities.

For the period from inception until June 30, 2009 Simple Tech's cash flow provided by financing activities was $69,540. There were no cash flows provided by financing activities for the years ended June 30, 2009 or 2008.

Simple Tech's 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. Simple Tech has 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. Simple Tech's 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 Simple Tech has no such agreement formal or otherwise. Simple Tech's inability to obtain funding will have a material adverse affect on its ability to maintain its licensing agreement and effect its plan of operation.

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

Simple Tech had no lines of credit or other bank financing arrangements as of June 30, 2009.

Commitments for future capital expenditures were not material at year-end though subsequent to period end Simple Tech entered into a Licensing Agreement with P.T. Group, Ltd. which agreement obligates Simple Tech to certain future capital expenditures related to research and development.

Simple Tech had no defined benefit plans or contractual commitments with its officers or directors as of June 30, 2009 though subsequent to period end Simple Tech has entered into agreements with certain of its officers and directors.

Simple Tech had no current plans for the purchase or sale of any plant or equipment at year end though subsequent to period end plans are in place to purchase certain equipment in connection with the development of its licensed technology.

Simple Tech has plans to make any changes in the number of employees except as may be required in connection with the development of its licensed technology.

Off Balance Sheet Arrangements

As of June 30, 2009 Simple Tech had no 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 is material to stockholders.

Going Concern

Our auditors have expressed an opinion as to Simple Tech's ability to continue as a going concern as a result of net losses of $60,945 as of June 30, 2009. Simple Tech's ability to continue as a going concern is subject to the ability of Simple Tech to realize a profit and /or obtain funding from outside sources. Management's plan to address Simple Tech's 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 Simple Tech 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 that is required by law.

Stock-Based Compensation

We have adopted 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. In January 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and instead generally requires that such transactions be accounted for using a fair-value-based method. We use the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, Accounting for Stock-Based Compensation. We have elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006, the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123. Prior to the adoption of SFAS No 123R, we measured compensation expense for our employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. We applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of our employee stock options was equal to the market price of the underlying stock on the date of the grant, no compensation expense was recognized.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. 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 as defined by EITF 96-18.

Critical Accounting Policies

In the notes to the audited consolidated financial statements for Simple Tech for the year ended June 30, 2009 and 2008 included in this Form 10-K Simple Tech discussed those accounting policies that are considered to be significant in determining the results of operations and financial position. Simple Tech's management believes that their 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, inventories, intangible assets, warranty obligations, 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.

Recent Accounting Pronouncements

In April 2009, the FASB issued FSP No. FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP FAS 157-4"). FSP FAS 157-4 provides guidance on estimating fair value when market activity has decreased and on identifying transactions that are not orderly. Additionally, entities are required to disclose in interim and annual periods the inputs and valuation techniques used to measure fair value. This FSP is effective for interim and annual periods ending after June 15, 2009. Simple Tech does not expect the adoption of FSP FAS 157-4 will have a material impact on its financial condition or results of operation.

In October 2008, the FASB issued FSP No. FAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active," ("FSP FAS 157-3"), which clarifies application of SFAS 157 in a market that is not active. FSP FAS 157-3 was effective upon issuance, including prior periods for which financial statements have not been issued. The adoption of FSP FAS 157-3 had no impact on Simple Tech's results of operations, financial condition or cash flows.

In December 2008, the FASB issued FSP No. FAS 140-4 and FIN 46(R)-8, "Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities." This disclosure-only FSP improves the transparency of transfers of financial assets and an enterprise's involvement with variable interest entities, including qualifying special-purpose entities. This FSP is effective for the first reporting period (interim or annual) ending after December 15, 2008, with earlier application encouraged. Simple Tech adopted this FSP effective January 1, 2009. The adoption of the FSP had no impact on our results of operations, financial condition or cash flows.

In December 2008, the FASB issued FSP No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" ("FSP FAS 132(R)-1"). FSP FAS 132(R)-1 requires additional fair value disclosures about employers' pension and postretirement benefit plan assets consistent with guidance contained in SFAS 157. Specifically, employers will be required to disclose information about how investment allocation decisions are made, the fair value of each major category of plan assets and information about the inputs and valuation techniques used to develop the fair value measurements of plan assets. This FSP is effective for fiscal years ending after December 15, 2009. Simple Tech does not expect that the adoption of FSP FAS 132(R)-1 will have a material impact on its financial condition or results of operation.

In September 2008, the FASB issued exposure drafts that eliminate qualifying special purpose entities from the guidance of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," and FASB Interpretation 46 (revised December 2003), "Consolidation of Variable Interest Entities − an interpretation of ARB No. 51," as well as other modifications. While the proposed revised pronouncements have not been finalized and the proposals are subject to further public comment, Simple Tech anticipates that the changes will not have a significant impact on its financial statements. The changes would be effective March 1, 2010, on a prospective basis.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our audited financial statements for the years ended June 30, 2009 and 2008 are attached hereto as F-1 through F-10.

MOORE & ASSOCIATES, CHARTERED
ACCOUNTANTS AND ADVISORS
PCAOB REGISTERED

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Simple Tech, Inc.
(A Development Stage Simple Tech)

We have audited the accompanying balance sheets of Simple Tech, Inc. (A Development Stage Company) as of June 30, 2009, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended June 30, 2009, 2008 and since inception on November 16, 2006 through June 30, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conduct our audits in accordance with standards of the Public Simple Tech Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Simple Tech, Inc. (A Development Stage Company) as of June 30, 2009, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended June 30, 2009, 2008 and since inception on November 16, 2006 through June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 6 to the financial statements, the Company has net losses of $60,945 as of June 30, 2009, which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Moore & Associates, Chartered

Moore & Associates, Chartered
Las Vegas, Nevada
July 21, 2009

6490 West Desert Inn Rd, Las Vegas, NV 89146 (702) 253-7499 Fax (702) 253-7501

SIMPLE TECH, INC.
(A Development Stage Company)
BALANCE SHEETS

	June 30, 2009 (audited)	June 30, 2008 (audited)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 9,000	$ 20,390
Other Current Assets		
Prepaid Expenses	-	-
Total current assets	$ 9,000	$ 20,390
Total assets	$ 9,000	$ 20,390
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 405	$ 2,000
Total current liabilities	$ 405	$ 2,000
Stockholders' Equity		
Preferred Stock,$0.0001 par value,50,000,000 shares authorized, none issued and outstanding	-	-
Common Stock,$0.0001 par value, 1,500,000,000 shares authorized, 63,808,000 issued and outstanding on June 30, 2009 (6,380,800 on June 30, 2008)	6,381	6,381
Additional paid-in capital	63,159	63,159
Deficit accumulated during the development stage	(60,945)	(51,150)
Total Stockholders' Equity	8,595	18,390
Total Liabilities and Stockholders' Equity	$ 9,000	$ 20,390

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

SIMPLE TECH, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS

	Year Ended June 30,		November 16, 2006 (Inception) To June 30,
	2009	2008	2009
REVENUE	$ -	$ -	$ -
OPERATING EXPENSES			
Organization Costs	-	-	640
General and Administrative	1,495	2,602	4,318
Professional Fees	7,153	42,317	53,522
Filing Fees	1,172	891	2,306
Total Expenses	9,820	45,810	60,787
Loss from operations	$ (9,820)	$ (45,810)	$ (60,787)
Interest income	25	699	1,394
Foreign Exchange Diff	-	-	(1,551)
Loss before income taxes	(9,795)	(45,111)	(60,945)
Provision for income taxes	-	-	-
Net loss	$ (9,795)	$ (45,111)	$ (60,945)
Basic and Diluted (Loss) per Share	a	a	a
Weighted Average Number of Shares	63,808,000	63,808,000	

a = Less than ($0.01) per share

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

SIMPLE TECH, INC.
(A Development Stage Company)
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION (NOVEMBER 16, 2006)TO JUNE 30, 2009

	Common Stock		Paid in	Deficit Accumulated During	Total
	Shares	Amount	Capital	Stage	Equity
Inception November 16, 2006	-	$ -	$ -	$ -	$ -
Common stock issued to founders for cash November 16, 2006 @ $0.0001 per share (par value $0.0001)	50,000,000	5,000	(4,500)		500
Private placement closed June 28, 2007 @ $0.05 per share (par value $0.0001)	13,808,000	1,381	67,659		69,040
Net loss for the year				(6,039)	(6,039)
Balance, June 30, 2007	63,808,000	$ 6,381	$ 63,159	$ (6,039)	$ 63,501
Net loss for the year				(45,111)	(45,111)
Balance, June 30, 2008	63,808,000	$ 6,381	$ 63,159	$ (51,150)	$ 18,390
Net loss for the year				(9,795)	(9,795)
Balance, June 30, 2009	63,808,000	$ 6,381	$ 63,159	$ (60,945)	$ 8,595

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

SIMPLE TECH, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	Year Ended June 30,		November 16, 2006 (Inception) To June 30,
	2009	2008	2009
OPERATING ACTIVITIES			
Net (Loss) for the year	$ (9,795)	$ (45,111)	$ (60,945)
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:			
Increase in accounts payable	$ (1,595)	$ 2,000	$ 405
Net Cash (Used) by Operating Activities	(11,390)	(43,111)	(60,540)
FINANCING ACTIVITY			
Proceeds from sale of Common Stock	-	-	69,540
Cash Provided by Financing Activities	-	-	69,540
Net Increase in Cash	(11,390)	(43,111)	9,000
Cash, Beginning of Period	20,390	63,501	-
Cash, End of Period	$ 9,000	$ 20,390	$ 9,000
Supplemental disclosure with respect to cash flows:			
Cash paid for income taxes	$ -	$ -	$ -
Cash paid for interest	$ -	$ -	$ -

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

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

The Company was originally incorporated under the laws of the state of Nevada on November 16, 2006. The Company has limited operations and, in accordance with SFAS#7, is considered in the development stage.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Fair Value of Financial Instruments

Statement of financial accounting standard No. 107, Disclosures about fair value of financial instruments, requires that the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for current assets and current liabilities qualifying as financial instruments are a reasonable estimate of fair value.

Stock-Based Compensation

We have issued restricted shares of common stock and stock options to compensate non-employees who were principally key personnel. Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS 123R, Share-Based Payments ("SFAS No. 123(R)"), which is a revision of SFAS No. 123 which requires that stock awards granted to directors, consultants and other non-employees be recorded at the fair value of the award at grant date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (continued)

Income Taxes

The Company utilizes SFAS No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Basic and Diluted Earnings (Loss) Per Share

Earnings (loss) per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net income (loss) per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding.

Statement of Cash Flows

In accordance with SFAS No. 95, "Statement of Cash Flows," cash flows from the Company's operations is based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheet.

Recently issued accounting pronouncements

In April 2009, the FASB issued FSP No. FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP FAS 157-4"). FSP FAS 157-4 provides guidance on estimating fair value when market activity has decreased and on identifying transactions that are not orderly. Additionally, entities are required to disclose in interim and annual periods the inputs and valuation techniques used to measure fair value. This FSP is effective for interim and annual periods ending after June 15, 2009. The Company does not expect the adoption of FSP FAS 157-4 will have a material impact on its financial condition or results of operation.

In October 2008, the FASB issued FSP No. FAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active," ("FSP FAS 157-3"), which clarifies application of SFAS 157 in a market that is not active. FSP FAS 157-3 was effective upon issuance, including prior periods for which financial statements have not been issued. The adoption of FSP FAS 157-3 had no impact on the Company's results of operations, financial condition or cash flows.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (continued)

Recently issued accounting pronouncements (continued)

In December 2008, the FASB issued FSP No. FAS 140-4 and FIN 46(R)-8, "Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities." This disclosure-only FSP improves the transparency of transfers of financial assets and an enterprise's involvement with variable interest entities, including qualifying special-purpose entities. This FSP is effective for the first reporting period (interim or annual) ending after December 15, 2008, with earlier application encouraged. The Company adopted this FSP effective January 1, 2009. The adoption of the FSP had no impact on the Company's results of operations, financial condition or cash flows.

In December 2008, the FASB issued FSP No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" ("FSP FAS 132(R)-1"). FSP FAS 132(R)-1 requires additional fair value disclosures about employers' pension and postretirement benefit plan assets consistent with guidance contained in SFAS 157. Specifically, employers will be required to disclose information about how investment allocation decisions are made, the fair value of each major category of plan assets and information about the inputs and valuation techniques used to develop the fair value measurements of plan assets. This FSP is effective for fiscal years ending after December 15, 2009. The Company does not expect the adoption of FSP FAS 132(R)-1 will have a material impact on its financial condition or results of operation.

In September 2008, the FASB issued exposure drafts that eliminate qualifying special purpose entities from the guidance of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," and FASB Interpretation 46 (revised December 2003), "Consolidation of Variable Interest Entities − an interpretation of ARB No. 51," as well as other modifications. While the proposed revised pronouncements have not been finalized and the proposals are subject to further public comment, the Company anticipates the changes will not have a significant impact on the Company's financial statements. The changes would be effective March 1, 2010, on a prospective basis.

NOTE 3. INCOME TAXES

Income taxes are provided in accordance with Statement of Financial accounting Standards No. 109 (SFAS 109), Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

NOTE 4. STOCHOLDERS' EQUITY

AUTHORIZED

The Company is authorized to issue 1,500,000,000 shares of $0.0001 par value common stock and 50,000,000 shares of preferred stock, par value $0.0001 per share. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

ISSUED AND OUTSTANDING

On November 16, 2006 (inception), the Company issued 50,000,000 shares of its common stock to its directors for cash of $500. See Note 5.

Between November 16, 2006 (inception) and June 28, 2007, the Company accepted subscriptions for 13,808,000 common shares from 35 investors under a private placement. The private placement was not subject to any minimum investment and was priced at $0.005 per share.

On April 23, 2009, the Company effected a 10 to 1 forward split of its 6,380,800 issued and outstanding common shares, resulting in 63,808,000 common shares on a post split basis. All shares and per share amounts have been retroactively restated to reflect the 10 for 1 forward stock split.

As of June 30, 2009 the Company had 63,808,000 shares of common stock issued and outstanding.

NOTE 5. RELATED PARTY TRANSACTIONS

On November 16, 2006 (inception), the Company issued 50,000,000 shares of its common stock to its directors for cash of $500. See Note 4.

NOTE 6. GOING CONCERN

The accompanying 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 to June 30, 2009 of $60,945. This condition raises 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 7. OPERATING LEASES AND OTHER COMMITMENTS

The Company currently has no operating lease commitments or any other commitments.

