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1	10-K/A	10KA
2	EX-31	ex-3.1
3	EX-31.1	ex-31.1
4	EX-32.1	ex-32.1

Note: This is not an official filing. It is a *Consolidated Proof* listing of the main document, exhibits, cover letter, correspondence and other attachments that are part of this filing.

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

Form 10-K/A

Amendment No. 1

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

For the fiscal year ended December 31, 2019

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

Commission file number 000-54219

TRUTANKLESS, INC.
(Exact name of registrant as specified in its charter)

Nevada	**26-2137574**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15720 N. Greenway Hayden Loop, Suite 2
Scottsdale, Arizona 85260
(Address of principal executive offices) (Zip Code)

(480) 275-7572
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, $0.001 par value**

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

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

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

As of June 30, 2019, the aggregate market value of shares held by non-affiliates of the registrant (computed by reference to the price at which the common equity was last sold) was approximately $21,253,665.

The number of shares of Common Stock, $0.001 par value, outstanding on April 14, 2020 was 54,287,966 shares.

DOCUMENTS INCORPORATED BY REFERENCE: None.

TRUTANKLESS, INC.
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

Index to Report on Form 10-K

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements and involves risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows, and business prospects. These statements include, among other things, statements regarding:

- our ability to diversify our operations;
- inability to raise additional financing for working capital;
- the fact that our accounting policies and methods are fundamental to how we report our financial condition and results of operations, and they may require our management to make estimates about matters that are inherently uncertain;
- our ability to attract key personnel;
- our ability to operate profitably;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- changes in U.S. GAAP or in the legal, regulatory and legislative environments in the markets in which we operate;
- the inability of management to effectively implement our strategies and business plan;
- inability to achieve future sales levels or other operating results;
- the unavailability of funds for capital expenditures;
- other risks and uncertainties detailed in this report;

as well as other statements regarding our future operations, financial condition and prospects, and business strategies. Forward-looking statements may appear throughout this report, including without limitation, the following sections: Item 1 “Business,” Item 1A “Risk Factors,” and Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements generally can be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will be,” “will continue,” “will likely result,” and similar expressions. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Annual Report on Form 10-K, and in particular, the risks discussed under the caption “Risk Factors” in Item 1A and those discussed in other documents we file with the Securities and Exchange Commission (SEC). We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

This summary highlights certain information regarding the Company, including its history, its business objectives, and management team. The words "TRUTANKLESS," "us," "we," the "Company" and any variants thereof used in this summary refer to Trutankless, Inc.

The Company's stock symbol is TKLS, and is presently traded on the OTCQB maintained by OTC Markets Group, Inc. The Company is a reporting company under the rules and regulations of the US Securities and Exchange Commission. The Company's filings can be reviewed at www.sec.gov.

PART I

ITEM 1. BUSINESS

Trutankless, Inc. was incorporated in the state of Nevada on March 7, 2008. The Company is headquartered in Scottsdale, Arizona and currently operates through its wholly-owned subsidiary, Bollente, Inc., a Nevada corporation incorporated on December 3, 2009.

Trutankless is involved in sales, marketing, research and development of a high quality, whole-house, smart electric tankless water heater that is more energy efficient than conventional products. Management anticipates the Company's trutankless water heater, with Wi-Fi capability and trutankless' proprietary apps offered in the iOS and Android store, will augment existing products in the hope automation space.

Overview of Potential Markets and Summary of Marketing Plan

Management intends to focus on the United States residential market initially. For decades Americans have used only tank type water heaters. For most homes, the units hold an average of 40 to 80 gallons of water in a storage tank, are gas or electric fueled and consume excessive energy to keep water hot continuously. In fact, water heaters expend up to 25% of the total energy used by a typical household representing the second largest use of energy in most homes. Depending on household usage, approximately 25 - 50% of the heat created is lost through the walls of the tank and connecting pipes.

There are other problems inherent with traditional tank water heaters:

- Due to the high temperatures and corrosive aspects of water, a typical water heater has a lifespan of 10.7 years.
- Unless replaced beforehand, more than two thirds of water heaters eventually corrode and leak or burst, often resulting in extensive and costly water and mold related damage.
- Due to the large size and other installation requirements often result in the units being installed in garages and utility rooms on the opposite side of the home from the bathroom fixtures. Because of this, an estimated 10,000 gallons of water per household goes down the drain while users wait on the water to get hot at the faucet.
- Traditional tank water heaters take up to 6 to 9 square feet of floor space, which can be especially valuable in multi-family or commercial applications.
- To reduce operating costs, many people adjust the temperature on their water heaters down. Unfortunately, lower temperatures increase the possibility of unhealthy, waterborne bacteria growth.
- To increase water heating capacity, many people will adjust the temperature of their water heaters up. In addition to using more energy, this practice can be dangerous by posing a greater risk of scalding.
- Tankless water heaters are becoming increasingly popular in America because they:
- Produce a continuous, unlimited supply of hot water
- Expend only the energy needed to heat the water used with no "standby" energy loss
- Can last more than twice as long as tank heaters
- Are small and require very little space.
- Are not conducive to bacterial growth
- Are considered very "green" by green conscious builders and consumers.

Electric tankless water heaters have additional benefits over gas powered models because they can be installed almost anywhere in a home (closets, attics, utility rooms, etc.) where hot water is needed which improves flexibility of floor plan design for builders, architects, and remodelers. In addition, gas tankless water heaters may not be suitable for many applications due to challenges with adequate fuel supply, the need for exhaust vents with specific requirements, and other code-related requirements. In spite of these issues, gas tankless water heaters have enjoyed significant growth in North America because of the efficiency and performance they provide.

Home Automation Overview

Key trends in the home automation space, which is estimated to reach $46.22 Billion worldwide by 2025, have been driven by consumers' desire for efficiency and lifestyle improvements. Companies like Nest have helped to introduce the Internet of Things to appliances with a direct impact on how users interact with traditional household appliances and have the ability to reduce energy usage. The trend towards integration with voice assistants is also on the rise with key industry leaders like Alexa and Google Assistant playing larger roles in the home automation industry. Insurance and utility companies have joined this trend by partnering with home automation manufacturers by leveraging different devices to build insurance products including discounts and rebates. While home security and safety monitoring are expected to continue to dominate the overall market, management anticipates energy management and HVAC controls and monitors will be one of the fastest growing markets in the U.S. which accounts for 36% of global demand.

Trutankless was designed to replace inefficient tank water heating technology, which is second to HVAC in energy consumption for most homes. Combined with Wi-Fi capabilities, the system can not only save energy it has the ability to inform users and property owners of energy use, water use, and potential issues like leaks or other failures in the plumbing system. Management plans to roll out additional technologies in the future that can integrate with the Company's trutankless smart apps. Currently, the product has the ability to notify homeowners in the event of water flow while the system is set in away mode. Leak detection, leak damage mitigation, and hot water recirculation for instant hot water at the point of use are becoming major trends in the home automation space. Management believes new products can be introduced into its growing wholesale network to augment trutankless' momentum and harness growing trends to a fresh audience of plumbing and other home service professionals.

Homebuilders and plumbing companies have begun selling homes with more technology integrations. Lennar Homes for example, the nation's largest homebuilder, just recently announced the world's first Wi-Fi Certified communities and employs Amazon's Alexa voice assistant. Trutankless has also been introduced into Lennar communities, and management expects that trutankless products will share Wi-Fi Certification as well as integration with Alexa's voice command capabilities, among other improvements to its existing technology platform.

Tankless Industry Overview

The U.S. gas tankless, whole-house, water heater market is dominated by five brands; Noritz, Rinnai, Takagi, Aqua Star by Bosch and Rheem by Paloma. The U.S. electric tankless water heater market is dominated by four companies; Stiebel-Eltron, Rheem (Eemax/EcoSmart), Seisco by Microtherm, Inc., and Power Star by Bosch. Until just a few years ago, there were only a few tankless water heater manufacturers with a presence in the United States, but that is changing. Now, several Japanese and European manufacturers have begun marketing products in the United States, and since 2003, gas tankless products have experienced dramatic growth. Electric tankless systems have not experienced comparable growth due to several factors, primarily product performance, capacity, product quality and electrical power supply and installation issues.

Manufacturers of tank heaters have a competitive advantage due largely to their product categories long established use, name recognition, established distribution and brand position in the marketplace. Many plumbers and other building industry professionals were opposed to changing brands or to tankless systems because many tankless water heaters have been poorly designed in the past. As a result, there is a perception among some contractors that these water heaters are more complicated and generally less dependable than traditional tank heaters. This perception is often passed along to consumers when making buying decisions or inquiring about switching to a tankless water heater. In recent years however, the industry has experienced a contraction in sales of products and services for new building projects. Consequently, higher ticket, higher margin products, such as tankless and solar water heating systems have become a primary growth driver for many plumbers and companies who had traditionally avoided emerging technologies.

While we believe that our products will have superior performance, such as endless hot water, superior longevity, greater efficiency and lower "life-cycle" costs than traditional tank water heaters, the Company's success will depend to a large degree on the successful conversion of traditional water heater buyers to tankless water heater buyers. The acquisition price of tankless water heaters (both gas and electric) is greater than traditional tank water heaters, but the overall cost of ownership will be less than that of traditional tank technologies under typical circumstances. Although the public's awareness of tankless systems has not been strong historically, sales growth in the sector is suggestive of increasing awareness.

Our marketing and promotion plans have been developed to increase the awareness of the Company's brand as the preferred option to traditional tank systems. Trutankless intends to position itself and its brand to capitalize on the paradigm shift to green-conscious living and development.

Trutankless® Products

We manufacture and distribute trutankless® water heaters, a line of new, high-quality, highly efficient electric tankless water heaters. Our trutankless® water heaters are engineered to outperform and outlast both its tank and tankless predecessors in energy efficiency, output, and durability. It provides endless hot water on demand for a whole household and it also integrates with home automation systems.

We have several features and design innovations which are new to the electric tankless water heater market that we believe will give our products a sustainable competitive advantage over our rivals in the market.

Our trutankless® water heaters are available through wholesale plumbing distributors, including Ferguson, Hajoca, WinSupply locations, Morrison Supply, and several regional distributors. A partial listing of wholesalers may be found on our website (www.trutankless.com).