NOTE 8. SUBSEQUENT EVENT

On July 27, 2009 the Company and its wholly owned subsidiary, Sonnen Corporation ("Sonnen") executed a Licensing Agreement with P.T. Group, Ltd., 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 shares of our common stock, 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.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have not been any changes in or disagreements with accountants on accounting and financial disclosure or any other matter.

ITEM 9A(T). CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this annual report, an evaluation was carried out by Simple Tech's management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of Simple Tech'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")) as of June 30, 2009. 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, Simple Tech's management concluded, as of the end of the period covered by this report, that Simple Tech'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, and such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

The management of Simple Tech is responsible for establishing and maintaining adequate internal control over financial reporting. Simple Tech's internal control over financial reporting is a process, under the supervision of the chief executive officer and the chief financial officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Simple Tech's financial statements for external purposes in accordance with United States generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that:

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

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Simple Tech's management conducted an assessment of the effectiveness of our internal control over financial reporting as of June 30, 2009 based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which assessment identified material weaknesses in internal control over financial reporting. A material weakness is a control deficiency, or a combination of deficiencies in internal control over financial reporting that creates a reasonable possibility that a material misstatement in annual or interim financial statements will not be prevented or detected on a timely basis. Since the assessment of the effectiveness of our internal control over financial reporting did identify material weaknesses, management considers its internal control over financial reporting to be ineffective.

The matters involving internal control over financial reporting that our management considered to be material weaknesses under were:

(1) Lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls over financial reporting;

(2) Inadequate segregation of duties consistent with control objectives; and

(3) Ineffective controls over period end financial disclosure and reporting processes.

The aforementioned material weaknesses were identified by our chief executive officer in connection with the review of our financial statements as of June 30, 2009.

Management believes that the material weaknesses set forth above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee, the inadequate segregation of duties and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls over financial reporting, which weaknesses could result in a material misstatement in our financial statements in future periods.

This annual report does not include an attestation report of Simple Tech's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by Simple Tech's registered public accounting firm pursuant to temporary rules of the Commission that permit Simple Tech to provide only the management's report in this annual report.

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and enhance our internal controls over financial reporting, Simple Tech has initiated, or plans to initiate, the following measures:

We intend to segregate the duties of chief executive officer and chief financial officer/principal accounting officer consistent with our control objectives and engage outside accounting resources as funds become available to us. Further, we intend to appoint outside directors to our board in order to form a functioning audit committee that will undertake oversight in the establishment and monitoring of required internal controls over financial reporting such as reviewing estimates and assumptions made by management. Subsequent to the annual period end we increased our board of directors to three and segregated the duties of chief executive officer from those of chief financial officer and principal accounting officer.

Changes in Internal Controls over Financial Reporting

During the period ended June 30, 2009 there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth the name, age and position of each director and executive officer of the Simple Tech:

Name	***Age***	***Year Appointed***	***Position(s) and Office(s)***
Robert Miller	56	2009	President, chief executive officer and director.
Costas Takkas	52	2009	Chief financial officer, principal accounting officer and director
Aviad Krief	28	2006	Director

Robert Miller was appointed as a member of the board of directors on June 16, 2009 and as president and chief executive officer on July 27, 2009.

From 2002 to present, Mr. Miller has been a consultant to Prosper Financial, Inc., a management company that provides financial and corporate consulting services to start-up companies. Since 2007 Mr. Miller has been a director of LifeSpan BioSciences, Inc., a provider of reagents and services for proteomics and pathology. LifeSpan's catalogue of antibodies are used for research applications including immunoblotting, immunohistochemistry, immunofluorescence, and fluorescence-activated cell sorting. Mr. Miller's prior experience includes being (i) the founder and chairman of Crystallex International Corporation, a Canadian based gold producer, (ii) a director and financier of ZMAX Corporation, a "y2k" company, (iii) the founder and director of Nanovation Technologies Inc, a developer of fiber-optic products, and (iv) the principle financier and consultant to Asiamerica Equities Inc., a merchant bank that was based in Hong Kong. Mr. Miller is not a director of any reporting corporations other than Simple Tech.

Costas Takkas was appointed as a member of the board of directors on July 27, 2009 and as chief financial officer and principal accounting officer on July 27, 2009.

Mr. Takkas, a practicing Chartered Accountant, brings to Simple Tech over 25 years of financial experience and expertise. He has acted as a director and officer of numerous development-stage public companies involved with projects in the technology, mining, construction, gaming, drug development and medical equipment industries. Mr. Takkas is a member of the Institute of Chartered Accountants in England & Wales (ACA) and graduated with a B.Sc. (Honors) in Physics and an Associate Royal College of Science (ARCS) from the Imperial College of Science and Technology, University of London in 1978. Mr. Takkas is not a director of any reporting corporations other than Simple Tech.

Aviad Krief has been a director since incorporation on November 16, 2006. Mr. Krief was appointed chief executive officer, chief financial officer and principal accounting officer on August 25, 2008. He resigned as chief executive officer, chief financial officer and principal accounting officer on July 27, 2009.

For the last 5 years Mr. Krief has worked as an IT manager and systems administrator for a number of large Israeli companies such as "Teva Pharmaceutical Industries" and "Radlan" a Marvell Simple Tech. From 2001- 2002, he worked as a laboratory manager at Getronics Israel, where he managed a group of 100 computer technicians. From 2002 -2004, he worked for "Teva Pharmaceutical Industries" as the helpdesk manager and systems administrator. From 2004 -2005, he worked for "Radlan" in the quality assurance department and as a systems administrator. From 2005 -2008, Mr. Krief started his own Simple Tech providing complete IT support solutions for small and medium sized businesses. Mr. Krief is not a director of any reporting corporations other than the Simple Tech.

Term of Office

Our directors are appointed for one year terms to hold office until the next annual meeting of our shareholders or until removed from office in accordance with our bylaws. Our executive officers are appointed by our board of directors and hold office pursuant to employment agreements or until removed by the board.

Family Relationships

There are no family relationships between or among the directors or executive officers.

Involvement in Certain Legal Proceedings

During the past five years, none of the following occurred with respect to a present or former director, executive officer, or employee: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; and (4) being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Compliance with Section 16(A) of the Exchange Act

Based solely upon a review of Forms 3, 4 and 5 furnished to Simple Tech, we are aware of the following persons who, during the period ended June 30, 2009 failed to file, on a timely basis, reports required by Section 16(a) of the Securities Exchange Act of 1934:

- Aviad Krief failed to file a Form 3 or 5 despite being an officer and director; and
- Moshe Danino failed to file a Form 3 or 5 despite being a former officer and director.

Code of Ethics

Simple Tech has not adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-K of the Securities Exchange Act of 1934. The Code of Ethics applies to directors and senior officers, such as the principal executive officer, principal financial officer, controller, and persons performing similar functions. Simple Tech expects to adopt a Code of Ethics having expanded its board of directors subsequent to the period ended June 30, 2009.

Board of Directors Committees

The board of directors has not established an audit committee. An audit committee typically reviews, acts on and reports to the board of directors with respect to various auditing and accounting matters, including the recommendations and performance of independent auditors, the scope of the annual audits, fees to be paid to the independent auditors, and internal accounting and financial control policies and procedures. Certain stock exchanges currently require companies to adopt a formal written charter that establishes an audit committee that specifies the scope of an audit committee's responsibilities and the means by which it carries out those responsibilities. In order to be listed on any of these exchanges, the Simple Tech will be required to establish an audit committee. The board of directors has not established a compensation committee. We intend to establish both an audit and compensation committee over the next twelve months.

Director Compensation

Directors currently are reimbursed for out-of-pocket costs incurred in attending meetings but are not compensated for their service as directors. Simple Tech may compensate directors in the future.

Compensation Committee Deliberations and Insider Participation

There are no deliberations to report concerning executive officer compensation during the last fiscal year as Simple Tech incurred no executive compensation.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Since Simple Tech has had limited operations, little compensation was paid as of the annual periods ended June 30, 2009, 2008, and 2007 to retain the services of its former executive officers. Nonetheless, Simple Tech has since entered into a consulting agreement with its current chief financial officer and intends to enter into a compensation agreement with its chief executive officer. The amounts we deem appropriate to compensate executive officers may change in accordance with market forces though we have no specific formula to determine future compensation. Executive compensation will include salaries or consulting fees, options and other compensatory elements for our executive officers and any future executive employees. Decisions as to executive compensation will be based on the type of operations, the scale of those operations and available capital resources.

Tables

The following table provides summary information for the fiscal years ended June 30, 2009, 2008, and 2007 concerning cash and non-cash compensation paid or accrued by Simple Tech to or on behalf of (i) the chief executive officer and (ii) any other employee to receive compensation in excess of $100,000.

Executive's Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
Robert Miller: CEO, and director[1]	2009	-	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-	-
Aviad Krief: director and former CEO, CFO, PAO[2]	2009	-	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	$10,000[5]	-
	2007	-	-	-	-	-	-	$1,000[4]	-
Moshe Danino: former CEO, CFO, PAO and director[3]	2009	-	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-	-

(1) Robert Miller was appointed as president and chief executive officer on July 27, 2009 on the resignation of Aviad Kreif.

(2) Aviad Krief has been a director of Simple Tech since November 16, 2006, and on August 25, 2008 Mr. Krief was appointed president, chief executive officer, and chief financial officer/principal accounting officer. He resigned as chief executive officer and chief financial officer/principal accounting officer on July 27, 2009.

(3) Moshe Danino resigned as our president, chief executive officer, chief financial officer/principal accounting officer and director of Simple Tech on August 25, 2008.

(4) Between November 16, 2006 (inception) and June 30, 2007, Aviad Krief was paid an aggregate of $1,000 in consideration for certain consulting services rendered to us.

(5) Between June 30, 2007 and June 30, 2008, Aviad Krief was paid an aggregate of $10,000 in consideration for certain consulting services rendered to us.

We had no "Pension Benefits," "Nonqualified Deferred Compensation," "Post Employment Payments," "Grants of Plan-Based Awards," "Outstanding Equity Awards at Fiscal Year-End," or "Option Exercises and Stock Vested" to report at June 30, 2009.

Employment Contracts and Termination of Employment and Change in Control Arrangements

Simple Tech has entered into a consulting agreement with its one of its executive officers. The consulting agreement makes no arrangement or plan pursuant to which Simple Tech is obligated to provide pension, retirement or similar benefits to this executive officer. Further, we do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers. Nevertheless, the consulting agreement does provide for the grant of stock options and additional options may be granted at the discretion of our board of directors in the future.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information concerning the ownership of Simple Tech's 67,168,000 shares of common stock issued and outstanding as of July 31, 2009 with respect to: (i) all directors; (ii) each person known by us to be the beneficial owner of more than five percent of our common stock; and (iii) our directors and executive officers as a group.

Title of Class	*Name and Address of Beneficial Ownership*	*Amount and nature of Beneficial Ownership*[1]	*Percent of Class*
Common Stock	Robert Miller 4801 Alhambra Circle Coral Gables, Florida 33146	25,000,000[2, 3]	37.31%
Common Stock	Costas Takkas 105 Marbel Drive P.O. Box 1436 GT Grand Cayman, Cayman Islands British West Indies	0[2]	0%
Common Stock	Aviad Krief 9 Neve Ha'Dekel St (PO Box 175) Panorama Atlit, Israel, 30300	25,000,000[2]	37.31%
Common Stock	P.T. Group Ltd. PO Box 0830-01906 Calle B Marbella Edificio Sol Marina 11B Panama City, Panama	3,360,000	5.00%
Common Stock	All Executive Officers and Directors as a Group	50,000,000	74.63%

(1) Beneficial ownership is determined in accordance with Commission rules and generally includes voting or investment power with respect to securities. Shares of common stock subject to options, warrants and convertible preferred stock currently exercisable or convertible, or exercisable or convertible within sixty (60) days, would be counted as outstanding for computing the percentage of the person holding such options or warrants but not counted as outstanding for computing the percentage of any other person.

(2) Aviad Kreif has optioned 12,500,000 of his shares to Maria Maz at $0.0001 a share for a period of 90 days subsequent to July 27, 2009 and 12,500,000 of his shares to Costas Takkas at $0.0001 for a period of 90 days subsequent to July 27, 2009.

(3) Robert Miller is a beneficial owner of 25,000,000 shares held by Ms. Maria Maz, to whom Mr. Miller is married.

Changes in Control

Management is aware of Mr. Kreif's option to sell 25,000,000 shares of his common stock to each of Ms. Maria Maz and Costas Takkas in equal amounts. Should Ms. Maz exercise her option on Mr. Kreif's 12,500,000 shares, she would then hold 37,500,000 shares or 55.83% of our issued and outstanding common stock. Such action would constitute a change in control of Simple Tech.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

None of our directors or executive officers, nor any proposed nominee for election as a director, nor any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to all of our outstanding shares, nor any members of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing persons has any material interest, direct or indirect, in any transaction in the period covered by this report or in any presently proposed transaction which, in either case, has or will materially affect us, except as follows:

On July 27, 2009, Costas Takkas, an officer and director of Simple Tech entered into a consulting agreement with us in connection with his appointment as chief financial officer and principal accounting officer. The consulting agreement provides for a monthly fee that graduates over the term of the agreement, the grant of stock options, a provision for the payment of a bonus and entitlement to any benefits, including health insurance that might be offered to Simple Tech employees.

On July 27, 2009 Maria Maz, to whom Robert Miller, an officer and director of Simple Tech, is married, optioned the purchase of 12,500,000 shares of Simple Tech's common stock from a current director of Simple Tech.

On July 27, 2009 Costas Takkas, an officer and director of Simple Tech, optioned the purchase of 12,500,000 shares of Simple Tech's common stock from a current director of Simple Tech.

On June 16, 2009 Ms. Maria Maz, to whom Robert Miller, an officer and director of the Simple Tech, is married, purchased 25,000,000 shares of the Simple Tech's common stock from a former director of Simple Tech.

Director Independence

Our common stock is listed on the OTC Bulletin Board inter-dealer quotation system, which does not have director independence requirements. For purposes of determining director independence, we have applied the definitions set out in NASDAQ Rule 4200(a)(15). Under NASDAQ Rule 4200(a)(15), a director is not considered to be independent if he or she is also an executive officer or employee of the corporation. Accordingly, we had no independent directors as of June 30, 2009.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of the fees billed to us by Moore & Associates for professional services rendered for the past two fiscal years:

Fee Category	*Fiscal 2009 Fees ($)*	*Fiscal 2008 Fees ($)*
Audit Fees	2,526	3,750
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0

Audit Fees consist of fees billed for professional services rendered for the audit of our financial statements and review of the interim financial statements included in quarterly reports and services that are normally provided by Moore & Associates in connection with statutory and regulatory filings or engagements.

Audit Committee Pre-Approval

Simple Tech did not have a standing audit committee at the time its respective auditors were engaged. Therefore, all services provided to Simple Tech by Moore & Associates, as detailed above, were pre-approved by Simple Tech's board of directors. Moore & Associates performed all work only with their permanent full time employees.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements

The following documents are filed under "*Item 8. Financial Statements and Supplementary Data*," pages F-1 through F-10, and are included as part of this Form 10-K:

Financial Statements of Simple Tech for the years ended June 30, 2009 and 2008:

Report of Independent Registered Public Accounting Firm
Balance Sheets
Statements of Operations
Statements of Stockholders' Equity
Statements of Cash Flows
Notes to Financial Statements

(b) Exhibits

The exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 39 of this Form 10-K, and are incorporated herein by this reference.

(c) Financial Statement Schedules

We are not filing any financial statement schedules as part of this Form 10-K because such schedules are either not applicable or the required information is included in the financial statements or notes thereto.

SIGNATURES

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

Simple Tech, Inc.	***Date***
/s/ Robert Miller By: Robert Miller Its: President, Chief Executive Officer and Director	July 31, 2009
/s/ Costas Takkas By: Costas Takkas Its: Chief Financial Officer, Principal Accounting Officer and Director	July 31, 2009

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

	Date
/s/ Robert Miller Robert Miller President, Chief Executive Officer and Director	July 31, 2009
/s/ Costas Takkas Costas Takkas Chief Financial Officer, Principal Accounting Officer and Director	July 31, 2009
/s/ Aviad Krief Aviad Krief Director	July 31, 2009

INDEX TO EXHIBITS

Exhibit	*Description*
3.1	Certificate of Incorporation of Simple Tech, incorporated by reference to Simple Tech's Form SB-2 filed with the Commission on August 6, 2007.
3.2	Bylaws of Simple Tech, incorporated by reference to Simple Tech's Form SB-2 filed with the Commission on August 6, 2007.
10(i)	Licensing Agreement between Simple Tech, Sonnen Corporation, and P.T. Group, Ltd., dated July 27, 2009 (attached).
10(ii)	Consulting Agreement between Simple Tech and Costas Takkas, dated July 27, 2009 (attached).
10(iii)	Indemnification Agreement between P.T. Group, Ltd. and Simple Tech dated July 27, 2009 (attached).
10(iv)	Employment Agreement between Simple Tech and Paul Leonard dated July 27, 2009 (attached).
10(v)	Warranty Agreement between P.T. Group, Ltd, Simple Tech and Paul Leonard dated July 27, 2009 (attached).
21	Subsidiaries of Simple Tech (attached).
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 (attached).
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 (attached).
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 (attached).
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 (attached).

LICENSING AGREEMENT

THIS AGREEMENT is dated for reference July 27, 2009,

AMONG:

P.T. GROUP LTD., a corporation incorporated pursuant to the laws of the British Virgin Islands registered under BVI Company Number 1057655 having an address of PO Box 0830-01906 Calle B Marbella, Edificio Sol Marina 11B, Panama City, Panama;

(the "Licensor")

AND:

SONNEN CORPORATION, a company incorporated pursuant to the laws of the State of Nevada, with an address of 2829 Bird Avenue, Suite 12, Miami, Florida 33133 as a wholly owned subsidiary of the Parent (defined below);

(the "Licensee")

AND:

SIMPLE TECH, INC., a company incorporated pursuant to the laws of the State of Nevada, with an address of 2829 Bird Avenue, Suite 12, Miami, Florida 33133;

(the "Parent")

WHEREAS:

A. Except as provided the Licensor holds all rights, title and interest to a certain invention entitled "PTG Technology" as further described in Schedule "A" attached hereto (the "Technology");

B. The Licensor wishes to enter into a formal licensing agreement with Licensee on the terms set forth below;

THIS AGREEMENT WITNESSES THAT in consideration of US$10.00 (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Construction and Interpretation. In this Agreement, unless inconsistent with or excluded by the context:

(a) any heading, index, table of contents or marginal note used in this Agreement is for convenience only and will not limit or affect the interpretation or construction of this Agreement;

(b) singular words will include the plural and plural words will include the singular;

(c) a reference to a person will include a company or other corporation and a reference to a company or other corporation will include a person;

(d) a word importing a particular gender will include each other gender; and

(e) a reference to a party to this Agreement includes that party's heirs, executors, administrators, successors and permitted assigns.

1.2 Definitions. In this Agreement, unless inconsistent with or excluded by the context:

(a) "Affiliate" means, with respect to any entity, any other entity which directly or indirectly controls or is controlled by or is under direct or indirect common control with such first mentioned entity;

(b) "Agreement" means this Agreement and all schedules to this Agreement and all specifications referred to in this Agreement;

(c) "Improvements" means all improvements to the Original Invention developed within or by the Licensee;

(d) "Intellectual Property" includes the Technology and any intellectual property relating to the Technology, including any patent, patent application, copyright, industrial design, trademark, any rights to patent, copyright, industrial design or trademark in any country, engineering designs, concepts, models, trade secrets, know how and show how, and includes any new technology or the products as may hereafter be developed or acquired by the Licensee or any of its subsidiaries;

(e) "License" means an exclusive, non-transferable, license (with a limited right of sublicense) to allow the Licensee to make, have made, use, lease, sell and import Licensed Products in the Territory;

(f) "Licensed Products" means products which, in the absence of the License, would infringe the Licensor's intellectual property rights in the Technology;

(g) "Original Invention" means a certain invention entitled "PTG Technology" as further described in Schedule "A" attached hereto;

(h) "Technology" means certain technology known as "PTG Technology" and includes the Original Invention, any improvements thereof and any devices which embody the PTG Technology and any improvements thereof;

(i) "Territory" means the United States, Canada and Mexico; and

(j) "Trade-Mark" means and trade-mark or trade-name as may be adopted for use on the Licensed Products from time to time.

1.3 Variation of Agreement. Any variation or modification or waiver of the terms or conditions of this Agreement will be in writing and will be duly executed by the Licensor, Licensee and Parent respectively.

1.4 Severance. Each word, phrase, sentence, paragraph and section of this Agreement is severable and if a court in any jurisdiction determines that any such provision is unenforceable, illegal or void in that jurisdiction the court may sever that provision which becomes inoperative and such severance will not affect the operation of any other provisions of this Agreement nor the operation of that provision in any other jurisdiction.

1.5 Waiver. The failure of either party hereto at any time to enforce any provision of this Agreement will not affect its rights thereafter to require complete performance by the other party, nor will the waiver of any breach of any provision be taken or held to be a waiver of any subsequent breach of any such provision or be a waiver of the provision itself. In order for any waiver to be effective, it must be in writing and signed by an authorized officer of the party.

1.6 Laws. This Agreement will be governed by, and construed in accordance with, the laws of the State of Florida, and both parties agree to submit to the exclusive jurisdiction of the courts of the State of Florida.

ARTICLE 2
LICENSE

2.1 Grant of License:

(a) The Licensor hereby grants to the Licensee an exclusive, non-transferable, license for use in the Territory, with a limited right of sublicense as set forth in Section 2.1(e) below to allow the Licensee to use the Intellectual Property to make, have made, use, lease, sell and import Licensed Products, which, in the absence of the License, would infringe the Licensor's intellectual property;

(b) Except for the rights granted pursuant to the License, the Licensor shall retain all rights, title and interest to the Technology;

(c) The Licensee shall be responsible for all of the testing and improvements to the Technology;

(d) The Licensor shall retain all rights to the Improvements, but such Improvements shall also be a part of the License;

(e) The Licensee shall have the right to offer limited royalty-bearing sublicenses to third parties where such third parties are in a position to commercialize the Technology in ways that the Licensee cannot accomplish in a competitive manner. The Licensee shall pay the Licensor twenty five percent (25%) of all royalties and fees received from such third parties. If Licensee receives any non-cash consideration as part of the sublicense consideration (including equity in sublicensee or other entities), Licensor shall have the option to take its portion of the sublicense consideration in kind or in cash based on the fair market value of the non-cash consideration as of the date of receipt by Licensee wherein the fair market value as determined by Licensee's independent accounting advisors shall equal the cash consideration an unaffiliated, unrelated buyer would pay in an arm's length sale of a substantially identical item sold in the same quantity, under the same terms, and at the same time and place. Such right to sublicense is subject to the following conditions:

(i) In each sublicense agreement, the sublicensee will be subject to the terms and conditions of the license granted to Licensee under this Agreement, and the sublicensee will be prohibited from granting further sublicenses, without first obtaining approval from Licensor; provided, however, that in the event that such further sublicense is approved, any fee or other consideration paid to sublicensee in consideration of such sub-sublicense will be treated as sublicense consideration as if the sub-sublicensee were a sublicensee. Nevertheless, Licensee may set royalty or other payments at its discretion for its sublicensees, as long as the applicable royalties or other payments of its sublicensees are not more favorable to the sublicensee than the corresponding terms of this Agreement.

(ii) Licensee will forward to Licensor, within thirty (30) days following its execution, a fully executed, complete, and accurate copy written in the English language of each sublicense agreement granted under this Agreement. Licensor's receipt of such sublicense agreement will not constitute a waiver of any of Licensor's rights or Licensee's obligations under the Agreement.

(iii) Notwithstanding any such sublicense agreement, Licensee will remain primarily liable to Licensor for all of the Licensee's duties and obligations contained in the Agreement, and any act or omission of a sublicensee that would be a breach of the Agreement if performed by Licensee will be deemed to be a breach by Licensee of the Agreement. Each sublicense agreement will contain a right of termination by Licensee in the event that the sublicensee breaches the payment obligations affecting Licensor or any other material terms and conditions of the sublicense agreement that would constitute a breach of the terms and conditions of the Agreement if such acts were performed by Licensee. In the event of such sublicensee breach, and if after a reasonable opportunity to cure as provided in any such sublicense agreement, such sublicensee fails to cure such sublicensee breach, then the Licensee will terminate the sublicense agreement unless Licensor agrees in writing that such sublicense agreement need not be terminated.

(iv) Upon termination of the Agreement for any reason, all sublicense agreements will, at Licensor's option, be (i) assigned to and assumed by Licensor, or (ii) terminated.

(f) The Licensee shall pay the Licensor a royalty of 1% of all gross sales of Licensed Products by the Licensee, except as otherwise modified in writing.

2.2 Exclusive Rights. The rights of the Licensee to the License in accordance with Section 2.1 will be sole and exclusive, and the Licensor will not directly or indirectly compete with the Licensee, nor the license, authorize or permit any third party to compete with the Licensee with respect to the manufacture, use, lease, sale, export and import of the Licensed Products.

2.3 Assignment of Rights. The Licensor and the Licensee acknowledge that the respective rights and obligations pursuant to this Agreement are personal to the parties and that the Licensee, except in the event of the acquisition of the Licensee, by any means, or the sale or merger of substantially all of the Licensee's assets to or with a third party, will not assign this Agreement or assign or delegate any or all rights, duties, or obligations under this Agreement without the prior consent in writing of the Licensor, which consent the Licensor may not withhold unreasonably. If the Licensor consents to such assignment or delegation, the Licensee will remain jointly and severally liable with the assignee or delegate for the obligations of the Licensor under this Agreement. Subject to the limitations hereinbefore expressed, this Agreement will inure to the benefit of and be binding upon the parties and their respective successors and assigns.

2.4 Reorganization of Rights. The Licensor may choose to reorganize its worldwide licensing strategy, including delegation of certain commercialization rights to a separate entity, with the prior written consent of the Licensee, which may not be unreasonably withheld, provided that the full beneficial terms to the Licensee(s) embodied in the Agreement shall not be diminished due to such actions.

2.5 Effect of Assignment. Unless otherwise agreed upon between the parties, no assignment of this Agreement, the benefit of this Agreement or any rights, licenses or authorities pursuant to this Agreement will relieve the assigning party from any liability under this Agreement, whether absolute, contingent, due or accruing, which exists as of the date of assignment.

2.6 No Sublicense. Except pursuant to Section 2.1(e), the Licensee will not sublicense the benefit of this Agreement or any rights, licenses or authorities pursuant to this Agreement and any attempted violation of this section, whether voluntarily or by operation of law, will be void and of no force and effect.

2.7 Confidential Information. The Licensee acknowledges that its entire knowledge of the Technology and the business of the Licensor, including, without limitation, the contents of any Documents (defined as all drawings, specifications, blueprints, programs and other material in electronic form or otherwise relating in any manner to the Intellectual Property or the Technology) and periodic updates or revisions, in effect from time to time and the designs, plans, prototypes, specifications, standards and operating procedures for the Technology, will be derived from information disclosed to the Licensee by the Licensor in confidence and that the Documents and such other information are confidential information and/or trade secrets of the Licensor (all of which is herein collectively called the "Licensor Confidential Information") except where such information is in the public domain or is information describing generally accepted business, engineering or manufacturing practices. Accordingly, the Licensee agrees that it will maintain the absolute confidentiality of the Intellectual Property, the Documents and such other information, both during and after the term of this Agreement, disclosing same to other employees of the Licensee only to the extent necessary for compliance with this Agreement.

All Licensor Confidential Information obtained by the Licensee shall be considered confidential and will not be disclosed by the Licensee to any person without the prior written consent of the Licensor. The Licensor will provide reasonable confidentiality agreements in the form attached hereto as Schedule C to be signed by the Licensee and all employees or sub-contractors of the Licensee to whom any Licensor Confidential Information will be disclosed, and the Licensee will provide or obtain signatures of such confidentiality agreements as the case may be.

During the course of its relationship with the Licensor, the Licensee or its subsidiaries or associates or their employees, agents or consultants may disclose certain proprietary or confidential information to the Licensor or its subsidiaries or associates or their employees, agents or consultants. The proprietary or confidential information may be oral or written, may be of a technical or commercial nature, may take the form of plans, drawings, processes, formulae, schedules, reports, projections, analyses, programs, prints, recordings, lists or other compilations of information, and may relate to the Licensee, its vendors, employees, stockholders or customers. All of such proprietary information and confidential information is herein collectively called the "Licensee Confidential Information".