Our trutankless® water heaters are designed to provide an endless hot water supply because they are designed to heat water as it flows through the system. We believe that our products are capable of higher temperature rise than competitive units at given flow rates because of its improved design and greater efficiency. Our trutankless® water heaters can save energy and reduce operating costs compared to tank systems because unlike tanks, if there is no hot water demand, no energy is being used. In addition, we intend to improve life-cycle costs with an improved design conceived not only to increase efficiency, but also the longevity of our products versus competitive units. Generally, a typical tank water heater lasts about 9 years, whereas gas tankless systems may last longer, but requires more routine maintenance. Our product line is designed to last longer than tank water heaters without any routine maintenance required under most conditions.

We created a custom heat exchanger for our trutankless® product line that utilizes our patented technology to heat water as it flows through the system, which means customers need not worry about running out of hot water. We believe we've selected the best materials available and a collection of exclusive design elements and features to maximize capacity, minimize energy use, and provide a truly maintenance free experience.

Our trutankless® water heaters were officially launched in the first quarter of 2014 and is sold throughout the wholesale plumbing distribution channel. We began generating revenue in the first quarter of 2014. As of the fiscal year ended December 31, 2014, we generated $238,912 in revenue. As of the fiscal year ended December 31, 2015, we generated $265,504 in revenue. As of the fiscal year ended December 31, 2016, we generated $429,582 in revenue. As of the fiscal year ended December 31, 2017, we generated $695,857 in revenue. As of the fiscal year ended December 31, 2018, we generated $1,537,958 in revenue. As of the fiscal year ended December 31, 2019, we generated $1,908,708.

In July of 2014, we launched a customizable online control panel for our trutankless® line of smart electric water heaters. From the dashboard, residential and commercial users can obtain real-time status reports, adjust unit temperature settings, view up to three years of water usage data, and change notification settings from anywhere in the world, using a computer or web-enabled smart device at home.trutankless.com.

Additionally, service professionals can also use the www.pro.trutankless.com dashboard to monitor system status on every unit they install, allowing them to proactively contact their customers if a service or warranty appointment is needed.

Our primary markets, Florida, Texas, Arizona, and the rest of the Sunbelt region are centers of growth in the U.S. construction industry with green building at an all-time high, and an unprecedented appliance replacement cycle. We intend to take advantage of these powerful macro-economic trends.

Home.trutankless.com is available as a service to consumers of trutankless® water heaters. We have applications available for download from the Google Play and Apple iOS stores, which like the online control panels, allows monitoring and control of the tankless systems.

Industry Recognition and Awards

Trutankless® received the Best of IBS 2014 Award for Best Home Technology Product from the National Association of Home Builders (NAHB) at that year’s International Builders Show (IBS) in Las Vegas. The IBS is produced by NAHB and is the largest annual light construction show in the world - featuring more than 1,100 exhibitors and attracting 75,000 attendees including high level decision makers from some of the largest homebuilders in the world as well as plumbing and HVAC professionals from top outfits in major markets.

Trutankless® received the Governor's Award of Merit for Energy and Technology Innovation for the trutankless line of electric tankless heaters at Arizona Forward's 2014 Environmental Excellence Awards.

Trutankless® received Kitchen and Bath Business Magazine’s 2014 K*BB Product Innovator’s Award Judges Choice Product.

In 2015, Trutankless was named in Buildings Magazine’s 2015 listing of “Money Savings Products” in the Energy Saving Measures category and received a Special Mention in the Architizer A+ Awards.

That same year, Appliance Design Magazine named Trutankless among the winners of their annual Excellence in Design Award, and the editors of Green Builder Magazine named Trutankless as one of their picks as “Hot Product”.

Consumer Reports Magazine featured Trutankless in its Top 5 Remodeling Trends for 2016, and leading home improvement website, houzz.com, honored the company with 4 consecutive “Best of Houzz” honors from 2014 through 2018.

Customers and Markets

We sell our products to plumbing wholesale distributors and dealers.

Approximately 76% of our sales in 2019, 81% of our sales in 2018, 90% of our sales in 2017, 96.1% of our sales in 2016, 98.3% of our sales in 2015 and 93.5% of our sales in 2014 were to wholesale plumbing equipment distributors for commercial and residential repair and replace applications. We rely on commissioned manufacturers’ representatives to market our product lines. Additionally, our products are sold to independent dealers throughout the United States.

Manufacturing and Logistics

Our principal supplier is Sinbon Electronics, a contract manufacturer and engineering company based in Taiwan with manufacturing facilities in China, Taiwan, in the U.S., and other global locations. Sinbon handles procurement and supply chain management. We have a Manufacturing Services Agreement establishing our pricing and payment terms, warranty, shipping, and delivery terms. We are also negotiating our engineering agreement with Sinbon, which is ongoing and currently being re-negotiated.

Finished products are generally shipped Free on Board (FOB) Shanghai via ocean freight and are warehoused at Associated Global Systems located in Phoenix, Arizona. Merchandise is typically shipped using common carriers or freight companies which are selected at the time of shipment based on order volume and the best available rates.

Intellectual Property & Proprietary Rights

We regard substantial elements of our brands and underlying intellectual property as proprietary and attempt to protect them by relying on trademark, service mark and trade secret laws, restrictions on disclosure and transferring title and other methods.

Our plans are to actively pursue patent and trademark protection for all newly developed products, both domestically and abroad. We have novel and proprietary technologies related to our product line and the central focus of our patent counsel has been successfully building a defensible portfolio of patent claims which have been granted.

To date, we have filed and received a United States federal trademark registration for trutankless® and our logo design with the help of our outside marketing and branding experts and have acquired several unique domain registrations reflective of our online marketing strategy (www.Trutankless.com). During the year ended December 31, 2013, our patent agent filed a provisional patent with the US Patent and Trademark Office with the US Patent and Trademark Office with 37 claims based on our prototype design. Upon completion of our engineered prototype, we filed additional patents with additional claims. We have been able to obtain a formal patent for our tankless water heater with a total of 34 individual and dependent claims. We will continue to protect our intellectual property through confidentiality agreements with vendors and consultants and trade secret protocols employed by employees, consultants, and contractors.

Growth Strategy

Trutankless' product launched in the first quarter of 2014 and is sold through the wholesale plumbing distribution channel. Gas tankless manufacturers' support of this sales channel was critical in their ability to quickly capture appreciable market share in the $3.6 billion replacement market. No electric tankless has been available solely through wholesale distributors which have welcomed the arrival of trutankless. Trutankless' sales and service training programs geared towards plumbers and contractors are the primary focal point of the Company's sales strategy. Trutankless is employing several outside manufacturers rep agencies to quickly scale sales and educate distributors, plumbers, builders, and contractors.

The Company is also leveraging online marketing strategies and social media. By continually building an immersive and educational web experience at www.trutankless.com. Trutankless is efficiently building brand awareness among consumers. Launch efforts are focused in Arizona, Texas, and the Southeast which accounts for over 1,000,000 electric water heater shipments annually. Licensing and co-branding opportunities are being assessed, since strategic partnerships would eliminate the channel conflicts that have historically obstructed previous electric tankless entries in the marketplace. In the future we may pursue co-branding opportunities to accelerate sales of Trutankless' products through retail channels.

In addition, we have determined that as part of our growth strategy, we will seek to partner with or acquire entities operating in various fields, with a bias towards green and "clean-tech" sectors. Our management has experience in marketing, product launches, business development strategies, and certain other areas specific to the success of growth companies. We will operate with a view towards identifying acquisition candidates as we seek the rights to provide the market with products and services geared toward environmental responsibility, innovative technology in the plumbing industry, and home automation technology.

We have identified several agents who are well suited to provide consulting to high-growth technology and consumer products companies. We are currently seeking partnership with companies in the green and "clean-tech" sectors possessing technologies, products, or expertise that would help create additional revenues and assist the Company with our own development efforts and product line expansion in the wholesale and retail plubing channels.

Margin Expansion

Cost reduction measures, including outsourcing of key components and certain quality control testing protocols, are currently being undertaken on an expedited basis to rapidly reduce costs and improve manufacturing scalability. Such reductions are expected to take place in stages over the next three quarters and we believe may result in gross sales margins approaching 50% or more, which is far higher than other commodity-heavy technologies, and companies in the sector with mature technologies.

Market Outlook

Trutankless entered the market in front of the largest water heater replacement cycle ever at a time when homeowners are seeking ways to reduce their carbon footprint without sacrificing comfort. Additionally, statistics have shown a trend towards electric water heating in new construction markets. Florida, Texas, and Arizona, and areas where electric water heaters dominate the market, have been epicenters of the residential new construction strength in the US. In the new construction market, builders are increasingly marketing “green” features and trutankless fit well along with other energy saving innovations.

In commercial markets, projects with a green designation like LEED or EnergyStar recently became the majority. We feel that our commercial line of trutankless products are well suited to thousands of customers in the retail, quick serve and fast casual restaurants, hair salons, education. In addition to residential new construction and replacement markets, we feel the commercial applications for which our products are appropriate represent a large portion of the commercial water heater market.

Additionally, the Federal Government mandated that standard electric water heaters over 55 gallons may not be sold (started in April 2015), effectively forcing the market to use alternative technologies like tankless water heaters. The “electrification” of the overall appliance market has also begun due to the rapid progression of energy generation technologies with more efficient and renewable energy sources seen as a growing and sustainable trend.

Investment Analysis

Trutankless has entered the market with a product that has enjoyed significant trends towards tankless water heating to displace gas tankless water heaters thus far. As a result of the market share growth of gas tankless, we believe TKLS is poised to produce exceptional results in the significant electric water heating market. Management has plans to significantly reduce the cost of goods sold and develop other innovations to supplement existing offerings which will be sold through the existing sales channels and reps which to help ensure sustainable growth over the next 3-5 years.

Recent Developments

In March 2019, we issued a corporate update, including the up-listing of the Company to the OTC Markets’ OTCQB tier and new patent claims granted for its proprietary home automation capabilities. The Company also revealed several new key relationships with new home construction leaders such as Lennar Homes, DR Horton, and Shea Homes, as well as with national plumbing companies like Service Experts, Benjamin Franklin Plumbing, and RotoRooter.

In April 2019, we announced that the Company had set a sales record in 2018 as revenue increased 120% over the prior year.

In May 2019, we announced that the Company had set sales record in first quarter of 2019. Growth was attributed to several factors, including strong demand for its trutankless line of smart water heaters amongst a growing number of the nation’s largest homebuilders, as well as the impact of improving velocity in channel sales.

In September 2019, we announced that the Company had set sales record in the first half of 2019 and attributed the continued growth to growing customer base and demand among distributors.