Any Licensee Confidential Information obtained by the Licensor will be considered confidential and will not be disclosed by the Licensor to any person without the prior written consent of the Licensee. The Licensee agrees that the Licensor Confidential Information, and all rights to the Licensor Confidential Information, which has been or will be disclosed to the Licensee, as well any improvement or technology using, relating to or incorporating the Licensor Confidential Information shall remain the exclusive property of the Licensor, and shall be held in trust for the benefit of the Licensor. The Licensee agrees that it will not, directly or indirectly, deal with, use, or exploit the Licensor Confidential Information without the Licensor's prior written consent. With regard to any improvement or new technology using, relating to or incorporating the Licensor Confidential Information, the Licensee agrees to assign to the Licensor all right, title and interest in such improvements or technology, any copyright, trademark, industrial design, patent applications and copyrights, trademarks, industrial designs, patents granted thereto, the sole right to file such applications and the Licensee agrees to assist the Licensor in obtaining reissues, divisions, renewals or extensions of any such applications and to do any act required to aid the Licensor in obtaining and enforcing proper intellectual property protection.

The foregoing restrictions do not apply to information which:

(a) at the time of disclosure was in the public domain as evidenced by a printed publication or otherwise;

(b) after disclosure becomes part of the public domain by publication or otherwise, other than by action of the disclosing party;

(c) was in the possession of the disclosing party at the time of disclosure by the disclosing party and was not acquired, directly or indirectly, from the non-disclosing party; or

(d) the disclosing party rightfully receives from an independent third party who did not receive such information, directly or indirectly, from the other party with limitation or restriction on its use.

The obligations contained in this Article will continue notwithstanding the termination of this Agreement or any confidentiality agreements.

The products or proceeds of the services performed by the Licensee under this Agreement including, but not limited to, documents, written materials, programs, documentation, designs, discs and tapes shall be and remain the property of the Licensor and the Licensee shall be able to use such written materials, programs, documentation, designs, discs and tapes for the purposes of carrying out its obligations under this Agreement while the Agreement is in effect.

The Licensee will, however, notify the Licensor immediately of any alleged, possible, or suspected infringement, passing off, or challenge to the use of any of the Intellectual Property or claim by any person to any rights in any similar trade marks or names of which the Licensee is or becomes aware. The Licensor agrees to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of the Licensee, acting reasonably, be necessary or advisable to protect and maintain the interests of the Licensor in any such litigation or proceedings or to otherwise protect and maintain the interest of the Licensor in the Intellectual Property.

Licensee will have the right, but not the obligation, to prosecute infringement of any of the intellectual property related to the Technology at its own expense. Licensee will not settle or compromise any such suit in a manner that imposes any obligations or restrictions on Licensor or grants any rights to any intellectual property of the Technology, without Licensor's prior written consent. At the time of filing any infringement enforcement action against a third party, Licensor and Licensee will determine how any damages awarded will be distributed between Licensor and Licensee; provided, however, that in no event will Licensor's distribution be less than an amount that would have been due to Licensor as sublicense fees as if the litigation recovery had been sublicense consideration. In such a situation Licensee will recoup 100% of its entire litigation expenses first before any calculation is made with regard to the division of damages awarded. In the event that Licensee is not successful in winning a litigation case, Licensee may deduct from future royalty and sublicense fees fifty percent of such litigation costs.

2.8 No Agency or Joint Venture. Nothing in this Agreement constitutes or deems the parties to be partners or joint venturers in relation to the distribution or marketing of the Products, nor to create the relationship of principal and agent or master and servant between the parties, or any other form of legal association which would impose liability upon one party for any act or failure to act by the other party.

2.9 Term. The term (the "Term") of this Agreement and of the rights, authorities and licenses granted to the Licensee pursuant to this Agreement for (i) the Technology, (ii) any improvements of the Technology, or (iii) any devices which embody the Technology or such improvements shall commence upon execution of this Agreement and continue until the expiry of protections afforded the Technology, provided that the Licensee is not in breach or default of any of the terms or conditions contained in this Agreement.

2.10 Renewal. Subject to written mutual agreement between the Licensor and the Licensee, this Agreement may be renewed.

ARTICLE 3
RESEARCH, DEVELOPMENT AND COMMERCIALIZATION FUNDING REQUIREMENTS

3.1 The License shall become effective on signing and continue until the end of the Term if the Licensee has funded, notwithstanding terms set forth in section 12.1, a minimum of US$10,000,000 for "qualifying research, development and commercialization expenses" in accordance with the following schedule:

(a) a minimum of US$1,000,000 during the period commencing from the date of execution of this Agreement by all parties (the "Execution Date") and ending on the first anniversary of the Execution Date (the "First Anniversary");

(b) a minimum of US$3,000,000 during the period commencing immediately after the First Anniversary and ending on the second anniversary of the Execution Date (the "Second Anniversary"); and

(c) a minimum of US$6,000,000 during period commencing immediately after the Second Anniversary and ending on the third anniversary of the Execution Date,

It is understood and agreed that any funding in excess of the minimum funding requirement for a particular period shall be automatically credited against the minimum funding requirement for the following funding period. For greater certainty, "qualifying research, development and commercialization expenses" shall be those expenses that have been pre-approved by the parties hereof as contributing to the research, development and commercialization of the Technology, improvements and devices embodying the Technology and improvements thereof as mutually agreed upon by the parties to this Agreement, including without limitation, those expenditures comprising the first year US$1,000,000 expenditures attached as Schedule "B".

Research and development funding may be extended under terms and conditions mutually agreed between the parties.

ARTICLE 4
LICENSEE'S COMMERCIALIZATION OBLIGATIONS

4.1 The Licensee shall perform as follows:

(a) The Licensee shall fund payments immediately as they become due for:

(i) reasonable relocation and resettlement costs of a scientific advisor ("Scientific Advisor") and other necessary personnel agreed upon between the two parties, to the testing and development locale including the acquisition and transport of prototype materials and required documents or plans;

(ii) development costs for a demonstration prototype including the use of suitable laboratory and fabrication facilities and the purchase of necessary materials and consumables;

(iii) legal expenses to a patent attorney firm, mutually agreed upon among the parties, who will provide necessary assistance in due diligence for the patentability of the technology;

(iv) a program of tests to be conducted by the Scientific Advisor and Project Manager, to be completed by August 15, 2009, for the purpose of providing proof of concept of the Technology and appropriate documents are produced (including a report by the NRC Institute of Fuel Cell Innovation or other equivalent third party) which describe and evidence the proof of concept, to the satisfaction of the Licensee (it is understood and agreed that the above mentioned August 15th date may be extended by the Licensee due to unforeseen delays) and within seven (7) days subsequent to testing results be deemed satisfactory by the Licensee;

(v) the immediate ramp-up and uninterrupted continuation of the research and development for the Technology after the report mentioned in Section 4.1(iv) is produced; and

(vi) fund the ongoing research, development and commercialization of the Technology and the research, development and commercialization of devices using the Technology;

All of the above expenditures shall be credited to the funding requirements set out in Article 3 and are to be considered immediately available upon need irrespective of terms set forth in Section 12.1.

(b) Provide assistance to the Licensor with the procurement of patent protection, including cooperating in registered user application of such other applications or filings as are required to effect necessary patent protection with respect to the Technology. Licensee shall pay patent costs and expenses related to United States and foreign filings, including patent filing, translation, search, prosecution and maintenance costs and fees. Licensee will be billed and will pay directly to patent counsel all documented costs and fees and other charges incident to the preparation, prosecution, and maintenance of any patents, copyrights or trademarks related to the Technology within thirty (30) days after receipt of invoice. Licensee at its option may register this Agreement with any patent office having jurisdiction. Licensor will work closely with Licensee to develop a suitable strategy for the prosecution and maintenance of all patents, industrial design, trademarks and copyrights. It is intended that Licensee may interact directly with the selected patent counsel in all phases of patent prosecution, such as preparation, office action responses, filing strategies for continuation or divisional applications, and other related activities. Licensor will provide copies of all documents prepared by the selected patent counsel to Licensee for review and comment prior to filing, to the extent practicable under the circumstances. Licensor will maintain final authority in all decisions regarding the prosecution and maintenance of any patent, industrial design, trademark or copyright applications. All patent applications and patents will be in the name of Licensor and owned by Licensor.

(c) Licensee will use diligent and commercially reasonable efforts to actively commercialize the Technology. "Actively commercialize" means having a commercially effective, reasonably funded ongoing and active research, development, manufacturing, marketing and/or sales program directed toward obtaining regulatory approval, production and/or sales of products embodying the Technology in applicable markets.

(d) All payments to Licensor will be made in United States dollars by check payable to the name of Licensor and sent to:

PT Group Ltd
PO Box 0830-01906 Calle B Marbella
Edif. Sol Marina 11B
Panama City, Panama

All payments shall be subject to applicable withholding taxes, if any.

(e) Licensee will maintain, and cause its sublicensees to maintain, complete and accurate books and records that enable all royalties payable under the Agreement to be verified. The records for each calendar quarter will be maintained for three (3) years after the submission of each quarterly activity report of Licensor. Each quarterly activity report shall be delivered to Licensor within forty-five (45) days after March 31, June 30, September 30, and December 31, beginning immediately after January 1, 2010 and detail the gross sales revenues for the fiscal quarters ending on the foregoing dates, which report shall be certified by the chief financial officer or similar officer of Licensee even if no payments are due Licensor, giving the particulars of the business conducted by Licensee its sublicensee. In addition, Licensor shall have the right, on an annual basis to request and receive technical information from Licensee sufficient to evidence whether and to what extent Licensee is practicing the claims of the Licensed Patents. Licensor shall have the right to make an enquiry in regard of such reports within 30 days following the receipt of such report and upon the expiry of 30 calendar days from the receipt of such report or 10 calendar days from the receipt of the explanation of any enquiry, such report or explanation shall be deemed to be acceptable and final.

(f) Upon prior notice to Licensee and its sublicensees, and at Licensor's expense, Licensor or its representatives or its appointed accountants will have access to such books and records relating to gross sales as necessary to conduct a review or audit of gross sales and verify all royalty reports submitted and royalty payments. Such access will be available to Licensor upon not less than ten (10) days' written notice to Licensee and its sublicensees, not more than once each calendar year of the Term, during normal business hours, and once a year for three years after the expiration or termination of the Agreement. If an audit of Licensee's records indicates that Licensee has underpaid royalties by more than (i) three percent (3%), or (ii) five thousand dollars ($5,000), whichever is greater, for the records so audited, Licensee will pay the reasonable costs and expenses incurred by Licensor and its representatives and accountants, if any, in connection with the review or audit, and Licensee will immediately remit such royalties and any accrued interest to Licensor. Further, whenever Licensee and its sublicensees has its books and records audited by an independent certified public accountant, Licensee and its sublicensees will, within thirty (30) days of the conclusion of such audit, provide Licensor with a written statement, certified by said auditor, setting forth the calculation of royalties due to Licensor over the time period audited as determined from the books and records of the Licensee.

ARTICLE 5
PARENT'S FINANCING OBLIGATIONS

5.1 The Parent will raise a minimum of US$10,000,000 in financing to be used by Licensee towards the research, development and commercialization of the Technology and devices utilizing the Technology over the next three years as outlined in Article 3.

5.2 The Parent will issue the following amount of shares of the Parent to the Licensor based on the amount of financing that the Parent has raised, in accordance with the following:

(a) initially, that amount of common shares equal to 5% of the issued and outstanding common shares of the Parent, (the "Initial Tranche"); and

(b) that after the issuance of the Initial Tranche and until the Parent has cumulatively raised US$50,000,000 in equity financings, Licensor shall not hold less than two and one half percent (2.5%) of the issued and outstanding number of shares of the Parent (the "Threshold Percentage") and in the event that Licensor's percentage holdings constitute less than the Threshold Percentage on the completion of the cumulative US$50,000,000 equity financing, Parent shall issue that number of additional shares to raise such holdings to the Threshold Percentage.

ARTICLE 6
SERVICE CONTRACTS

6.1 On or before July 31, 2009 the Parties shall use commercially reasonable efforts to negotiate and enter into an agreement based on industry standard terms for a senior technology employee/consultant to retain the services of the Scientific Advisor for a minimum term of thirty (30) months for US$8,000 per month (the "Base Pay") pursuant to the terms and conditions set forth in that agreement, in which the Scientific Advisor shall assist the Parties in completing the current prototypes and commercialization of the Technology.

ARTICLE 7
PROTECTION OF THE LICENSOR'S INTELLECTUAL PROPERTY

7.1 The Licensee hereby acknowledges the Licensor's right, title and interest in the Intellectual Property relating to the Technology.

7.2 The Licensee hereby acknowledges that all right, title, interest and goodwill relating to the Intellectual Property ensure to the Licensor.

7.3 The Licensee hereby acknowledges that any rights subsequently acquired with respect to the Licensor's Intellectual Property or similar property is assigned to the Licensor.

7.4 The Licensee undertakes not to contest the validity of the Licensor's rights in the Intellectual Property.

7.5 The Licensee agrees to take no actions which might impair or interfere with the Licensor's rights in the Intellectual Property.

7.6 The Licensee agrees not to seek, independently of the Licensor, any trade mark, copyright, patent, or industrial design registrations anywhere in connection with the Intellectual Property or similar property.

7.7 The Licensee agrees not to adopt or use any property similar to the Intellectual Property during the Term of this Agreement and thereafter.

7.8 The Licensee shall not associate or commingle the Intellectual Property with other intellectual property without the Licensor's prior consent.

7.9 The Licensee agrees not to use the Intellectual Property in an unauthorized manner and, in particular, not to use it in the Licensee's name or as a name or part of a name of any other corporate legal entity.

7.10 The Licensee acknowledges that the grant of the License is subject to the terms of this Agreement, and a breach of this Agreement constitutes an infringement of the Licensor's Intellectual Property.

7.11 The Licensee agrees to affix notices indicating the Licensor's ownership of the Licensor's Intellectual Property on licensed products and all packaging, advertising, promotional and other materials bearing the Licensor's Intellectual Property in such form as is requested by the Licensor.

7.12 The Licensee hereby acknowledges the uniqueness of the Intellectual Property, and the difficulty of assessing damages from the unauthorized use of the Intellectual Property and the propriety of injunctive relief.