In September 2019, we announced the expansion into multi-family sector with product line for smart homes in the condo and apartment home market.

In February 2020, we announced that the Company entered into an amended and restated loan agreement with noteholder to repay and convert $1,212,006 balance under facility.

COVID-19 Pandemic

In December 2019, an outbreak of a novel strain of coronavirus originated in Wuhan, China ("COVID-19") and has since spread worldwide, including to the Unites States (the "U.S."), posing public health risks that have reached pandemic proportions (the "COVID-19 Pandemic"). The COVID-19 Pandemic poses a threat to the health and economic wellbeing of our employees, customers and vendors. The operation of all of our facilities is critically dependent on our employees who staff these locations. To ensure the wellbeing of our employees and their families, we have provided all of our employees with detailed health and safety literature on COVID-19, such as the Center for Disease Control (the "CDC")'s industry-specific guidelines for working with the deceased who were and may have been infected with COVID-19. In addition, our procurement and safety teams have updated and developed new safety-oriented guidelines to support daily field operations and provided personal protection equipment to those employees whose positions necessitate them, and we have implemented work from home policies at our corporate office consistent with CDC guidance to reduce the risks of exposure to COVID-19 while still supporting the families that we serve.

Like most businesses world-wide, the COVID-19 Pandemic has impacted us financially; however, we cannot presently predict the scope and severity with which COVID-19 will impact our business, financial condition, results of operations and cash flows.

Target Markets

The United States market for residential tank water heaters in 2019 was more than 8.5 million units according to data released by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Almost 50% of those shipments were electric water heaters, and the company has found in comparing those statistics with government data, that approximately 90% of tank water heaters shipped in 2019 were intended for "replacement" installations.

Trutankless is initially marketing its products to contractors, home builders, remodelers and distributors in the southern and western U.S. These areas of the country have been selected because of generally higher ground water temperatures, which improves the effects of the performance and capacity of all brands of tankless water heaters. This area of the country also traditionally has the largest share of population growth and new housing starts, accounting for almost two-thirds of all housing starts in 2019, according to recent data. Additionally, the southern U.S., and specifically the southeastern U.S., has the highest usage of electric water heaters.

Distribution Plan

Initially, we will be distributing our first product line throughout the southern and western U.S. using an existing network of plumbing and electrical wholesalers (distributors), manufacturers' representatives and dealers. We believe that we will continue building existing partnerships with major companies in the building and plumbing industries to rapidly expand awareness of Trutankless and our products in the water heater market in the U.S and Canada.

Sales will continue to be pursued through the following channels:

1. Regional and national plumbing and electrical wholesalers (also called "distributors");
2. Plumbers and electricians on a direct basis, in those areas where wholesalers have not yet been set up; and,
3. Builders on a direct basis, in those areas where wholesalers & mechanical contractors have not yet been set up.

We will expand sales of the product further by marketing the product directly to consumers over the internet with a series of aggressive and ongoing marketing initiatives. We intend to market to industry professionals and end-users through more traditional marketing efforts as well, including print advertising, attendance of select national trade shows, and attendance of select regional consumer shows. We also expect Trutankless will be successful in providing education, training, and support to our sales and installer networks as part of our distribution and marketing efforts.

We believe our products will be a differentiating factor for industry professionals and builders as they market to their customers. Additionally, our electric tankless products are expected to provide these professionals and their companies with a mechanism to increase revenue and improve gross margin as compared to more traditional water heating products.

Employees

We currently have six full-time employees, including our two officers, and two part-time employees. We expect to increase the number of employees to expand our sales and technical staff. We are using and will continue to use independent consultants and contractors to perform various professional services. We believe that this use of third-party service providers may enhance our ability to contain operating, general expenses and capital costs.

Available Information

Our periodic reports filed with the SEC, which include Form 10-K, Form 10-Q, Form 8-K and amendments thereto, may be accessed by the public free of charge from the SEC. Electronic copies of these reports can be accessed at the SEC's website (http://www.sec.gov). Copies of these reports may also be obtained, free of charge, upon written request to: Trutankless Inc., 15720 N. Greenway Hayden Loop, Suite 2, Scottsdale, Arizona 85260, Attn: Corporate Secretary. The public may read or obtain copies of these reports from the SEC at the SEC's Public Reference Room at 450 Fifth N.W., Washington, D.C. 20549 (1-800-SEC-0330).

ITEM 1A. RISK FACTORS

If we are unable to attract and retain key personnel, our business could be harmed.

If any of our key employees were to leave, we could face substantial difficulty in hiring qualified successors and could experience a loss in productivity while any successor obtains the necessary training and experience. Our employment relationships are generally at-will. We cannot assure that one or more key employees will not leave in the future. We intend to continue to hire additional highly qualified personnel, but may not be able to attract, assimilate or retain qualified personnel in the future. Any failure to attract, integrate, motivate and retain these employees could harm our business.

We are subject to significant competition from large, well-funded companies.

The industry we compete in is characterized by intense competition and rapid and significant technological advancements. Many companies are working in a number of areas similar to our primary field of interest to develop new products; some of which may be similar and/or competitive to our products.

Most of the companies with which we compete have substantially greater financial, technical, manufacturing, marketing, sales and distribution and other resources than us. If a competitor enters the tankless water heater industry and establishes a greater market share in the direct-selling channel, our business and operating results will be adversely affected.

There is substantial doubt about our ability to continue as a going concern. If we do not continue as a going concern, investors will lose their entire investment.

Our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The bility of the Company to continue as a going concern is dependent upon our ability to raise additional capital from the sale of common stock and, ultimately, the achievement of significant operating revenues within one year of the date the financial statement are issued. If we are unable to continue as a going concern, stockholders will lose their investment. We will be required to seek additional capital to fund future growth and expansion. No assurance can be given that such financing will be available or, if available, that it will be on commercially favorable terms. Moreover, favorable financing may be dilutive to investors.

The outbreak of the recent coronavirus, COVID-19, or an outbreak of another highly infectious or contagious disease, could adversely affect our business, financial condition, results of operations and cash flow, and limit our ability to obtain additional financing.

The spread of a highly infectious or contagious disease, such as COVID-19, could cause severe disruptions in the U.S. economy, which could in turn disrupt the business, activities, and operations of our customers, as well as our business and operations. The coronavirus outbreak has caused significant disruption in business activity and the financial markets both globally and in the United States. In March 2020, the Federal Reserve lowered the target range for the federal funds rate to a range from 0 to 0.25 percent, citing concerns about the impact of COVID-19 on markets and stress in the energy sector. Many states and localities have imposed limitations on commercial activity and public gatherings and events, as well as moratoria on evictions. Concern about the spread of COVID-19 has caused and is likely to continue to cause quarantines, business shutdowns, reduction in business activity and financial transactions, labor shortages, supply chain interruptions, increased unemployment and commercial property vacancy rates, reduced ability and incentives for some property owners to make mortgage payments, and overall economic and financial market instability, all of which may result a decrease in our business, sell our products and services and cause our customers to be unable to make scheduled loan payments. Therefore, to the extent that economic activity, business conditions and conditions in the financial markets in which we operate remain poor or deteriorate further, our sales, delinquencies, foreclosures and credit losses may materially increase. Such conditions are likely to exacerbate many of the risks described elsewhere in this “Risks Related to Our Business” section. Unfavorable economic conditions may also make it more difficult for us to close new sales and obtain additional financing. Furthermore, such conditions have and may continue to cause the collateral values associated our loans to decline. In addition, a prolonged period of very low interest rates could reduce our net income and have a material adverse impact on our cash flows and the market value of our investments.

If COVID-19, or another highly infectious or contagious disease is not successfully contained, we could experience a material adverse effect on our business, financial condition, results of operations and cash flow. Among the factors outside our control that are likely to affect the impact the COVID-19 pandemic will ultimately have on our business are:

- the pandemic’s course and severity;
- the direct and indirect results of the pandemic, such as recessionary economic trends, including with respect to employment, wages and benefits and commercial activity;
- political, legal and regulatory actions and policies in response to the pandemic, including the effects of restrictions on commerce or other public activities, moratoria and other suspensions of evictions or rent and related obligations;
- the timing, magnitude and effect of public spending, directly or through subsidies, its direct and indirect effects on commercial activity and incentives of employers and individuals to resume or increase employment, wages and benefits and commercial activity;
- the timing and availability of direct and indirect governmental support for various financial assets, including mortgage loans, and possible related distortions in market values and liquidity for such assets whose markets have or are assumed to have government support versus possibly similar assets that do not;

- potential longer-term effects of increased government spending on the interest rate environment and borrowing costs for non-governmental parties;
- the ability of our employees and our third-party vendors to work effectively during the course of the pandemic; and
- potential longer-term shifts toward telecommuting and telecommerce;

We are continuing to monitor the spread of COVID-19 and related risks, although the rapid development and fluidity of situation precludes any prediction as to its ultimate impact on us. However, if the spread continues, such impact could grow and our business, financial condition, results of operations and cash flows could be materially adversely affected..

We will require additional financing in order to implement our business plan. In the event we are unable to acquire additional financing, we may not be able to implement our business plan resulting in a loss of revenues and ultimately the loss of your investment.

Due to our very recent start-up nature, we will have to incur the costs of product development, import expenses, advertising, in addition to hiring new employees and commencing additional marketing activities for product sales and distribution. To fully implement our business plan we will require substantial additional funding.

We will need to raise additional funds to expand our operations. We plan to raise additional funds through private placements, registered offerings, debt financing or other sources to maintain and expand our operations. Adequate funds for this purpose on terms favorable to us may not be available, and if available, on terms significantly more adverse to us than are manageable. Without new funding, we may be only partially successful or completely unsuccessful in implementing our business plan, and our stockholders may lose part or all of their investment.

Our internal controls may be inadequate, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

We have two individuals performing the functions of all officers and directors. Mr. Stebbins, our president and CEO, and Mr. Orr, our secretary and treasurer, have developed our internal control procedures and are responsible for monitoring and ensuring compliance with those procedures. As a result, our internal controls may be inadequate or ineffective, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public. Investors relying upon this misinformation may make an uninformed investment decision.

We depend on certain key employees, and believe the loss of any of them would have a material adverse effect on our business.

We will be dependent on the continued services of our management team, as well as our outside consultants. While we have no assurance that our current management will produce successful operations, the loss of such personnel could have an adverse effect on meeting our production and financial performance objectives. We have no assurance that we will not lose the services of these or other key personnel and may not be able to timely replace any personnel if we do lose their services.

Our ability to attract qualified sales and marketing personnel is critical to our future success, and any inability to attract such personnel could harm our business.

Our future success may also depend on our ability to attract and retain additional qualified design and sales and marketing personnel. We face competition for these individuals and may not be able to attract or retain these employees, which could have a material adverse effect on our results of operations and financial condition.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY AND TECHNOLOGY

If we fail to secure or protect our intellectual property rights, our products and competitors may be able to use our designs, each of which could harm our reputation, reduce our revenues and increase our costs.

We will rely on intellectual property laws to protect our proprietary rights with respect to our trademarks and pending patent. We are susceptible to injury from patent infringement, which may harm our reputation for producing high-quality products or force us to incur additional expense in enforcing our rights. It is difficult and expensive to detect and prevent patent infringement. Despite our efforts to protect our intellectual property, some may attempt to violate our intellectual property rights by using our trademarks and imitating our products, which could potentially harm our brand, reputation and financial condition.

We may face significant expenses and liability in connection with the protection of our intellectual property rights. Infringement claims and lawsuits likely would be expensive to resolve and would require substantial management time and resources. Any adverse determination in litigation could subject us to the loss of our rights to a particular trademark, which could prevent us from manufacturing, selling or using certain aspects of our products or could subject us to substantial liability, any of which would harm our results of operations. Aside from infringement claims against us, if we fail to secure or protect our intellectual property rights, our competitors may be able to use our designs. If we are unable to successfully protect our intellectual property rights or resolve any conflicts, our results of operations may be harmed.

Our reliance on intellectual property and other proprietary information subjects us to the risk that these key ingredients of our business could be copied by competitors.

Our success depends, in significant part, on the proprietary nature of our technology. If a competitor is able to reproduce or otherwise capitalize on our technology, despite the safeguards we have in place, it may be difficult, expensive or impossible for us to obtain necessary legal protection. In addition to patent protection of intellectual property rights, we consider elements of our product designs and processes to be proprietary and confidential. We rely upon employee, consultant and vendor non-disclosure agreements and contractual provisions and a system of internal safeguards to protect our proprietary information. However, any of our registered or unregistered intellectual property rights may be challenged or exploited by others in the industry, which might harm our operating results.

RISKS RELATING TO OUR COMMON STOCK

Because our common stock could remain under $5.00 per share, it could continue to be deemed a low-priced "Penny" stock, an investment in our common stock should be considered high risk and subject to marketability restrictions.

Since our common stock is currently under $5.00 per share, it is considered a penny stock, as defined in Rule 3a51-1 under the Securities Exchange Act, it will be more difficult for investors to liquidate their investment even if and when a market develops for the common stock. If the trading price of the common stock stays below $5.00 per share, trading in the common stock is subject to the penny stock rules of the Securities Exchange Act specified in rules 15g-1 through 15g-10. Those rules require broker-dealers, before effecting transactions in any penny stock, to:

- Deliver to the customer, and obtain a written receipt for, a disclosure document;
- Disclose certain price information about the stock;
- Disclose the amount of compensation received by the broker-dealer or any associated person of the broker-dealer;
- Send monthly statements to customers with market and price information about the penny stock; and
- In some circumstances, approve the purchaser's account under certain standards and deliver written statements to the customer with information specified in the rules.

Consequently, the penny stock rules may restrict the ability or willingness of broker-dealers to accept the common stock for deposit into an account or, if accepted for deposit, to sell the common stock and these restrictions may affect the ability of holders to sell their common stock in the secondary market and the price at which such holders can sell any such securities. These additional procedures could also limit our ability to raise additional capital in the future.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority (FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We currently maintain an executive office 15720 N. Greenway Hayden Loop, Suite 2, Scottsdale Arizona 85260, which consists of approximately 1,924 square feet. Our monthly rent for this office is $4,200.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any material legal proceedings.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASE OF EQUITY SECURITIES

Market Information

Our common stock is traded in the OTCQB under the symbol "TKLS". Our common stock has traded sporadically on the OTCQB, which limits our ability to locate accurate high and low bid prices for each quarter within the last two fiscal years. Therefore, the following table lists the available quotations for the high and low bid prices for the fiscal years ended December 31, 2019 and 2018.

The following table sets forth, the average high and low bid prices of our common stock as reported by Yahoo Finance. These quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

Holders of Common Stock

As of March 31, 2020, there were approximately 380 stockholders of record of our common stock. This number does not include shares held by brokerage clearing houses, depositories or others in unregistered form.

Dividends

The payment of dividends is subject to the discretion of our Board of Directors and will depend, among other things, upon our earnings, our capital requirements, our financial condition, and other relevant factors. We have not paid or declared any dividends upon our common stock since our inception and, by reason of our present financial status and our contemplated financial requirements, do not anticipate paying any dividends upon our common stock in the foreseeable future.

We have never declared or paid any cash dividends. We currently do not intend to pay cash dividends in the foreseeable future on the shares of common stock. We intend to reinvest any earnings in the development and expansion of our business. Any cash dividends in the future to common stockholders will be payable when, as and if declared by our Board of Directors, based upon the Board's assessment of:

- our financial condition;
- earnings;
- need for funds;
- capital requirements;
- prior claims of preferred stock to the extent issued and outstanding; and
- other factors, including any applicable laws.

Therefore, there can be no assurance that any dividends on the common stock will ever be paid.

Recent Sales of Unregistered Securities

During the year ended December 31, 2019, the Company issued 2,679,300 shares of common stock with a fair value of $1,399,852 for services based on the stock price on the date of issuance ranging from $0.33 to $0.84, of which $90,705 is included in stock payable. The Company valued the shares at their fair market value which was considered the most readily determinable value. Additionally, the Company cancelled two consulting agreements entered into during the year ended December 31, 2018. As a result, the Company received and cancelled 100,000 shares of common stock valued at $50,000.

During the year ended December 31, 2019, the Company issued 5,625,000 shares of common stock for $1,472,250 cash at sales prices ranging from $0.25 to $0.50. Additionally, the Company received $61,000 for the sale of common stock which has not been issued and has been recorded as stock payable.

During the year ended December 31, 2019, the Company issued 1,777,777 shares of common stock valued at $598,567 as incentives for certain noteholders to enter into financing agreements.

During the year ended December 31, 2019, the Company issued 606,101 shares of common stock valued at $289,717 to settle certain convertible notes payable and accrued interest.

We believe that the issuance and sale of the securities was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) and Regulation D Rule. The securities were sold directly by us and did not involve a public offering or general solicitation. The recipients of the securities were afforded an opportunity for effective access to files and records of the Registrant that contained the relevant information needed to make their investment decision, including the financial statements and 34 Act reports.

We reasonably believed that the recipients, immediately prior to the sale of the securities, were accredited investors and had such knowledge and experience in our financial and business matters that they were capable of evaluating the merits and risks of their investment. The management of the recipients had the opportunity to speak with our management on several occasions prior to their investment decision. There were no commissions paid on the issuance and sale of the securities.

Stock Warrants

During the year ended December 31, 2019, we issued 82,500 warrants in conjunction with units which included shares sold for cash to purchase 426,500 shares of the Company's common stock at an exercise price of $1.00 per share. The warrants are exercisable at any time until three (3) years after the closing date.

We believe that the issuance and sale of the securities was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) and Regulation D Rule. The securities were sold directly by us and did not involve a public offering or general solicitation. The recipients of the securities were afforded an opportunity for effective access to files and records of the Registrant that contained the relevant information needed to make their investment decision, including the financial statements and 34 Act reports. We reasonably believed that the recipients, immediately prior to the sale of the securities, were accredited investors and had such knowledge and experience in our financial and business matters that they were capable of evaluating the merits and risks of their investment. The management of the recipients had the opportunity to speak with our management on several occasions prior to their investment decision. There were no commissions paid on the issuance and sale of the securities.

Subsequent Sales & issuances of Unregistered Securities

On February 5, 2020, the Company agreed to settle a certain $900,000 note payable dated August 2, 2016 and $312,006 in accrued interest. As part of the settlement the Company issued 1,000,000, 5 year warrants exercisable at $0.50 per share, 4,000,000 shares of common stock in settlement of $400,000 of the principal balance of the note, and issued a new $500,000 11% promissory note. The Company also agreed to amend the warrants agreements for 2,631,094 previously granted warrants to the investor to include the same terms as the warrants granted under the settlement agreement.

The new note is due in two payments, $250,000 January 2, 2022 and $250,000 on January 2, 2023. Interest will accrue from the date of this Note on the unpaid and outstanding Principal balance to be paid as follows: (a) Fifty-Four Thousand Nine Hundred Ninety-Three and 37/100 Dollars ($54,993.37) on January 4, 2021; plus (b) three hundred thousand (300,000) shares of common Stock, by January 3, 2022, plus (c) six hundred thousand (600,000) shares of common stock on January 3, 2023.

As part of the agreement the Company also agreed to pay the accrued Interest in two (2) installments as follows: (a) $167,000 due upon execution of the settlement agreement, and (b) $145,006.13) due on January 4, 2021. In addition to the First Interest Payment, Borrower shall also pay to Lender the sum $33,000 as a fee to induce and otherwise compensate Lender for the immediate release of the loan security.

On January 3, 2020, the Company issued 200,000 shares of common stock for $50,000.

On January 30, 2020, the Company issued 64,166 shares of common stock for $32,083.

On April 1, 2020, the Company issued 500,000 shares of common stock for $100,000.

On January 3, 2020, the Company issued 100,000 shares for services with a fair value of $39,290, based on stock price on date of issuance.

On January 30, 2020, the Company issued 15,000 shares for services with a fair value of $4,643, based on stock price on date of issuance.

On February 19, 2020, the Company issued 3,600,000 shares for services with a fair value of $754,560, based on stock price on date of issuance.

On March 10, 2020, the Company issued 300,000 shares for services with a fair value of $74,400, based on stock price on date of issuance.

On March 2, 2020, the Company issued 50,000 shares of common stock in connection with extending certain notes payable.

On January 1, 2020, the Company entered into an agreement to consolidate three notes payable dated February 2, 2018 and May 16, 2019 into one $300,000, 12% note due June 1, 2021. As consideration the Company issued the note holder 175,000 shares of common stock.

On January 1, 2020, the Company entered into an agreement to consolidate two notes payable dated June 11, 2018 and September 6, 2016 into one $260,000, 12% note due June 1, 2021. As consideration the Company issued the note holder 175,000 shares of common stock.