7.13 The Licensor represents and warrants to the Licensee that it is the sole owner of the Intellectual Property and the Technology, that such Intellectual Property and Technology do not infringe on the intellectual property of any other person, and that all registrations with respect thereof are in good standing, valid and enforceable, and with support from the Licensor, the Licensee will, at its sole expense, take all reasonable steps to secure and protect the Intellectual Property and the Technology, including without limitation the defense of any claims against the Licensee in relation to the Intellectual Property and the Technology, in accordance with agreement.

7.14 The Licensee and the Licensor shall cooperatively use their commercially reasonable efforts to achieve procurement of trade mark, copyright and industrial design protection with respect to the Intellectual Property, as applicable, including cooperating in registered user application of such other applications or filings as are required to effect necessary trade mark, copyright, patent and industrial design protection at the Licensee's expense.

7.15 Licensee and Licensor shall immediately notify each other of all unauthorized uses, infringements, imitations and any other claims against the interests of the Licensor and Licensee and assist each other in the enforcement of trade-mark, copyright, patent and industrial design protection relating to the Intellectual Property.

7.16 Each of Licensor and Licensee shall have the right, but not the obligation, to decide whether to take action against infringements and imitations or defend against any action with respect to the Intellectual Property, and the Licensee shall cooperate in any such action or defense.

7.17 The Licensee shall not take any action against infringements and imitations of the Intellectual Property without the prior written consent of the Licensor.

7.18 The Licensor represents and warrants that it has the right to grant the License to the Licensee in accordance with the terms of this Agreement.

7.19 The Licensor represents and warrants that entering into this Agreement does not violate any rights or obligations existing between the Licensor and any other entity.

7.20 The Licensee and the Licensor shall be required to use industry standard non-disclosure agreements in the form attached as Schedule C when dealing with third parties in order to safeguard and protect in Intellectual Property.

ARTICLE 8
LICENSOR'S OBLIGATIONS

8.1 Licensor's Indemnity. The Licensor will indemnify and save the Licensee harmless from and against any and all reasonably foreseeable claims, causes of action, damages, awards, actions, suits, proceedings, demands, assessments, judgments, as well as any and all costs and legal and other expenses incidental to the foregoing, arising out of:

(a) any act, default or breach on the part of the Licensor or its officers, employees, servants, agents and representatives under the terms of this Agreement; and

(b) any claims of intellectual property infringement arising out of the commercialization of the Technology to the extent that the potential for such specific claims were actually known by the Licensor or should have been known and were not disclosed to the Licensee; or to the extent expressly waived by the Licensee in writing if such claims were disclosed to the Licensee.

8.2 Compliance with Laws. The Licensee will at all times during the Term fully comply with all laws, bylaws, regulations of any competent authority that affect or are likely to affect the due performance and observance of the Licensee's obligations in this Agreement in the sale, distribution and use of the Licensed Products.

ARTICLE 9
INTELLECTUAL PROPERTY

9.1 Ownership of Intellectual Property. Based on the Licensor's representation and warranty provided in Section 10.1 as well as any future technology patents being granted, the Licensee acknowledges that the Licensor is the sole and beneficial proprietor of the Intellectual Property.

9.2 Use of Name. Use of name or other proprietary trade dress of the Licensor or any of its subsidiaries by the Licensee shall be subject to the prior written approval of the Licensor or any of its subsidiaries.

9.3 No Copies. Except in furtherance of the research, development and commercialization of the Technology, the Licensee shall not copy, reverse engineer, decompile, disassemble, reconstruct, decrypt, modify, update, enhance, supplement, translate or adapt the Licensed Products and shall take all reasonable precautions so as no to allow other parties to do so.

9.4 Improvements. Any improvements to any Licensed Product or future products, regardless of the source, are the property of the Licensor or any of its subsidiaries unless otherwise agreed in writing, and shall be communicated promptly to the Licensor or any of its subsidiaries and will be licensed to the Licensee for the Term of this Agreement as set out in Section 2.9 hereof.

ARTICLE 10
REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1 The Licensor represents and warrants to the Licensee that it is the sole owner of the Intellectual Property, that such Intellectual Property does not infringe on the Intellectual Property of any other person and at Licensee's expense, Licensee together with the cooperation of Licensor shall take all reasonable steps to secure and protect the Intellectual Property and the Technology, including without limitation the defense of any claims against the Licensee in relation to the Intellectual Property and the Technology.

10.2 To the knowledge of the Licensor, there are no claims of any nature or description related to the Intellectual Property and all registrations with respect to the Intellectual Property are in good standing and are valid and enforceable.

10.3 The Licensor agrees to use its best efforts to obtain all required patent and industrial design protection for the Intellectual Property not previously obtained.

10.4 The Licensor will agree to maintain its intellectual property rights in the Technology free and clear of all liens and encumbrances and that no lien, encumbrance, mortgage or debt instrument of any kind, nature or description shall be incurred without the prior written consent of the Licensee;

10.5 To the extent it shall not adversely affect the attorney-client relationship, the Licensor shall ensure that any retention arrangement with any patent agent shall provide that the Licensee shall at all times be copied on any correspondence with any patent office and that the Licensee shall have free and unfettered access to the working files of such patent agent and may make such enquiries with the patent agent as is necessary for the maintenance of its continuous disclosure record with its shareholders and the making of any decision by the Licensee for any payments hereunder;

10.6 The Licensor represents and warrants that it has the right to grant the License pursuant to the terms of this Agreement and that entering into this Agreement does not violate any rights or existing obligations between the Licensor and any other entity.

10.7 The Licensor represents and warrants that it is a corporation in good standing under the laws of British Virgin Islands and has full authority to enter into this Agreement without any breach of any its governing documents or any applicable law.

10.8 The Licensee represents and warrants that it is a corporation in good standing under the laws of the State of Nevada and has full authority to enter into this Agreement without any breach of any its governing documents or any applicable law.

ARTICLE 11
FORCE MAJEURE

11.1 Definition of Force Majeure. For the purpose of this Agreement, force majeure means any act, event or cause, except in relation to obligations to make payments under this Agreement, beyond the reasonable control of the party affected by that force majeure including, without limitation, any act of God or any public enemy, fire, flood, explosion, landslide, epidemic, breakdown of or damage to plant, equipment or facilities, inability to obtain or unavailability of or damage to materials, ingredients or supplies, strikes, labor disputes, war, sabotage, riot, insurrection, civil commotion, national emergency and martial law, expropriation, restraint, prohibition, embargo, decree or order of any government, governmental authority or court.

11.2 Notice of Force Majeure. A party (in this Agreement called the "Affected Party") will inform the other party in writing within seven days of becoming affected by any force majeure that has or is likely to have any substantial detrimental effect on the ability of the Affected Party to perform any or all of the terms and conditions contained in this Agreement and will give particulars of the force majeure and the likely duration of the force majeure and of any likely or resulting disability or effect of that force majeure.

11.3 Time for Performance. The time for performance of the obligations of an Affected Party will be extended for the period of the force majeure if appropriate.

ARTICLE 12
TERMINATION

12.1 Termination on Default. If any of the Parties are in breach or default of the terms or conditions contained in this Agreement and do not rectify or remedy that breach or default within 90 days from the date of receipt of notice by the other party requiring that default or breach to be remedied, then the other party may give to the party in default a notice in writing terminating this Agreement but without in any way limiting or affecting the rights or liabilities of the parties or either of them that have accrued to the date of termination.

12.2 Termination by Licensee. The Licensee may, at its option, terminate this Agreement at anytime by doing the following:

(a) by ceasing to make, have made, use and sell and/or import any Licensed Products;

(b) by giving sixty (60) days prior written notice to the Licensor of such cessation and of the Licensee's intent to terminate, and upon receipt of such notice, the Licensor may immediately begin negotiations with other potential licensees and all other obligations of the Licensee under this Agreement will continue to be in effect until the date of termination; and

(c) tendering payment of all accrued royalties and other payments due to the Licensor as of the date of the notice of termination.

12.3 Partial Termination by the Licensor. Notwithstanding Section 12.1, if the Licensee is in breach or default of the terms or conditions contained in this Agreement and does not rectify or remedy that breach or default within 90 days from the date of receipt of notice by the Licensor requiring that default or breach to be remedied, then the Licensor, may alter the License granted by this Agreement with regards to its exclusivity, its territorial application and restrictions on its application.

12.4 Termination in Other Events. Without in any way limiting any other provision of this Agreement, either the Licensor or the Licensee may terminate this Agreement by notice in writing to the other if an order is made by a court or other competent authority for the winding up or dissolution of the Licensee.

12.5 Survival. Upon the termination of this Agreement:

(a) Licensee will immediately cease use of the Intellectual Property; provided however, after the effective date of termination, Licensee may sell all Licensed Products and parts thereof that it has on hand at the effective date of termination; provided, however, that Licensee's royalty obligations will continue until all Licensed Products have been sold;

(b) nothing in the Agreement will be construed to release either party from any obligation that matured prior to the effective date of termination; and

(c) the provisions of Articles 7, 8, 9 and 10 shall survive any termination or expiration of the Agreement.

ARTICLE 13
GENERAL

13.1 Notices. All notices or other communications required or permitted to be given under this Agreement must be in writing and delivered by e-mail, courier or facsimile to the address for each party as specified above or in the case of delivery by facsimile, as follows:

If to the Licensor:

PT Group Ltd.
PO Box 0830-01906 Calle B Marbella
Edificio Sol Marina 11B
Panama City, Panama

Attention: James Wigley

Facsimile: +507 269 0661
E-mail: james@pantrust.com.pa (attn: Ana Luisa Reichert)

If to the Licensee:

Sonnen Corporation
2829 Bird Avenue, Suite 12
Miami, Florida 33133

Attention: Robert Miller

Facsimile: (786) 347 7706
E-mail: dulcinizmir1@yahoo.com

If to the Parent:

Simple Tech, Inc.
2829 Bird Avenue, Suite 12
Miami, Florida 33133

Attention: Robert Miller

Facsimile: (786) 347 7706
E-mail: dulcinizmir1@yahoo.com

Any notice to Licensee must be accompanied by contemporaneous delivery of a copy to:

Fang and Associates Barristers & Solicitors
300 – 576 Seymour Street, Vancouver
British Columbia, V6B 3K1

Attention: Paul M. Fang

Facsimile: (604) 688-6995
E-mail: pmf@lawma.com

Any party may designate a substitute address for the purpose of this section by giving written notice in accordance with this section. Any notice delivered in this fashion will be deemed to have been given when it is actually received.

13.2 Time of Essence. Time is of the essence of this Agreement.

13.3 Further Assurances. Each of the parties hereby covenants and agrees that at any time and from time to time it will, upon the request of the other party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required for the better carrying out and performance of all the terms of this Agreement.

13.4 Each party recognizes that the employees of the other party, and such employees' loyalty and service to such party, constitute a valuable asset of such party. Accordingly, each party agrees not to make any offer of employment to, nor enter into a consulting relation with, any person who was employed by the other party within three years after the cessation of such person's employment by the other party.

13.5 Subject to the limitations hereinbefore expressed, this Agreement will enure to the benefit of and be binding upon the parties and their respective successors and assigns.

13.6 There are no oral conditions, representations, warranties, undertakings or agreements between the Licensor and the Licensee. No modifications to this Agreement will be binding unless executed in writing by the parties. No waiver of any provision of this Agreement will be construed as a waiver of any other provision hereof nor shall such a waiver be construed as a continuing waiver. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument. This Agreement will be governed by the laws of the State of Florida. Unless otherwise stated, all dollar amounts referred herein shall be in the lawful currency of the United States. If any clause or provision of this Agreement is declared invalid or unenforceable, the remainder of this Agreement will remain in full force and effect. Headings used in this Agreement are for reference purposes only and will not be deemed to be a part of this Agreement. This Agreement will not be construed as creating a partnership, joint venture or agency relationship between the parties or any other form of legal association which would impose liability upon one party for any act or failure to act by the other party.

IN WITNESS WHEREOF the following parties have executed this Agreement:

P.T. GROUP LTD. (BVI Company Number 1057655)

/s/ James Wigley, Director
Per: James Wigley, Director

SONNEN CORPORATION

/s/ Robert Miller
Per: Robert Miller, Director

SIMPLE TECH, INC.

/s/ Robert Miller
Per: Robert Miller, Director

SCHEDULE "A"

THE PTG TECHNOLOGY:

The Technology comprising the invention entitled the "PTG Technology" is described as: a novel Heterogeneous Catalytic process consisting of specific materials and proprietary material combinations, and including a fundamental theoretical model. This catalytic process is currently utilized in a great many industrial processes and applications including fuel cells.

PTG Technology includes materials and devices for a novel Solid Oxide Fuel Cell (SOFC) Category. Operating temperature is between 350-500 °C allowing the use of stainless steel couplers and connectors. The Cell utilizes a solid electrolyte made of ceramic that is resistant to fouling in the presence of hydrocarbon pollutants thus eliminating use of costly fuel scrubbers and reformers. Both hydrogen and hydrocarbon fuels can be utilized directly. The device's ceramic substrate exhibits very large diffusion coefficients for oxygen resulting in much higher conductivity potentials—2-3 orders of magnitude higher than other known fuel cells. No noble metals or high cost materials are used thereby greatly reducing per kW production costs. PTG Technology cells operate efficiently under normal atmospheric pressure and the demonstrated life span is >35,000 hrs under accelerated testing.

FUNDAMENTAL INTELLECTUAL PROPERTY ASSETS:

1. Solid Oxide Electrolyte with Oxygen Conductivity
   Discloses materials with extraordinarily high charge carrier diffusion coefficient
   [~10^{3} – $10^{-4}$$cm^{2}$/s: 2-3 orders of magnitude higher than other fuel cells]

   Milestone accomplished: Solid electrolyte and electrode materials utilized in PTG Cell exhibit charge carrier (oxygen) diffusion coefficient 2-3 orders of magnitude higher than reported for other Fuel Cells.

2. Method for Generation of EMF in Fuel Cell
   Discloses entirely new class of galvanic fuel elements operating on mixed fuel/air stream

   Milestone accomplished: Fuel Cell operation with direct use of hydrocarbon fuels and ambient air.

3. Solid Electrolyte Material for Fuel Cell Electrodes
   Discloses unique structure and phase make-up chemical composition of PTG Cell materials

   Milestone accomplished: Unique catalytic activity and oxidation-reduction mechanism at low temperature.

4. Method of Preparation of Fuel Cell Components
   Discloses procedure for preparation of solid electrolyte and electrode materials used in PTG Cell

   Milestone accomplished: Low-cost manufacturing techniques and common materials are used for all components, allowing for quick commercialization and variable product scalability.