On November 5, 2019, we entered into a $562,000, convertible note payable including an original issue discount of $56,200 convertible promissory note pursuant to which we borrowed of $337,000 during the year ended December 31, 2019. On February 7, 2020 we borrowed an additional $225,000, including a original issue discount of $25,000 and granted the noteholder an additional 476,493 shares of common stock.

We believe that the issuance and sale of the securities was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) and Regulation D Rule. The securities were sold directly by us and did not involve a public offering or general solicitation. The recipients of the securities were afforded an opportunity for effective access to files and records of the Registrant that contained the relevant information needed to make their investment decision, including the financial statements and 34 Act reports. We reasonably believed that the recipients, immediately prior to the sale of the securities, were accredited investors and had such knowledge and experience in our financial and business matters that they were capable of evaluating the merits and risks of their investment. The management of the recipients had the opportunity to speak with our management on several occasions prior to their investment decision. There were no commissions paid on the issuance and sale of the securities.

Issuer Purchases of Equity Securities

The Company did not repurchase any of its equity securities during the fourth quarter ended December 31, 2019.

ITEM 6. SELECTED FINANCIAL DATA

This item is not applicable, as we are considered a smaller reporting company.

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

Background

Trutankless Inc. was incorporated in the state of Nevada on March 7, 2008. The Company is headquartered in Scottsdale, Arizona and currently operates through its wholly-owned subsidiary, Bollente, Inc., a Nevada corporation incorporated on December 3, 2009.

Trutankless is involved in sales, marketing, research and development of a high quality, whole-house, smart electric tankless water heater that is more energy efficient than conventional products. See "Item 1. Business."

RESULTS OF OPERATIONS

Revenues

In the year ended December 31, 2019 we generated $1,908,708 in revenues, as compared to $1,537,958 in revenues in the prior year. The increase in sales was attributable to sales of our trutankless® residential and light commercial products. Cost of goods sold was $1,731,321, as compared to $1,703,608 in the prior year.

To the knowledge of management, the Company is unaware of any trends or uncertainties in the sales or costs of our products and services for the periods discussed.

Expenses

Operating expenses totaled $3,521,185 during the year ended December 31, 2019 as compared to $2,728,348 in the prior year. In the year ended December 31, 2019, our expenses primarily consisted of General and Administrative of $1,706,193, Research and Development of $417,158 and Professional fees of $1,397,834.

General and administrative fees increased $321,851, from the year ended December 31, 2018 to the year ended December 31, 2019. This increase was primarily due to an increase in wages and marketing.

Research and Development increased $201,089 from the year ended December 31, 2018 to the year ended December 31, 2019. Research and Development fees increased due to the integration of new materials into the production process during 2019.

Professional fees increased $269,897 from the year ended December 31, 2018 to the year ended December 31, 2019. Professional fees increased due to an increase in consulting fees associated with business development.

Other Expenses

Other expense increased $907,813 to $1,549,432 in the year ended December 31, 2019 from $641,619 for the year ended December 31, 2018. The increase was the result of an increase in debt and cost associated with the extension of existing debt.

Net Loss

In the year ended December 31, 2019, we generated a net loss of $4,893,230, an increase of $1,357,617 from $3,535,617 for the year ended December 31, 2018. This increase was attributable to increased consulting fees associated with business development and the Company spending more towards developing its technology.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern.

Management evaluated all relevant conditions and events that are reasonably known or reasonably knowable, in the aggregate, as of the date the consolidated financial statements are issued and determined that substantial doubt exists about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on the Company's ability to generate revenues and raise capital. The Company has not generated sufficient revenues from product sales to provide sufficient cash flows to enable the Company to finance its operations internally. As of December 31, 2019, the Company had $4,342 cash on hand. At December 31, 2019 the Company has an accumulated deficit of $32,425,982. For the twelve months ended December 31, 2019, the Company had a net loss of $4,893,230, and cash used in operations of $2,218,326. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year from the date of filing.

Over the next twelve months management plans intends to invest its working capital resources in sales and marketing in order to increase the distribution and demand for its products. If the Company fails to generate sufficient revenue and obtain additional capital to continue at its expected level of operations, the Company may be forced to scale back or discontinue its sales and marketing efforts. However, there is no guarantee the Company will generate sufficient revenues or raise capital to continue operations. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Liquidity and Capital Resources

At December 31, 2019, we had an accumulated deficit of $32,425,982. Primarily because of our history of operating losses and our recording of note payables, we have a working capital deficiency of $3,145,747 at December 31, 2019. Losses have been funded primarily through issuance of common stock and borrowings from our stockholders and third-party debt. As of December 31, 2019, we had $4,342 in cash, $270,381 in accounts receivable, $106,958 in inventory, and $481,332 in prepaid expenses.

Debt Financing

Notes Payable

On September 2, 2016, the Company issued a $100,000 12% promissory note. The note was due on September 1, 2017. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $25,000 which was recognized as a debt discount. On May 16, 2019, the maturity date of the note was extended to July 1, 2020 for the issuance of 50,000 shares of common stock valued at $21,000. As of December 31, 2019, $12,290 of the debt discount has been amortized and the note was shown net of unamortized discount of $5,443.

On February 2, 2018, the Company entered into an agreement with the note holder to split a certain note payable dated July 1, 2015 into two notes in the amount of $150,000 and $50,000, respectively. In addition to the splitting the notes the noteholder also agreed to the extend the due date of the new $50,000 note to July 1, 2018 and on June 4, 2018, for consideration of 15,000 shares the noteholder further agreed to extend the due date of the new $50,000 note to April 1, 2019. On November 15, 2018, both notes were further extended to January 1, 2020 for the issuance of 80,000 shares valued $40,800. On May 16, 2019, the maturity dates of both notes were extended to July 1, 2020 for the issuance of 50,000 shares of common stock valued at $21,000. The Company recorded the fair market value of all the shares issued for extensions to financing cost.

On January 30, 2019, the Company issued a $100,000 12% promissory note. The note is due on September 30, 2019. As an incentive to enter into the agreement the noteholder was also granted 100,000 shares valued at $45,000 which was recognized as a debt discount. On May 16, 2019, the maturity date of the note was extended to September 30, 2020 for the issuance of 55,000 shares of common stock valued at $23,100 The Company recorded the fair market value of all the shares issued for extensions to financing cost.

On February 11, 2019, the Company issued a $12,500 12% promissory note. The note is due on October 11, 2019. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $12,500, which was recognized as a debt discount. On May 17, 2019, the Company agreed to settle the note along with $833 in accrued interest for 53,334 shares valued at $13,333.

On February 11, 2019, the Company issued a $12,500 12% promissory note. The note is due on October 11, 2019. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $12,500, which was recognized as a debt discount. As of December 31, 2019, $12,250 of the debt discount was amortized. As of December 31, 2019, the note was shown net of unamortized discount of $250.

On March 1, 2019, the Company issued a $12,000 12% promissory note. The note is due on March 1, 2020.

Convertible Notes

On September 17, 2018, the Company issued a $50,000 10% promissory note. The note is due on September 18, 2020. As an incentive to enter into the agreement the noteholder was also granted 10,000 shares valued at $5,000. On February 9, 2019, the note was amended for the issuance of 50,000 shares of common stock valued at $30,000, the note holder agreed to a convert the note at a price of $0.50 per share. Additionally, the maturity date of the note was changed to February 8, 2020. As of December 31, 2019, the shares have not been issued and were included in stock payable. As of December 31, 2019, $21,513 of the debt discount has been amortized and the note was shown net of unamortized discount of $4,204.

During the year ended December 31, 2016, the Company issued $160,000 of principal amount of 12% secured convertible promissory notes and warrants to purchase common stock. The notes were due between May and August 2018 and bear interest of percent (12%). The notes are secured by all of the Company's assets. The outstanding principal amounts and accrued but unpaid interest of the notes is convertible at any time at the option of the holder into common stock at a conversion price of $1.00 per share. The notes were issued with warrants to purchase up to 160,000 shares of the Company's common stock which were valued at $119,616. On May 16, 2019, the maturity date of the note was extended to January 11, 2020 for the issuance of 90,000 shares of common stock valued at $45,900. As of December 31, 2019, $165,516 of the debt discount was amortized and the note was shown net of unamortized discount of $835.

During the year December 31, 2019, the notes holders of $110,000 of the convertible notes agreed to convert the notes and accrued interest at a conversion price of $0.25 per share into 552,767 shares of common stock. The Company evaluated the adjustment of the conversion price under ASC 470, and recorded an additional loss on conversion of $126,813, which was recognized as an expense equal to the fair value of all securities and other consideration transferred in the transaction in excess of fair value of securities issuable pursuant to the original conversion terms.

On December 14, 2018, the Company issued a $50,000 4% convertible note. The note is due on February 14, 2019 and is convertible at a rate of $0.50 per shares. As an incentive to enter into the agreement the noteholder was also granted 10,000 shares valued at $5,000. As of December 31, 2019, $5,000 of the debt discount was amortized.

On January 25, 2019, the Company issued a $100,000 8% promissory grid note. The note is due on July 25, 2019 and is convertible at a rate of $0.50 per shares. Additionally, the note holder is due two shares of common stock for every dollar funded. As of December 31, 2019, the note holder has advanced a total of $47,500 and the Company has made payments of $16,000. As of December 31, 2019, there was an outstanding balance on the note in the amount of $31,500. As of December 31, 2019, $31,250 of the debt discount was amortized and the note was shown net of unamortized discount of $6,250.

On February 8, 2019, the Company issued a $50,000 10% promissory note. The note is due on September 8, 2020. As an incentive to enter into the agreement the noteholder was also granted 60,000 shares valued at $30,000. As of December 31, 2019, $26,795 of the debt discount has been amortized and the note was shown net of unamortized discount of $3,205.

On February 19, 2019, the Company issued a $25,000 4% convertible note. The note is due on August 19, 2019 and is convertible at a rate of $0.50 per shares. As an incentive to enter into the agreement the noteholder was also granted 5,000 shares valued at $2,500. As of December 31, 2019, the shares have not been issued and were included in stock payable. As of December 31, 2019, $2,500 of the debt discount was amortized and the note was shown net of unamortized discount of $0.

On October 18, 2019, the Company issued a $23,000 10% convertible note. The note is due on October 17, 2021 and is convertible at a rate of $0.50 per shares. As an incentive to enter into the agreement the noteholder was also granted 46,000 shares valued at $15,175. As of December 31, 2019, $1,536 of the debt discount was amortized and the note was shown net of unamortized discount of $13,639.

On November 5, 2019, the Company entered into a $562,000 convertible note payable, including a original issue discount of $56,200 pursuant to which we borrowed $337,000, including a $37,000 original issue discount in the first tranche during the year ended December 31, 2019. Interest under the convertible promissory note is 12% per annum, and the principal and all accrued but unpaid interest is due 180 days from funding. The note is convertible at the lesser of (i) 70% multiplied by the lowest Trading Price during the previous twenty-five (25) trading day period ending on the latest complete Trading Day prior to the date of the note and 70% of the market price. As an incentive to enter into the agreement the noteholder was also granted 854,000 shares valued at $307,440. The Company analyzed the conversion feature and determined it was required to be bifurcated and recognized as a derivative liability. The derivative at inception was valued at $392,061, based on the Black Scholes Merton pricing model. As the fair value of the derivative and the shares issued at inception were in excess of the face amount of the note, the Company recorded a debt discount in the amount of $337,000 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the excess of $203,177 was recognized as a financing cost on the Statement of Operations. As of December 31, 2019, $104,265 of the debt discount has been amortized and the note was shown net of unamortized discount of $232,735.

On November 19, 2019, we entered into a $281,000 convertible note payable, including a original issue discount of $28,100 convertible promissory note pursuant to which we borrowed of $150,000, including a $18,500 discount during the year ended December 31, 2019. Interest under the convertible promissory note is 12% per annum, and the principal and all accrued but unpaid interest is due 180 days from funding. The note is convertible at the lesser of (i) 70% multiplied by the lowest Trading Price during the previous twenty-five (25) trading day period ending on the latest complete Trading Day prior to the date of the note and 70% of the market price. As an incentive to enter into the agreement the noteholder was also granted 427,000 shares valued at $175,070, the Company analyzed the conversion feature and determined it was required to be bifurcated and recognized as a derivative liability. The derivative at inception was valued at $192,226, based on the Black Scholes Merton pricing model. As the fair value of the derivative and the shares issued at inception were in excess of the face amount of the note The Company recorded a debt discount in the amount of $168,500 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the excess of $104,041 was recognized as a financing cost on the Statement of Operations. As of December 31, 2019, $39,099 of the debt discount has been amortized and the note was shown net of unamortized discount of $129,401.

Cash Flows from Operating, Investing and Financing Activities

The following table provides detailed information about our net cash flow for all financial statement periods presented in this Annual Report. To date, we have financed our operations through the issuance of stock and borrowings.

The following table sets forth a summary of our cash flows for the years ended December 31, 2019 and 2018:

	Year ended December 31,	
	2019	2018
Net cash used in operating activities	$ (2,218,326)	$ (1,585,714)
Net cash used in investing activities	-	(892)
Net cash provided by financing activities	2,213,000	1,517,675
Net increase/(decrease) in Cash	(5,326)	(68,931)
Cash, beginning	9,668	78,599
Cash, ending	$ 4,342	$ 9,668

Operating activities

Net cash used in operating activities was $2,218,326 for the year ended December 31, 2019, as compared to $1,585,714 used in operating activities for the same period in 2018. The increase in net cash used in operating activities was primarily due to higher volume of units sold and increase in research and development and consulting contract cost.

Investing activities

Net cash used in investing activities was $0 for the year ended December 31, 2019, as compared to $892 used in investing activities for the same period in 2018. The decrease in net cash used in investing activities was primarily due to not purchasing equipment during the current year.

Financing activities

Net cash provided by financing activities for the year ended December 31, 2019 was $2,218,326, as compared to $1,517,675 for the same period of 2018. The increase of net cash provided by financing activities was mainly attributable to more equity financing.

Ongoing Funding Requirements

As of December 31, 2019, we continue to use traditional and/or debt financing to provide the capital we need to run the business. It is possible that we may need additional funding to enable us to fund our operating expenses and capital expenditures requirements.

Until such time, if ever, as we can generate substantial product revenues, we intend to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. There can be no assurance that any of those sources of funding will be available when needed on acceptable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of existing stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us.

If we are unable to raise additional funds through equity or debt financings or relationships with third parties when needed or on acceptable terms, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts; abandon our business strategy of growth through acquisitions; or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Critical Accounting Polices

In December 2001, the SEC requested that all registrants list their most "critical accounting polices" in the Management Discussion and Analysis. The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of a company's financial condition and results, and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting policies are disclosed in Note 1 of our audited consolidated financial statements included in the Form 10-K filed with the SEC.

Off-Balance Sheet Arrangements

We do not have any 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 investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This item in not applicable as we are currently considered a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Index to Financial Statements and Financial Statement Schedules appearing on page 38 of this Form 10-K.

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

We have had no disagreements with our independent auditors on accounting or financial disclosures.

ITEM 9A (T) CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Principal Executive Officer and Principal Financial Officer, Michael Stebbins, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Based on his evaluation, Mr. Stebbins concluded that our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control, as is defined in the Securities Exchange Act of 1934. These internal controls are designed to provide reasonable assurance that the reported financial information is presented fairly, that disclosures are adequate and that the judgments inherent in the preparation of financial statements are reasonable. There are inherent limitations in the effectiveness of any system of internal controls, including the possibility of human error and overriding of controls. Consequently, an effective internal control system can only provide reasonable, not absolute, assurance with respect to reporting financial information.

Our internal control over financial reporting includes policies and procedures that: (i) pertain to maintaining records that in reasonable detail accurately and fairly reflect our transactions; (ii) provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with generally accepted accounting principles and the receipts and expenditures of company assets are made and in accordance with our management and directors authorization; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Management has undertaken an assessment of the effectiveness of our internal control over financial reporting based on the framework and criteria established in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based upon this evaluation, management concluded that our internal control over financial reporting was not effective as of December 31, 2019.

Our management identified the following material weaknesses in our internal control over financial reporting, which are indicative of many small companies with limited personnel:

- inadequate controls over maintenance of records
- deficiencies in the period-end reporting process and accounting policies;
- inadequate internal controls relating to the authorization, recognition, capture, and review of transactions, facts, circumstances, and events that could have a material impact on the Company's financial reporting process

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On April 2, 2020, we filed a certificate of designation of preferences, rights and limitations (the "Certificate of Designation") of Series B Preferred Stock (the "Series B Preferred Stock"), with the Secretary of State of Nevada, designating 10,000 shares of preferred stock, par value $0.001 of the Company, as Series B Preferred Stock.

The Series B Preferred Stock does not pay a dividend, does not have any liquidation preference over other securities issued by the Company and are not convertible into shares of the Company's common stock.

For so long as any shares of the Series B Preferred Stock remain issued and outstanding, the holders thereof, voting separately as a class, shall have voting power equal to 51% of the total vote (representing a super majority voting power) on all shareholder matters of the Company.

Upon or after the third anniversary of the initial issuance date, the Company shall have the right, at the Company's option, to redeem all or a portion of the shares of Series B Preferred Stock, at a price per share equal to par value.

Additionally, the Company is prohibited from adopting any amendments to the Company's Bylaws, Articles of Incorporation, as amended, as set forth in the Certificate of Designation, without the affirmative vote of all of the outstanding shares of Series B Preferred Stock. However, the Company may, by any means authorized by law and without any vote of the holders of shares of Series B Preferred Stock, make technical, corrective, administrative or similar changes to such Certificate of Designation that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of Series B Preferred Stock.

On April 2, 2020, we approved the issuance of 5,000 shares of the Series B Preferred Stock to the Company's Chief Executive Officer and President, Michael Stebbins, and 5,000 shares of the Series B Preferred Stock to the Company's Secretary and Treasurer, Robertson Orr. The shares were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended.

This description of the Certificate of Designation is only a summary and is qualified in its entirety by reference to the full text of the form of the Certificate of Designation attached as Exhibit 3(i)(f) hereto.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The members of our board of directors serve for one year terms and are elected at the next annual meeting of stockholders, or until their successors have been elected. The officers serve at the pleasure of the board of directors.

Information as to our current directors and executive officers is as follows:

Name	Age	Title	Since
Robertson James Orr	45	Secretary, Treasurer & Director	May 12, 2010
Michael Stebbins	37	Chief Executive Officer, President and Director	June 23, 2016

Duties, Responsibilities and Experience

Robertson James Orr, has been our Treasurer, Secretary and a Director since May 12, 2010. Mr. Orr attended Arizona State University. In 1998, Mr. Orr assisted in the founding of bluemedia, Inc., a successful large format digital printing company based in Tempe, Arizona. Mr. Orr led bluemedia to profitability 9 years ago while overseeing the company's sales department and business development, and since then the company has continued to grow by more than 28% annually. In 2005, Mr. Orr and his Partners in bluemedia started a non-traditional ad agency called Blind Society, which is responsible for the direct to consumer marketing efforts of companies like AT&T, K-Swiss, and Activision. In addition to his entrepreneurial successes, Mr. Orr has been involved with supporting numerous local charitable causes through his work with the Boys & Girls Clubs of Phoenix, St. Joseph the Worker, the MDA and the ADA. He is also on the Board of Directors for the Tempe Chamber of Commerce and is active in the Phoenix 40.

Michael Stebbins, has been our Chief Executive Officer since July 29, 2019, President since February 2, 2017 and a Director since June 23, 2016. Mr. Stebbins is also the president and a director of Bollente, Inc., a Nevada corporation and wholly owned subsidiary of the Company. In 2009, Mr. Stebbins assisted in the founding of Bollente, Inc. Mr. Stebbins helped lead the design team that created our trutankless water heater. He oversaw virtually every aspect of launching our trutankless line of water heaters. Working directly with engineering and development teams, he developed several innovations and was instrumental in working on Bollente Inc.'s intellectual property and patents consisting of 29 proprietary claims related to our products. Since substantially completing R/D efforts in 2013, Mr. Stebbins has worked with the rest of management to lead branding, marketing, and sales initiatives, which has resulted in substantial sales growth and business development opportunities. Mr. Stebbins' experience in the water heater industry dates back to 2003. Prior to co-founding Bollente, Inc., Mr. Stebbins spent time consulting on several product development projects. Mr. Stebbins was named Top 35 Entrepreneurs under 35 by the Arizona Republic.