ADDITIONAL APPLICATIONS:

Heterogeneous Catalysis is utilized extensively in world wide industry in many applications. Upon successful completion and with application-specific optimizations as necessary, PTG Technology, should significantly improve process efficiencies and reduce cost and waste in many of these applications. Examples include:

Energy

- Stationary, scalable SOFC fuel cell for generation of electricity from hydrocarbon fuels and/or hydrogen for primary source residential/industrial power applications;
- Compact and very efficient Auxillary Power Units for many applications;
- Production of Electricity using coal as a fuel; and
- Hydrogen Generation.

Energy Storage

- Various applications.

Catalytic Applications

- Catalytic converters; and
- Plastics Production.

Superconductive Materials

- Energy Transmission; and
- Medical Analytical Instrumentation.

Electronics

- Possible Micro fuel cell applications including micro primary/backup power supply for critical electronic circuits (aviation electronics).

SCHEDULE "B"

STAGE	Goals	Duration			Investor's Deliverables	Critical Decisions ("Go-No Go")
I	Investigate Anomolies Idendified in New Materials Repeat and Confirm Initial Results Via Extensive Scientific Analysis	**24 months**			Demonstration	Confirm and Repeat Findings **[COMPLETED]**
II	Begin Exhaustive Investigation into Components Construction Construct Electrodes and Electrolyte Compare Results With Existing Technologies (Traditional and Alternative)	**24 months**			Demonstration	**[COMPLETED]**
III	Execute Fail Tests on Components Design and Build Laboratory Prototype	**10 months**			Demonstration of Prototype	Demonstrate No Less Than 10,000 hrs Life Span for Components **[COMPLETED]**
IV	Begin Materials Optimization Identify Patentable Items Complete Preliminary Patent Search	**6 months**			Demonstration	Demonstrate No Less Than 20,000 hrs Life Span for Compenents Confirm That No Patent Conflicts Exist **[COMPLETED]**
	Expenditure Table (in k$)					
	Goals	**Phase I (0-6 months)**	**Phase II (6-12 Months)**	**Phase III (12-15 Months) IF NECESSARY**	**Investor's Deliverables**	**Critical Decisions ("Go-No Go")**
	Lease Test and Development Facility	60	60	30		
	Administrative & Personnel Costs	120	150	60		
	Accomdation & Sustenance	60	60	30		
	Reserve Budget (as necessary)			250		
	Purchase/Lease and Install Basic Equipment	120				
V	Retain Legal Firm for International Patent Work	25				
	Finalize Current Collector Engineering & Development	30				
	Finalize Vacuum Ceramic Electrolyte (Reduce Thickness from 5mm to <1mm)	30			Demonstration & Seminar	
	Manufacture Components for Testing	25				
	Implement and Standardize Testing Procedures	25				
	Build PTG-Cell Assemblies For Testing		50			
	Reduce Invention(s) to Practice (as necessary)		25		Demonstration & Seminar	Successful closure of neutral mass and energy balance (to verify that no sacrificial processes are present).
	Patent Applications and Conclusion of IP Legalities		75			
	Parametric Tests		25			
VI	Finalize Materials Development Based on Test Results (optimization)		20			
	Build Array Prototype		25		Demonstration & Seminar	
	Test Array Prototype		10			
	Built PTG-Cell Beta Prototype		20			
	Test PTG-Cell Beta Prototype		20			
	Optimization of PTG-Cell Beta Prototype		40			
	Determination of Final Pre-Production Specs		15		Open Presentation & Press Release	Sufficient Marketplace Interest.
VII	Construction of Pre-Production units for Industry-wide Demonstration		40			
		495	635	370	**1500**	

SCHEDULE "C"

NON-DISCLOSURE AGREEMENT

PARTIES: PT Group Limited ("**Developer**")
Registered Address:
PO Box 146
Trident Chambers
Road Town, Tortola, BVI

Administrative Address:
PO Box 0830-01906 Calle B Marbella
Edif. Sol Marina 11B
Panama

-and-

_____ *[Name]* ('**Recipient**')
_____ *[Address]*
_____
_____

DATE: _____ ('**Effective Date**')

In consideration of the mutual covenants set out in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties), the Parties agree as follows:

1. DEFINITION OF CONFIDENTIAL INFORMATION

Confidential Information means any information disclosed by Developer to Recipient relating directly or indirectly to PTG-Technology in all its non-public information forms which is identified by Developer, either orally or in writing, as confidential, either at the time of disclosure or, if disclosed orally, confirmed in writing within forty five (45) days following the original disclosure.

2. EXCEPTIONS TO CONFIDENTIAL INFORMATION

This Agreement does not apply to information that:

i. was available to the public at the time of disclosure, or subsequently became available to the public without fault of Recipient;

ii. was known to Recipient at the time of disclosure or was independently developed by Recipient, provided there is adequate documentation to confirm such prior knowledge or independent development;

iii. was received by Recipient from a third party and Recipient was not aware that the third party had a duty of confidentiality to Discloser in respect of the information;

iv. is used or disclosed by Recipient with Developer's prior written approval; or

v. is required to be disclosed by law, provided that Recipient gives Developer sufficient prior written notice of any such disclosure to allow Developer to contest the disclosure.

3. DESIGNATED REPRESENTATIVES

Each party designates a representative for coordinating receipt, release and delivery of Confidential Information, which for the Developer will be James Wigley or Paul R. Leonard and for Recipient: _____, or another individual(s) as the party may designate in writing to the other party.

4. USE OF CONFIDENTIAL INFORMATION

Recipient may only use the Confidential Information for the purpose of scientific and/or technical due diligence on PTG Technology in anticipation of a _____ the two Parties ('**Permitted Purpose**').

Recipient must not use the Confidential Information for any other purpose without the prior written approval of Developer.

5. NON-DISCLOSURE

Recipient must keep the Confidential Information in confidence. Recipient may only disclose the Confidential Information to its employees, directors, officers, agents and consultants who have a need-to-know the Confidential Information for the Permitted Purpose, provided that they are advised of the confidential nature of the Confidential Information and are under an obligation to maintain its confidentiality. Persons initially identified by the Recipient as authorized sub-recipients of the Confidential Information covered by this Agreement are identified in **Appendix A**. Recipient must not otherwise disclose Confidential Information to any person or third party without the prior written approval of Developer.

6. STANDARD OF CARE

Recipient must use at least the same standard of care in protecting the confidentiality of the Confidential Information as it uses in protecting its own information of a similar nature and, in any event, no less than a reasonable standard of care. Recipient must notify Developer promptly upon discovery that any Confidential Information has been accessed or otherwise acquired by or disclosed to an unauthorized person.

7. RETURN OF CONFIDENTIAL INFORMATION

If requested in writing by Developer, Recipient must cease using, return to Developer and/or destroy all Confidential Information and any copies of Confidential Information in its possession or control. Recipient may retain one archival copy of such Confidential Information for the sole purpose of establishing the extent of the disclosure of such Confidential Information, provided that such information is not used by Recipient for any other purpose and is subject to the confidentiality requirements set out in this Agreement.

8. NO LICENCE OR OTHER RIGHTS

All Confidential Information remains the property of Developer and no license or any other rights to the Confidential Information is granted to Recipient under this Agreement. This Agreement does not obligate Developer to make any disclosure of Confidential Information to the Recipient or require the parties to enter into any business relationship or further agreement.

9. LIMITED WARRANTY & LIABILITY

Developer warrants that it has the right to disclose the Confidential Information to Recipient. Developer makes no other warranties in respect of the Confidential Information and provides all information "AS IS" without any express or implied warranty of any kind, including any warranty as to merchantability, fitness for a particular purpose, accuracy, completeness or violation of third party intellectual property rights. In no event will Developer be liable for any special, incidental or consequential damages of any kind whatsoever resulting from the disclosure, use or receipt of the Confidential Information.

10. TERM

This Agreement and Recipient's obligation to keep Confidential Information confidential expires five (5) years after the Effective Date and/or the maximum allowable term under the prevailing law.

11. GENERAL PROVISIONS

11.1 **Notices -** All notices given under this Agreement must be in writing and delivered by courier or registered mail, return receipt requested, or facsimile, to the address of the party set out on page one of this Agreement. All notices to Developer must be addressed to **James Wigley** and all notices to Recipient must be addressed to _____. Notices will be deemed to have been received on the date of delivery, if delivered by courier, on the fifth business day following receipt, if delivered by registered mail or on the first business day following the electronic confirmation of the successful transmission of the facsimile, if sent by facsimile.

11.2 **Remedies -** Recipient agrees that damages may not be an adequate remedy for any breach or threatened breach of the Recipient's obligations under this Agreement. Accordingly, in addition to any and all other available remedies, Developer will be entitled to seek a temporary or permanent injunction or any other form of equitable relief to enforce the obligations contained in this Agreement.

11.3 **No waiver –** Failure of a party to enforce its rights on one occasion will not result in a waiver of those rights on any other occasion.

11.4 **Assignment -** Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

11.5 **Regulatory compliance –** Each party must comply with all applicable laws, regulations and rules in its jurisdiction, including but not limited to those relating to the export of information and data.

11.6 **Entire Agreement –** This Agreement represents the entire agreement between the parties with regard to the Confidential Information and supersedes any previous understandings, commitments or agreements, whether written or oral. No amendment or modification of this Agreement will be effective unless made in writing and signed by authorized representatives of both parties.

11.7 **Severability –** If any provision of this Agreement is wholly or partially unenforceable for any reason, all other provisions will continue in full force and effect.

11.8 **Binding Effect -** This Agreement is binding upon and will ensure to the benefits of the parties and their respective successors and permitted assigns.

11.9 **Execution -** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. If delivered by facsimile, the party must also send promptly and without delay an executed original by courier to the other party. This Agreement may also be created as an electronic document and executed by electronic signature.

11.10 **Governing Law -** This Agreement will be governed and construed in accordance with the laws of the State of Florida and the laws of the United States and the parties attorn to the exclusive jurisdiction of the courts of the State of Florida.

The parties have duly executed this Agreement by their duly authorized representatives as of the Effective Date.

DEVELOPER	RECIPIENT
_____	_____
James Wigley	_____ *[Recipient's Name]*
Director	_____ *[Title]*
_____ *[Date]*	_____ *[Date]*

CONSULTANT AGREEMENT

This Consultant Agreement ("Agreement") is made and entered into on this 27th day of July, 2009 effective as of July 1, 2009 by and between Simple Tech Inc., a Nevada based corporation (the "Company"), and Costas Takkas (hereinafter, the "Consultant").

W I T N E S S E T H:

WHEREAS, the Consultant has been appointed as an Officer and Director of the Company.

WHEREAS, the Consultant 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 Consultant will contributed to the growth and success of the Company, and desires to assure the Company of the Consultant's continued expertise and to compensate him therefore;

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

WHEREAS, the Consultant 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 Consultant 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 Fees through the end of the Term of Agreement;

(ii) any unpaid or unreimbursed expenses incurred in accordance with Company policy, including amounts due under Article 5(a) hereof, to the extent incurred during the Term of Agreement;

(iii) any benefits provided under the Company's benefit plans, programs or arrangements in which the Consultant 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 Agreement; and

(v) rights to indemnification by virtue of the Consultant'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 Fees***" means the fees provided for in Article ***4(a)*** hereof or any increased salary granted to Consultant 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 Consultant 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 Consultant, or a plea of nolo contendere, to a felony involving moral turpitude; or

(ii) willful misconduct or gross negligence by the Consultant resulting, in either case, in material economic harm to the Company or any Related Entities; or

(iii) a willful continued failure by the Consultant to carry out the reasonable and lawful directions of the Board; or

(iv) fraud, embezzlement, theft or dishonesty of a material nature by the Consultant against the Company or any Affiliate or Related Entity, or a willful material violation by the Consultant 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 Consultant of this Agreement.

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

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(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:

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(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 1, 2009.

(m) "***Common Stock***" means the common stock of the 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 Consultant was employed by the Company.

(o) "***Confidential Information***" means all trade secrets and information disclosed to the Consultant or known by the Consultant 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 Consultant 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 Consultant), about the Company or any Related Entity or its business.

(p) "***Disability***" means the Consultant'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 Consultant.

(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 Consultant 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 Consultant of any duties inconsistent in any material respect with the Consultant'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 Consultant;

(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 Consultant;

(iii) any purported termination by the Company of the Consultant's employment other than for Cause pursuant to Article 6(b), or by reason of the Consultant'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 July1st 2009 to June 30th 2010.

(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 Agreement and if the Term of Agreement is terminated for any reason other than by the Company for Cause or by the Consultant for Good Reason, the two (2) year period immediately following termination of the Term of Agreement. 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 Consultant 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 Consultant's agreement with the Company by reason of the Consultant's death or Disability, the amount of the Consultant's annual Base Fee 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 Consultant's agreement by the Company without Cause or by the Consultant with Good Reason, or upon the Expiration Date, an amount equal to one (1) times the Consultant'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 Agreement ends.

(bb) "***Stock Option***" means a right granted to the Consultant under Article 5(e) hereof to purchase Common Stock under the Company's Stock Option Plan.

(cc) "***Stock Option Plan***" means the Company's Directors and Employees Incentive Stock Option Plan, as amended from time to time, and any successor plan thereto.

(i) "***Term of Agreement***" means the period during which the Consultant shall provide to the Company pursuant to the terms of this Agreement

(ii) ***"Termination Date***" means the date on which the Term of Agreement ends.

2. ***Services***

(a) ***Services and Term***

The Company hereby agrees to retain the services of the Consultant and the Consultant hereby agrees to serve the Company during the Term of Agreement on the terms and conditions set forth herein.

(b) ***Duties of Consultant***

During the Term of Agreement, the Consultant shall be retained and serve as an Officer and Director of the Company, and shall have such duties typically associated with such title, including, without limitation supervising operations and management of the Company and its subsidiaries. The Consultant shall faithfully and diligently perform all services as may be assigned to him by the Chief Consultant Officer (the "CEO") of the Company (if someone other than the Consultant) or the Board (provided that, such services shall not materially differ from the services currently provided by the Consultant), and shall exercise such power and authority as may from time to time be delegated to him by the CEO or the Board. The Consultant 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 Consultant shall not engage in any other business or occupation, other than that declared and existing at the commencement date, during the Term of Agreement, 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 Consultant to (x) serve on corporate, civic or charitable boards or committees, (y) deliver lectures, fulfill speaking engagements or teach at educational institutions, or (z) manage personal investments, so long as such activities do not significantly interfere with or significantly detract from the performance of the Consultant's responsibilities to the Company in accordance with this Agreement.