Indemnification of Directors and Officers

Our Articles of Incorporation and Bylaws both provide for the indemnification of our officers and directors to the fullest extent permitted by Nevada law.

Limitation of Liability of Directors

Pursuant to the Nevada General Corporation Law, our Articles of Incorporation exclude personal liability for our Directors for monetary damages based upon any violation of their fiduciary duties as Directors, except as to liability for any breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or any transaction from which a Director receives an improper personal benefit. This exclusion of liability does not limit any right which a Director may have to be indemnified and does not affect any Director's liability under federal or applicable state securities laws. We have agreed to indemnify our directors against expenses, judgments, and amounts paid in settlement in connection with any claim against a Director if he acted in good faith and in a manner he believed to be in our best interests.

Election of Directors and Officers

Directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. Officers are appointed to serve until the meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected and qualified.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers and directors, and persons who beneficially own more than ten percent of our common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. Executive officers, directors and greater-than-ten-percent beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based upon a review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe that as of the date of this filing they were current in their filings.

Code of Ethics

A code of ethics relates to written standards that are reasonably designed to deter wrongdoing and to promote:

1. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the Commission and in other public communications made by an issuer;
3. Compliance with applicable governmental laws, rules and regulations;
4. The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
5. Accountability for adherence to the code.

We have not adopted a corporate code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Our decision to not adopt such a code of ethics results from our having a small management for the Company. We believe that the limited interaction which occurs having such a small management structure for the Company eliminates the current need for such a code, in that violations of such a code would be reported to the party generating the violation.

Corporate Governance

We currently do not have standing audit, nominating and compensation committees of the board of directors, or committees performing similar functions. Until formal committees are established, our entire board of directors, perform the same functions as an audit, nominating and compensation committee.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past five years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

ITEM 11. EXECUTIVE COMPENSATION

Overview of Compensation Program

We currently have not appointed members to serve on the Compensation Committee of the Board of Directors. Until a formal committee is established, our entire Board of Directors has responsibility for establishing, implementing and continually monitoring adherence with the Company's compensation philosophy. The Board of Directors ensures that the total compensation paid to the executives is fair, reasonable and competitive.

Compensation Philosophy and Objectives

The Board of Directors believes that the most effective executive compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals by the Company and that aligns executives' interests with those of the stockholders by rewarding performance above established goals, with the ultimate objective of improving stockholder value. As a result of the size of the Company and only having two officers, the Board evaluates both performance and compensation on an informal basis. Upon hiring additional executives, the Board intends to establish a Compensation Committee to evaluate both performance and compensation to ensure that the Company maintains its ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly-situated executives of peer companies. To that end, the Board believes executive compensation packages provided by the Company to its executives, including the named executive officers, should include both cash and stock-based compensation that reward performance as measured against established goals.

Role of Executive Officers in Compensation Decisions

The Board of Directors makes all compensation decisions for, and approves recommendations regarding equity awards to, the executive officers and Directors of the Company. Decisions regarding the non-equity compensation of other employees of the Company are made by management.

Summary Compensation Table

The table below summarizes the total compensation paid to or earned by our current Executive Officers for the fiscal years ended December 31, 2019, 2018 and 2017.

SUMMARY COMPENSATION TABLE

Name and Principal Positions	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Non-qualified Deferred Compensation Earnings ($)	All Other Compen-sation ($)	Total ($)
Robertson James Orr [(1)],	2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Former President, Former CEO,	2018	4,000	-0-	60,000[(2)]	-0-	-0-	-0-	-0-	64,000
Secretary, Treasurer & Director	2017	7,200	-0-	24,000[(3)]	-0-	-0-	-0-	-0-	31,200
Michael Stebbins[(4)],	2019	165,000	-0-	-0-	-0-	-0-	-0-	-0-	165,000
President & Director	2018	153,750	-0-	125,000[(5)]	-0-	-0-	-0-	-0-	278,750
	2017	128,154	-0-	30,000[(6)]	-0-	-0-	-0-	-0-	158,154

1. Mr. Orr was appointed President, CEO, Secretary, Treasurer, and Director of the Company on May 12, 2010. On February 2, 2017, Mr. Orr resigned as president and on July 29, 2019, Mr. Orr resigned as CEO.
2. Amount represents the fair market value of 120,000 shares of common stock issued for services as an employee.
3. Amount represents the fair market value of 120,000 shares of common stock issued for services as an employee.
4. Mr. Stebbins was appointed President of the Company on February 2, 2017 and CEO of the Company on July 29, 2019.
5. Amount represents the fair market value of 250,000 shares of common stock issued for services as an employee.
6. Amount represents the fair market value of 150,000 shares of common stock issued for services as an employee.

Termination of Employment

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person which would in any way result in payments to any such person because of his resignation, retirement, or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company, except with respect to a breach of contract on the part of the Company.

Option Grants in Last Fiscal Year

During the years ended December 31, 2019 and 2018, we did not grant any options to our officers and directors.

Employment Agreements

The Company has an employment agreement with the CEO/President to perform duties and responsibilities as may be assigned. The base salary is in the amount of $75,000 per annum plus an annual bonus of 120,000 shares of common stock commencing on March 31, 2019 and ending February 28, 2020 with an option renewal on (March 1) thereafter.

The Company has an employment agreement with the President to perform duties and responsibilities as may be assigned. The base salary is in the amount of $165,000 per annum plus a one-time bonus of 250,000 shares of common stock commencing on October 1, 2019 and ending September 30, 2020 with an option renewal on September 15, 2020.

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

The following table sets forth information, to the best of our knowledge, about the beneficial ownership of our common stock on April 2, 2020 relating to the beneficial ownership of our common stock by those persons known to beneficially own more than 5% of our capital stock and by our directors and executive officers. The percentage of beneficial ownership for the following table is based on 54,587,966 shares of common stock outstanding.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of common stock over which the stockholder has sole or shared voting or investment power. It also includes shares of common stock that the stockholder has a right to acquire within 60 days after April 2, 2020 pursuant to options, warrants, conversion privileges or other right. The percentage ownership of the outstanding common stock, however, is based on the assumption, expressly required by the rules of the Securities and Exchange Commission, that only the person or entity whose ownership is being reported has converted options or warrants into shares of our common stock.

Security Ownership of Management, Directors and Certain Beneficial Owners

Title of Class	Name of Beneficial Owner(1)	Number Of Shares	Percent Beneficially Owned
Common	Robertson James Orr - CEO and Director[2]	1,136,327	2.0%
Common	Michael Stebbins - President and Director[2][3]	1,714,309[3]	3.1%
Common	Built Right Holdings, LLC[4]	9,430,000	17.2%
	All Directors, Officers and Principal Stockholders as a Group	12,280,636	22.4%

1. As used in this table, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to Common Stock (i.e., the power to dispose of, or to direct the disposition of, a security).
2. The address of each Officer and Director is c/o Trutankless, Inc., 15720 N. Greenway Hayden Loop, Suite 2, Scottsdale, AZ 85260.
3. Of the total shares of Common Stock owned or controlled by Mr. Stebbins, 350,000 shares are held by White Isle Holdings, Inc. and 15,000 shares are held by Core Financial Companies LLC.
4. These shares are owned directly by Built Right Holdings, LLC, an Arizona limited liability company, and Rodney Cullum may be deemed to have an indirect interest in these securities as the manager of Built Right Holdings, LLC.

Changes in Control

There are no arrangements, known to the Company, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

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

Transactions with Related Persons

As of December 31, 2019, and 2018, the Company had two notes payable due to an officer and director of the Company in amount of $69,150 and $99,150, respectively. The notes have interest rate that range from 0%-8% and are due on demand.

Promoters and Certain Control Persons

We did not have any promoters at any time since our inception in March 2008.

Director Independence

We currently do not have any independent directors, as the term "independent" is defined in Section 803A of the NYSE Amex LLC Company Guide. Since the OTCQB does not have rules regarding director independence, the Board makes its determination as to director independence based on the definition of "independence" as defined under the rules of the New York Stock Exchange ("NYSE") and American Stock Exchange ("Amex").

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

(1) AUDIT FEES

Audit and Non-Audit Fees

The following table sets forth fees billed to us by AMC Auditing, our independent auditors, for the years ended 2019 and 2018 for (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services rendered that are reasonably related to the performance of the audit or review of our financial statements that are not reported as Audit Fees, and (iii) services rendered in connection with tax preparation, compliance, advice and assistance.

Fee Category	**Fiscal 2019 Fees**	**Fiscal 2018 Fees**
Audit Fees	$30,474	$35,317
Audit Related Fes	-	-
Tax Fees	-	-
All Other Fees	-	-
Total Fees	$30,474	$35,317

Audit fees and audit related fees represent amounts billed for professional services rendered for the audit of our annual financial statements and the review of our interim financial statements. Before our independent accountants were engaged to render these services, their engagement was approved by our Directors.

(2) AUDIT-RELATED FEES

None.

(3) TAX FEES

See table above.

(4) ALL OTHER FEES

None.

(5) AUDIT COMMITTEE POLICIES AND PROCEDURES

We do not have an audit committee.

(6) If greater than 50 percent, disclose the percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

Not applicable.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

We have filed the following documents as part of this Annual Report on Form 10-K:

1. The financial statements listed in the "Index to Consolidated Financial Statements" on page 38 are filed as part of this report.
2. Financial statement schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.
3. Exhibits included or incorporated herein: See index to Exhibits.

Exhibit Index

Exhibit Number	Exhibit Description
2.1	Acquisition Agreement and Plan of Merger - dated March 3, 2011(3)
2.2	Addendum No. 1 to Acquisition Agreement and Plan of Merger - Dated April 27, 2011(4)
2.3	Agreement and Plan of Merger between Bollente Companies, Inc. and Bollente Name Change Subsidiary, Inc. - Dated June 4, 2018(5)
3(i)(a)	Articles of Incorporation of Bollente Companies, Inc. (Formerly Alcantara Brands Corporation)(1)
3(i)(b)	Certificate of Amendment - Name Change - Dated March 2, 2011(2)
3(i)(c)	Certificate of Change - 50:1 Reverse Split - Dated September 23, 2010(2)
3(i)(d)	Articles of Incorporation of Bollente Name Change Subsidiary, Inc. - Dated June 4, 2018(5)
3(i)(e)	Articles of Merger between Bollente Companies, Inc. and Bollente Name Change Subsidiary, Inc. - Dated June 4, 2018(5)
3(i)(f)	Certificate of Designation of Series B Preferred Stock - Dated April 2, 2020*
3(ii)(a)	Bylaws of Trutankless, Inc. (1)
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act*
32.1	Certification pursuant to 18 U.S.C. Section 350*
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Label
101.PRE	XBRL Taxonomy Extension Presentation

1. Incorporated by reference from the Company’s Registration Statement on Form SB-2 filed on March 19, 2008.
2. Incorporated by reference from the Company’s Quarterly Report on Form 10-Q filed on November 24, 2010.
3. Incorporated by reference from the Company’s Current Report on Form 8-K filed on March 10, 2011.
4. Incorporated by reference from the Company’s Current Report on Form 8-K filed on May 6, 2011.
5. Incorporated by reference from the Company’s Current Report on Form 8-K filed on June 6, 2018

*Filed herewith.