3. ***Term***

(a) ***Initial Term***

The initial Term of Agreement for the services of the Consultant hereunder, shall commence on the Commencement Date and shall expire on June 30th 2010, unless sooner terminated in accordance with Article 6 hereof.

(b) ***Renewal Terms***

At the end of the Initial Term, the Term of Agreement shall automatically renew for successive one (1) year terms (subject to earlier termination as provided in Section 6 hereof), unless the Company or the Consultant 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 Agreement.

4. ***Compensation***

(a) ***Base Fee***

The Consultant shall receive a Base Fee at the annual rate of $96,000 during the Term of Agreement, with such Base Fee payable in installments consistent with the Company's normal schedule, subject to applicable withholding and other taxes (if applicable). The Base Fee shall be increased upon completion of certain milestones:

(i) to $10,000 per month upon the Company raising a cumulative $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;

(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 Consultant 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 Consultant within 2 ½ months after the end of the Bonus Period for which it is payable.

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5. ***Expense Reimbursement and Other Benefits.***

(a) ***Reimbursement of Expenses***

Upon the submission of proper substantiation by the Consultant, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of Consultant personnel, the Company shall reimburse the Consultant for all reasonable expenses actually paid or incurred by the Consultant during the Term of Agreement in the course of and pursuant to the business of the Company. The Consultant 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 Agreement, the Consultant 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 Consultant 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 agreement 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 Agreement, the Company shall furnish the Consultant with an office and such other facilities and services suitable to his position and adequate for the performance of his duties hereunder.

(d) ***Automobile***

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

(e) ***Stock Options***

The Company shall grant to the Consultant options to purchase up to 500,000 shares of the Company's Common Stock, at an exercise price of $1.00 per shares, 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 Agreement, the Consultant 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.

(f) ***Other Benefits***

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

6. ***Termination***

(a) ***General***

The Term of Agreement shall terminate upon the earliest to occur of (i) the Consultant's death, (ii) a termination by the Company by reason of the Consultant's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Consultant with or without Good Reason. Upon any termination of Consultant's services for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Consultant, the Consultant shall resign from any and all directorships, committee memberships or any other positions Consultant 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 Consultant, to terminate the Term of Agreement, for Cause. In no event shall a termination of the Consultant's services for Cause occur unless the Company gives written notice to the Consultant in accordance with this Agreement stating with reasonable specificity the events or actions that constitute Cause and providing the Consultant with an opportunity to cure (if curable) within a reasonable period of time. No termination of the Consultant's services 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 Consultant (and the Consultant's counsel) shall be invited upon proper notice. If the Consultant's services are terminated by the Company for Cause by reason of Article 6(b) hereof, and the Consultant's conviction is overturned on appeal, then the Consultant'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 Agreement is terminated by the Company for Cause, Consultant 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 Agreement upon written notice to the Consultant, at any time during which the Consultant is suffering from a Disability. In the event that the Term of Agreement is terminated due to the Consultant's Disability, the Consultant shall be entitled to:

(i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Agreement not ended;

(ii) the Severance Amount, payable for the Severance Term; and

(iii) Continuation of the health benefits provided to the Consultant's covered dependents under the Company health plans as in effect from time to time after the Consultant'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.

(d) ***Death***

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

(i) the Accrued Obligations, payable as and when those amounts would have been payable had the Term of Agreement not ended;

(ii) the Severance Amount, payable for the Severance Term; and

(iii) Continuation of the health benefits provided to the Consultant's covered dependents under the Company health plans as in effect from time to time after the Consultant'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 Agreement at any time without Cause, by written notice to the Consultant not less than 30 days prior to the effective date of such termination. In the event that the Term of Agreement is terminated by the Company without Cause (other than due to the Consultant's death or Disability) the Consultant shall be entitled to:

(i) The Accrued Obligations, payable as and when those amounts would have been payable had the Term of Agreement not ended;

(ii) The Severance Amount, payable for the Severance Term;

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(iii) Continuation of the health benefits provided to Consultant 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 Consultant 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 Consultant to elect to continue his health insurance pursuant to COBRA; and

(f) ***Termination by Consultant for Good Reason***

The Consultant may terminate the Term of Agreement 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 Consultant's termination shall be effective upon the date immediately following the expiration of the thirty (30) day notice period, and the Consultant shall be entitled to the same payments and benefits as provided in Article 6(e) above for a termination without Cause.

(g) ***Termination by Consultant Without Good Reason***

The Consultant may terminate his agreement without Good Reason by providing the Company thirty (30) days' written notice of such termination. In the event of a termination of agreement by the Consultant under this Section 6(g), the Consultant shall be entitled only to the Accrued Obligations. In the event of termination of the Consultant'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 Consultant's agreement with the Company terminates upon the expiration of the Term of Agreement, the Consultant shall be entitled and the Company shall pay the Consultant:

(i) The Accrued Obligations, payable as and when those amounts would have been payable had the Term of Agreement not ended; A payment equal to the Severance Amount; and

(ii) Continuation of the health benefits provided to Consultant 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 Consultant 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 Consultant to elect to continue his health insurance pursuant to COBRA.

(i) ***Change in Control of the Company***

If the Consultant's agreement is terminated by the Company without Cause or by the Consultant 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 Consultant shall be entitled to:

(i) The Accrued Obligations, payable as and when those amounts would have been payable had the Term of Agreement not ended;

(ii) A payment equal to the Severance Amount.

(iii) Continuation of the health benefits provided to Consultant 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 Consultant 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 Consultant to elect to continue his health insurance pursuant to COBRA.

(j) ***Release***

Any payments due to Consultant under this Article 6 (other than the Accrued Obligations on any payments due on account of the Consultant's death) shall be conditioned upon Consultant'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 Agreement, the Consultant shall make reasonable efforts to mitigate damages by seeking other agreement, provided, however, that the Consultant shall not be required to accept a position of substantially different character than the position from which the Consultant was terminated. To the extent that the Consultant 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.

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(l) ***Cooperation***

Following the Term of Agreement, the Consultant 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 agreement or other similar service recipient. To the extent permitted by law, the Company agrees that (i) it shall promptly reimburse the Consultant 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 Consultant 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 Consultant 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 Consultant may retain a copy the addresses contained in his rolodex, palm pilot, PDA or similar device).

(n) ***Clawback of Certain Compensation and Benefits***

If, after the termination of the Consultant's agreement 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 Consultant's agreement 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 Consultant's agreement could have been terminated for Cause in accordance with Article 6(b)); or

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(ii) the Consultant 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 Consultant's agreement shall be deemed to have been terminated for Cause retroactively to the Termination Date and the Consultant also 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 to the Consultant if the Consultant's agreement with the Company had been terminated by the Company for Cause in accordance with Article 6(b) above;

7. ***Restrictive Covenants.***

(a) ***Non-competition***

At all times during the Restricted Period, the Consultant 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 Consultant's ownership of Common Stock of the Company or the acquisition by the Consultant, 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 Consultant 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.

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(b) ***Nonsolicitation of Employees and Certain Other Third Parties***

At all times during the Restricted Period, the Consultant 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 Consultant 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 Consultant'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 Consultant 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 Consultant 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 Consultant in confidence and as a fiduciary, and the Consultant 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 Consultant 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 Consultant purporting to legally compel him to divulge any Confidential Information, the Consultant 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 Consultant's divulging of such Confidential Information. The Consultant 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 Consultant 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 Consultant 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 Consultant 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 Consultant for hire for the Company, the Consultant 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 Consultant may have in such Work Product. Upon the request of the Company, the Consultant 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 Consultant 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.

(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 Consultant or otherwise coming into the Consultant's possession, shall be the exclusive property of the Company and shall be returned immediately to the Company on termination of the Consultant's employment hereunder or on the Company's request at any time.

[Remainder of Page Left Intentionally Blank]

(f) ***Acknowledgment by Consultant***

The Consultant 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 Consultant further acknowledges and confirms that the compensation payable to the Consultant under this Agreement is in consideration for the duties and obligations of the Consultant hereunder, including the restrictive covenants contained in this Article 7, and that such compensation is sufficient, fair and reasonable. The Consultant 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 Consultant 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 Consultant 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 Consultant 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(i) 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 Consultant 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 pendency of such proceeding including all appeals by the Consultant.

(i) ***Injunction***

It is recognized and hereby acknowledged by the parties hereto that a breach by the Consultant 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 Consultant 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 Consultant 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 Consultant***

The Consultant represents and warrants to the Company that:

(a) The Consultant's services 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 Consultant has not violated, and in connection with his services 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 Consultant's services 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 Consultant has not (i) been convicted of any felony; or (ii) committed any criminal act with respect to Consultant's current or any prior employment; and

(e) The Consultant is not dependent on alcohol or the illegal use of drugs

The Consultant recognizes that Company shall have the right to conduct random drug testing of its officers and that Consultant may be called upon in such a manner.

9. ***Mediation***

Except to the extent the Company has the right to seek an injunction under Article 7(i) 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 Mediation Rules before resorting to arbitration pursuant to Section 11 hereof.

[Remainder of Page Left Intentionally Blank]

10. ***Taxes***

Anything in this Agreement to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Consultant 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.***

(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 Consultant's agreement with the Company or out of this Agreement, or the Consultant's termination of services or termination of this Agreement, may not be in the best interests of either the Consultant 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 Consultant's agreement, or to the negotiation, execution, performance or termination of this Agreement or the Consultant's services, 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 Americans with Disabilities Act of 1990, Section 1981 of the Civil Rights Act of 1966, as amended, the Family Medical Leave Act, and any similar federal, state or local law, statute, regulation, or any common law doctrine, whether that dispute arises during or after agreement shall be resolved by arbitration in the State of Florida, in accordance with the National 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 agreement relationship between the Consultant 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 Consultant 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 Consultant was terminated in violation of law or this Agreement, the parties agree that the arbitrator acting hereunder shall be empowered to provide the Consultant 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 Consultant 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 Grand Cayman, Cayman Islands, 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 Cayman Islands; (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. ***Entire Agreement***

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and, upon its effectiveness, shall supersede all prior agreements, understandings and arrangements, both oral and written, between the Consultant and the Company (or any of its affiliates) with respect to such subject matter, . This Agreement may not be modified in any way unless by a written instrument signed by both the Company and the Consultant.

16. ***Survival***

The respective rights and obligations of the parties hereunder shall survive any termination of the Consultant's employment hereunder, including without limitation, the Company's obligations under Article 6 and the Consultant'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.

17. ***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 P.O. Box 331916, Miami, Florida 33233-1916, Attention: Robert Miller, and (ii) if to the Consultant, to his address as reflected on the records of the Company, or to such other address as either party shall request by notice to the other in accordance with this provision.

18. ***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.

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

The Consultant 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 Consultant agrees that the obligations created hereby are not unreasonable. The Consultant 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.

20. ***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.

21. ***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.

22. ***Damages; Attorneys Fees***

Nothing contained herein shall be construed to prevent the Company or the Consultant 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.

23. ***Waiver of Jury Trial***

The Consultant hereby knowingly, voluntarily and intentionally waives any right that the Consultant 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.

24. ***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 Consultant or others. In no event shall the Consultant be obligated to seek other agreement or take any other action by way of mitigation of the amounts payable to the Consultant under any of the provisions of this Agreement.

25. ***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.

26. ***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.

27. ***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.

28. ***Indemnification.***

(a) Subject to limitations imposed by law, the Company shall indemnify and hold harmless the Consultant 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 Consultant was or is a party or is threatened to be made a party by reason of the fact that the Consultant is or was an officer, employee or agent of the Company, or by reason of anything done or not done by the Consultant in any such capacity or capacities, provided that the Consultant 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 Consultant as a result of the Consultant 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 Consultant in investigating, defending, settling or appealing any action, suit or proceeding described in this Article 28 in advance of the final disposition of such action, suit or proceeding. The Company shall promptly pay the amount of such expenses to the Consultant, but in no event later than 10 days following the Consultant's delivery to the Company of a written request for an advance pursuant to this Article 29, together with a reasonable accounting of such expenses.

(c) The Consultant hereby undertakes and agrees to repay to the Company any advances made pursuant to this Article 28 if and to the extent that it shall ultimately be found that the Consultant is not entitled to be indemnified by the Company for such amounts.

(d) The Company shall make the advances contemplated by this Article 28 regardless of the Consultant'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 28 shall be unsecured and interest-free.

(e) The provisions of this Article 28 shall survive the termination of the Term of Agreement 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:

/s/ Robert Miller
Simple Tech, Inc.
Per: Robert Miller, Director

CONSULTANT:

/s/ Costas Takkas
Costas Takkas

EXHIBIT A
FORM OF RELEASE

GENERAL RELEASE OF CLAIMS

- Costas Takkas ("Consultant"), 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 Consultant Agreement to which this release is attached as Exhibit B (the "Consultant Agreement"), does hereby release and forever discharge Simple Tech, Inc. (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 Consultant's services 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. Consultant 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. Without limiting the generality of the release provided above, Consultant expressly waives any and all claims under ADEA that he may have as of the date hereof. Consultant 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 Consultant pursuant to, the Consultant 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 Consultant 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.

- Consultant represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his services, 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 Consultant pursuant to paragraph 1 hereof (a "Proceeding"); provided, however, Consultant shall not have relinquished his right to commence a Proceeding to challenge whether Consultant knowingly and voluntarily waived his rights under ADEA.

- Consultant 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. Consultant 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.

- Consultant 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 Nevada applicable to contracts made and to be performed entirely within such State.

- Consultant 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 Consultant's execution of this General Release of Claims unless Consultant's written revocation is delivered to the Company within seven (7) days after such execution.

_____

Costas Takkas

_____, __, 20__

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is dated for reference July 27, 2009,

AMONG:

P.T. GROUP LTD., a corporation incorporated pursuant to the laws of the British Virgin Islands registered under BVI Company Number 1057655, with an address of PO Box 0830-01906 Calle B Marbella, Edificio Sol Marina 11B, Panama City, Panama;

(the "Licensor")

AND:

SIMPLE TECH INC., a company incorporated pursuant to the laws of the State of Nevada, with an address of 2829 Bird Avenue, Suite 12, Miami, FL 33133;

and

SONNEN CORPORATION, a company incorporated pursuant to the laws of the State of Nevada, with an address of 2829 Bird Avenue, Suite 12, Miami, Florida 33133 as a wholly owned subsidiary of Simple Tech Inc.;

(together the "Licensee")

WHEREAS:

A. The Parties have entered into a licensing agreement on July 27, 2009 (the "Licensing Agreement") with regard to the license of certain technology defined therein as "PTG Technology" (the "Technology") wherein the Licensor has represented and warranted under Section 7.13 that "it is the sole owner of the Intellectual Property and the Technology, that such Intellectual Property and Technology do not infringe on the intellectual property of any other person, and that all registrations with respect thereof are in good standing, valid and enforceable, and with support from the Licensor, the Licensee will, at its sole expense, take all reasonable steps to secure and protect the Intellectual Property and the Technology";

B. Under Section 8.1 of the Licensing Agreement, the Licensor has agreed to indemnify and save the Licensee harmless from and against any and all reasonably foreseeable claims, causes of action, damages, awards, actions, suits, proceedings, demands, assessments, judgments, as well as any and all costs and legal and other expenses incidental to the foregoing, arising out of any claims of intellectual property infringement arising out of the commercialization of the Technology to the extent that the potential for such specific claims were actually known by the Licensor or should have been known and were not disclosed to the Licensee; or to the extent expressly waived by the Licensee in writing if such claims were disclosed to the Licensee;

C. The Licensor has identified the possibility that the Hertzina State Pedagogical University ("Hertzina") may make a claim for a beneficial interest in the Technology and the Licensee wishes to enter into this indemnification agreement with the Licensor on the terms set forth below.

THIS AGREEMENT WITNESSES THAT in consideration of US$10.00 (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. The Licensor and the Licensee agree that if (i) Hertzina makes a claim for a beneficial interest in the Technology and (ii) in settlement of such claim with the prior written consent of the Licensee, "Hertzina" receives a royalty interest in the Technology and or products derived from the technology (the "Hertzina Royalty") and (iii) the calculation of the Hertzina Royalty is identical to the calculation of the Licensor's royalty, then the Licensor's 1.0% royalty will be reduced by a calculation as follows:

   (a) If Hertzina receives a 0.5% royalty or less, the Licensor's 1.0% royalty under the Licensing Agreement will not be reduced;

   (b) If Hertzina receives a royalty of over 0.5% up to 1.5% then the Licensor's royalty will be reduced by 10.0% of the amount that the Hertzina Royalty exceeds 0.5%; and

   (c) If Hertzina receives a royalty greater than 1.5%, Licensor's royalty will be reduced by only 0.10% to 0.90%.

2. In the event that the calculation of the Hertzina Royalty is different than the Licensor's Royalty, then the calculation of the reduction of the Licensor's royalty under Section 1 shall use a deemed royalty percentage for Hertzina based on the calculation used for the Licensor's royalty.

3. All notices or other communications required or permitted to be given under this Agreement must be in writing and delivered by e-mail, courier or facsimile to the address for each party as specified above or in the case of delivery by facsimile, as follows:

   If to the Licensor:

   PT Group Ltd.
   PO Box 0830-01906 Calle B Marbella
   Edificio Sol Marina 11B
   Panama City, Panama
   Attention: James Wigley

   Facsimile: +507 269 0661

   E-mail: james@pantrust.com.pa (attn: Ana Luisa de Reichert)

   If to the Licensee:

   Simple Tech Inc.
   2829 Bird Avenue, Suite 12
   Miami, FL 33133
   Attention: Robert Miller

   Facsimile: 786 347 7706

   E-mail: dulcinizmir1@yahoo.com

And:

Sonnen Corporation
2829 Bird Avenue, Suite 12
Miami, Florida 33133
Attention: Robert Miller

Facsimile: (786) 347 7706

E-mail: dulcinizmir1@yahoo.com

Any notice to the Licensee must be accompanied by contemporaneous delivery of a copy to:

Fang and Associates Barristers & Solicitors
300 – 576 Seymour Street
Vancouver, British Columbia, V6B 3K1
Attention: Paul M. Fang

Facsimile: (604) 688-6995

E-mail: pmf@lawma.com

Either party may designate a substitute address for the purpose of this section by giving written notice in accordance with this section. Any notice delivered in this fashion will be deemed to have been given when it is actually received.

4. Time is of the essence of this Agreement.

5. Each of the parties hereby covenants and agrees that at any time and from time to time it will, upon the request of the other party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required for the better carrying out and performance of all the terms of this Agreement.

6. There are no oral conditions, representations, warranties, undertakings or agreements between the Licensor and the Licensee. No modifications to this Agreement will be binding unless executed in writing by the parties. No waiver of any provision of this Agreement will be construed as a waiver of any other provision hereof nor shall such a waiver be construed as a continuing waiver. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument. This Agreement will be governed by the laws of the State of Florida. Unless otherwise stated, all dollar amounts referred herein shall be in the lawful currency of the United States. If any clause or provision of this Agreement is declared invalid or unenforceable, the remainder of this Agreement will remain in full force and effect. Headings used in this Agreement are for reference purposes only and will not be deemed to be a part of this Agreement. This Agreement will not be construed as creating a partnership, joint venture or agency relationship between the parties or any other form of legal association which would impose liability upon one party for any act or failure to act by the other party.

IN WITNESS WHEREOF the following parties have executed this Agreement:

P.T. GROUP LTD. (BVI Company Number 1057655)

/s/ James Wigley
Per: James Wigley, Director

SIMPLE TECH INC.

/s/ Robert Miller
Per: Robert Miller, Director

SONNEN CORPORATION

/s/ Robert Miller
Per: Robert Miller, Director

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into on this 27th day of July, 2009 effective as of 1st July, 2009 by and between Sonnen Corporation, a Nevada based corporation (the "Company"), and Paul Leonard (hereinafter, the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive is to be employed as Project Manager 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:

(dd) "***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.

(ee) "***Affiliate***" means any entity that controls, is controlled by, or is under common control with, the Company.

(ff) "***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.

(gg) "***Beneficial Ownership***" shall have the meaning ascribed to such term in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

(hh) "***Board***" means the Board of Directors of the Company.

(ii) "***Bonus***" means any bonus payable to the Executive pursuant to Article ***4(b)*** hereof.

(jj) "***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.

(kk) "***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.

(ll) "***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.

(mm) "***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.

(nn) "***Code***" means the Internal Revenue Code of 1986, as amended.

(oo) "***Commencement Date***" means July 1st, 2009.

(pp) "***Common Stock***" means the common stock of the Company's parent company, par value $0.0001 per share.

(qq) "***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.

(rr) "***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.

(ss) "***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.

(tt) "***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.

(uu) "***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.

(vv) "***Expiration Date***" means the date on which the Term of Employment, including any renewals thereof under Article 3(b), shall expire.

(ww) "***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.

(xx) "***Group***" shall have the meaning ascribed to such term in Section 13(d) of the Securities Exchange Act of 1934.

(yy) "***Initial Term***" means July 1, 2009 to June 30, 2010.

(zz) "***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.

(aaa) ***"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.

(bbb) "***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.

(ccc) "***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.

(ddd) "***Severance Term***" means the one (1) year period following the date on which the Term of Employment ends.

(eee) "***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.

(fff) ***"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.

(ggg) "***Term of Employment***" means the period during which the Executive shall be employed by the Company pursuant to the terms of this Agreement.

(hhh) ***"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 Director and Project Manager of the Company, and shall have such duties typically associated with such title, including, without limitation supervising operations and management of the Company., supervising patent production, acting as technology spokesman and scientific liaison. The Executive shall faithfully and diligently perform all services as may be assigned to him by the Chief Executive Officer (the "CEO") 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 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, 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.***

(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 June 30th 2010, 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 200,000 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.

(e) ***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.***

(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.***

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.

(i) 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.

(ii) 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;

7. ***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 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.

(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.

8. ***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

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.***

(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.

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.***

(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	Paul Leonard
By: /s/ Robert Miller Name: Robert Miller Title: President	/s/ Paul Leonard Paul Leonard

EXHIBIT A
FORM OF RELEASE

GENERAL RELEASE OF CLAIMS

Paul Leonard ("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__

WARRANTY AGREEMENT

THIS AGREEMENT is dated for reference July 27, 2009,

AMONG:

P.T. GROUP LTD., a corporation incorporated pursuant to the laws of the British Virgin Islands registered under BVI Company Number **1057655** having an address of PO Box 0830-01906 Calle B Marbella, Edificio Sol Marina 11B, Panama City, Panama (Attention: Ana Luisa de Reichert) and an e-mail address of james@pantrust.com.pa and a facsímile number of +507 269 0661;

(the "Licensor")

AND:

SIMPLE TECH INC., a company incorporated pursuant to the laws of the State of Nevada, with an address of 5348 Vegas Dr., Las Vegas, NV 89108 (Attention: Robert Miller) having an e-mail address of dulcinizmir1@yahoo.com and a facsimile number of 786 347 7706;

and

SONNEN CORPORATION, a company incorporated pursuant to the laws of the State of Nevada, with an address of 2829 Bird Avenue, Suite 12, Miami, Florida 33133 as a wholly owned subsidiary of Simple Tech Inc.;

(together the "Licensee")

AND:

PAUL LEONARD, Project Manager of the Licensor, 118 West Franklin, Wheaton, IL 60187 having an e-mail address of paul.r.leonard@gmail.com and a facsimile number of 630 756 0166.

(the "Project Manager")

WHEREAS:

A. The Licensor and the Licensee have entered into a Licensing Agreement dated for reference July 27, 2009 (the "Licensing Agreement") whereby the Licensee was granted a license to use certain intellectual property known as the "PTG Technology"; and

B. As an inducement for the Licensee entering into the Licensing Agreement the Project Manager has agreed to give certain warranties and representations as set out below.

THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants in this agreement and for other consideration, the parties agree as follows:

1. Unless expressly defined herein, the capitalized terms in this Agreement shall have the meaning ascribed to them in the Licensing Agreement.

2. The Project Manager and the Licensor represents and warrants to the Licensee that:

(a) The Licensor is the sole owner of the Intellectual Property, that such Intellectual Property does not infringe on the Intellectual Property of any other person and at the Licensee's expense, the Licensor and the Project Manager will cooperate with Licensee to take all reasonable steps to secure and protect the Intellectual Property and the Technology, including without limitation the defense of any claims against in relation to the Intellectual Property and the Technology;

(b) To the knowledge of the Project Manager and the Licensor, there are no claims of any nature or description related to the Intellectual Property and all registrations with respect to the Intellectual Property are in good standing and are valid and enforceable;

(c) The Project Manager and the Licensor shall use their best efforts to obtain all required patent and industrial design protection for the Intellectual Property not previously obtained;

(d) The Licensor shall agree to maintain its intellectual property rights in the Technology free and clear of all liens and encumbrances and that no lien, encumbrance, mortgage or debt instrument of any kind, nature or description shall be incurred without the prior written consent of the Licensee ;

(e) To the extent it shall not adversely affect the attorney-client relationship, the Licensor shall ensure that any retention arrangement with any patent agent shall provide that the Licensee shall at all times be copied on any correspondence with any patent office and that the Licensee shall have free and unfettered access to the working files of such patent agent and may make such enquiries with the patent agent as is necessary for the maintenance of its continuous disclosure record with its shareholders and the making of any decision by the Licensee for any payments hereunder; and

(f) The Licensor has the right to grant the License pursuant to the terms of the Licensing Agreement and that entering into the Licensing Agreement does not violate any rights or existing obligations between the Licensor or the Project Manager and any other entity.

3. Each of the parties hereby covenants and agrees that at any time upon the request of the other party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required for the better carrying out and performance of all the terms of this Agreement.

4. The representations, warranties and covenants in this Agreement will survive any closing or advance of funds and, notwithstanding such closing or advances, will continue in full force and effect.

5. Any notice required or permitted to be given or delivery required to be made to any party may be effectively given or delivered if it is delivered personally or by telecopy at the addresses or telephone numbers set out above or to such other address or telephone number as the party entitled to or receiving such notice may notify the other party as provided for herein. Delivery shall be deemed to have been received:

(a) the same day if given by personal service or if transmitted by fax; and

(b) the fifth business day next following the day of posting if sent by regular post.

6. This Agreement will be governed by and be construed in accordance with the laws of British Columbia.

7. All matters in difference between the parties in relation to this Agreement shall be referred to the arbitration of a single arbitrator, if the parties agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they enter upon the business of arbitration. The award and determination of the arbitrator or arbitrators or any two of the three arbitrators shall be binding upon the parties and their respective heirs, executors, administrators and assigns.

8. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs and executors and successors and assigns as the case may be. This Agreement may not be assigned without the prior written consent of the other party.

9. No modification or amendment to this Agreement may be made unless agreed to by the parties thereto in writing.

10. In the event any provision of this Agreement will be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions will remain in full force and effect.

11. Time is of the essence.

12. This Agreement may be executed in any number of counterparts with the same effect as if all parties to this Agreement had signed the same document and all counterparts will be construed together and will constitute one and the same instrument and any facsimile signature shall be taken as an original.

IN WITNESS WHEREOF the following parties have executed this Agreement:

P.T. GROUP LTD. (BVI #1057655)

/s/ James Wigley
Per: James Wigley, Director

SIMPLE TECH INC.

/s/ Robert Miller
Per: Robert Miller, Director

SONNEN CORPORATION

/s/ Robert Miller
Per: Robert Miller, Director

PAUL R. LEONARD

/s/ Paul R. Leonard

Exhibit 21

SUBSIDIARIES OF SIMPLE TECH, INC.

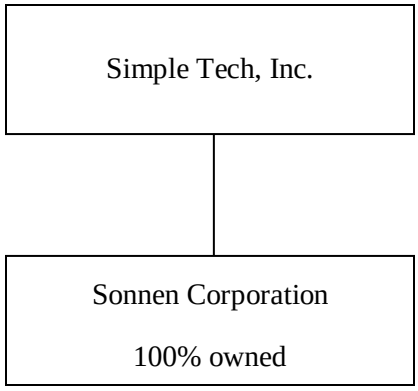

Exhibit 31(i)

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-K of Simple Tech, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in 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: July 31, 2009

/s/ Robert Miller
Robert Miller
Chief Executive Officer

Exhibit 31(ii)

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-K of Simple Tech, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in 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: July 31, 2009

/s/ Costas Takkas
Costas Takkas
Chief Financial Officer

Exhibit 32(i)

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-K of Simple Tech, Inc. for the annual period ended June 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 represents, 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: July 31, 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.

Exhibit 32(ii)

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-K of Simple Tech, Inc. for the annual period ended June 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 represents, 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: July 31, 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.