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.

TRUTANKLESS INC.

By: *<u>/s/ Michael Stebbins</u>*
Michael Stebbins, Chief Executive Officer

Date: April 23, 2020

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.

Signature	Title	Date
/s/ Michael Stebbins Michael Stebbins	Chief Executive Officer (Principal Executive Officer), Director and Principal Financial Officer	April 23, 2020
/s/ Robertson J. Orr Robertson James Orr	Director	April 23, 2020

TRUTANKLESS, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

AMC Auditing
Certified Public Accountants
PCAOB Registered Auditors – www.amclasvegas.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
TruTankless, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Trutankless, Inc. (the "Company") as of December 31, 2018 and December 31, 2017 and the related statements of operations, stockholders' (deficit), and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and December 31, 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has negative working capital at December 31, 2018, has incurred recurring losses and recurring negative cash flow from operating activities, and has an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ AMC Auditing
AMC Auditing We have served as the Company's auditor since 2015
Las Vegas, Nevada
April 5, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Trutankless, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Trutankless, Inc. (the "Company") as of December 31, 2019 and the related statements of operations, stockholders' (deficit), and cash flows for the year ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the result of its operations and its cash flow for the year ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has not generated sufficient revenues to provide sufficient cash flow as of December 31, 2019, which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

/s/ Prager Metis CPAs, LLC

We have served as the Company's auditor since 2019 Las Vegas, NV

April 14, 2020

TRUTANKLESS INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash	$ 4,342	$ 9,668
Accounts receivable, net of allowance for doubtful accounts	270,381	214,260
Inventory	106,958	403,322
Prepaid consulting expenses	373,072	227,111
Total current assets	754,753	854,361
Other Assets		
Prepaid consulting expenses - long term	108,260	-
Right of use asset	50,234	-
Other assets	13,994	16,444
Total other assets	172,488	16,444
Total assets	$ 927,241	$ 870,805
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,189,370	$ 1,178,685
Lease liability	14,723	-
Accrued interest payable - related party	18,668	10,166
Customer deposits	-	600
Derivative liability	613,716	-
Notes payable- related party	69,150	99,150
Notes payable, net of debt discount	411,807	45,717
Convertible notes payable, net of debt discount	1,583,066	983,220
Total current liabilities	3,900,500	2,317,538
Lease liability - long-term	37,189	-
Convertible notes payable - long term, net of debt discount	17,242	226,880
Notes payable - long-term, net of debt discount	-	282,233
Total long-term liabilities	54,431	509,113
Total liabilities	3,954,931	2,826,651
Stockholders' deficit		
Preferred stock, $0.001 par value, 10,000,000 shares authorized, 76,000 shares issued and outstanding as of December 31, 2019 and 2018, respectively	76	76
Common stock, $0.001 par value, 100,000,000 shares authorized, 45,427,303 and 34,739,902 shares issued and outstanding as of December 31, 2019 and 2018, respectively	45,427	34,740
Additional paid in capital	28,928,084	25,364,090
Subscriptions payable	424,705	178,000
Accumulated deficit	(32,425,982)	(27,532,752)
Total stockholders' deficit	(3,027,690)	(1,955,846)
Total liabilities and stockholders' deficit	$ 927,241	$ 870,805

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

TRUTANKLESS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended December 31,	
	2019	2018
Revenue	$ 1,908,708	$ 1,537,958
Cost of goods sold	(1,731,321)	(1,703,608)
Gross profit (loss)	177,387	(165,650)
Operating expenses		
General and administrative	1,706,193	1,384,342
Research and development	417,158	216,069
Professional fees	1,397,834	1,127,937
Total operating expenses	3,521,185	2,728,348
Loss from operations	3,343,798	2,893,998
Other expenses		
Loss on change of derivative liability	(29,429)	-
Interest expense	(1,393,189)	(641,619)
Loss on settlement of notes	(126,814)	-
Total other expenses	(1,549,432)	(641,619)
Net loss before tax provision	(4,893,230)	(3,535,617)
Tax provision	-	-
Net loss	$ (4,893,230)	$ (3,535,617)
Net loss per common share - basic and diluted	$ (0.13)	$ (0.11)
Weighted average number of common shares outstanding - basic and diluted	39,589,359	30,747,462

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

TRUTANKLESS INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock		Additional	Subscriptions	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Payable	Deficit	Deficit
Balance, December 31, 2017	76,000	$ 76	27,924,842	$ 27,925	$ 21,986,722	$ 548,780	$ (23,997,135)	$ (1,433,632)
Stock issued for cash	-	-	2,693,500	2,694	1,160,553	39,220	-	1,202,467
Stock issued for services	-	-	2,726,560	2,727	1,344,057	(110,000)	-	1,236,784
Stock issued for cancelation of royalty agreement	-	-	600,000	600	299,400	(300,000)	-	-
Stock issued for debt discounts	-	-	795,000	795	396,705	-	-	397,500
Warrants issued with beneficial conversion feature	-	-	-	-	176,653	-	-	176,653
Net loss	-	-	-	-	-	-	(3,535,617)	(3,535,617)
Balance, December 31, 2018	76,000	$ 76	34,739,902	$ 34,740	$ 25,364,090	$ 178,000	$ (27,532,752)	$ (1,955,846)
Stock issued for cash	-	-	5,625,000	5,625	1,466,625	61,000	-	1,533,250
Stock issued for services	-	-	2,679,300	2,679	1,306,468	90,705	-	1,399,852
Stock issued for debt discounts and extensions of notes payables	-	-	1,777,000	1,777	501,790	95,000	-	598,567
Shares issued for the settlement of notes payable	-	-	606,101	606	289,111	-	-	289,717
Net loss	-	-	-	-	-	-	(4,893,230)	(4,893,230)
Balance, December 31, 2019	76,000	$ 76	45,427,303	$ 45,427	$ 28,928,084	$ 424,705	$ (32,425,982)	$ (3,027,690)

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

TRUTANKLESS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31, 2019	2018
Cash flows from operating activities		
Net loss	$ (4,893,230)	$ (3,535,617)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Shares issued for services	1,399,852	1,236,784
Loss on change in derivative liability	29,429	-
Depreciation and amortization	950	5,035
Non-cash operating lease expense	14,744	-
Amortization of debt discount	465,387	393,802
Noncash financing expense	604,282	
Allowance for doubtful accounts	36,272	13,495
Loss on settlement of notes	126,814	
Changes in assets and liabilities		
Accounts receivable	(92,393)	(98,509)
Inventory	296,364	(245,835)
Prepaid expenses	(254,221)	91,096
Customer deposit	900	(1,781)
Accounts payable	60,842	550,133
Interest payable - related party	(1,252)	5,683
Lease liability	(13,066)	-
Net cash used in operating activities	(2,218,326)	(1,585,714)
Cash Flows from Investing Activities:		
Purchase of fixed assets	-	(892)
Net cash used in investing activities	-	(892)
Cash Flows from Financing Activities:		
Proceeds from convertible notes payable	595,500	285,000
Repayments from convertible notes payable	(16,000)	-
Proceeds from notes payable	137,000	115,000
Repayments from notes payable	(6,750)	(80,000)
Proceeds from notes payable - related party	5,000	-
Repayments from notes payable - related party	(35,000)	-
Repayments on line of credit - related party	-	(4,791)
Proceeds from sale of common stock, net of offering costs	1,533,250	1,202,466
Net cash provided by financing activities	2,213,000	1,517,675
Net decrease in cash	(5,326)	(68,931)
Cash, beginning of period	9,668	78,599
Cash, end of period	$ 4,342	$ 9,668
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 46,933	$ 30,450
Cash paid for taxes	$ -	$ -
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Recognition of right of use asset and liability	$ 64,978	$ -
Modification of notes payable to convertible notes payable	$ 100,000	$ -
Recognition of derivative liability	$ 277,069	
Convertibles notes and accrued interest settled with stock	$ 162,903	$ -

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Company was incorporated on March 7, 2008 under the laws of the State of Nevada, as Alcantara Brands Corporation. On October 5, 2010, the Company amended its articles of incorporation and changed its name to Bollente Companies, Inc. On June 4, 2018, the Company amended its articles of incorporation and changed its name to Trutankless, Inc.

The Company is involved in sales, marketing, research and development of a high quality, whole-house, smart electric tankless water heater that is more energy efficient than conventional products. Management anticipates the Company's trutankless water heater, with Wi-Fi capability and trutankless' proprietary apps offered in the iOS and Android store, will augment existing products in the home automation space.

Principles of consolidation

The consolidated financial statements include the accounts of Trutankless, Inc. and its wholly owned subsidiaries. On May 16, 2010, the Company acquired 100% of the outstanding stock of Bollente, Inc. All significant inter-company transactions and balances have been eliminated.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and cash equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Website

The Company capitalizes the costs associated with the development of the Company’s website pursuant to ASC Topic 350. Other costs related to the maintenance of the website are expensed as incurred. Amortization is provided over the estimated useful lives of 3 years using the straight-line method for financial statement purposes. The Company plans to commence amortization upon completion and release of the Company’s fully operational website.

Stock-based compensation

The Company records stock based compensation in accordance with the guidance in ASC Topic 505 and 718 which requires the Company to recognize expenses related to the fair value of its employee stock option awards. This eliminates accounting for share-based compensation transactions using intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 718-10 and the conclusions reached by the ASC 505-50. 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 ASC 505-50.

Income Taxes

The Company's calculation of its tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in various taxing jurisdictions. The Company recognizes tax liabilities for uncertain tax positions based on management's estimate of whether it is more likely than not that additional taxes will be required. The Company had no uncertain tax positions as of December 31, 2019 and 2018.

Deferred income taxes are recognized in the consolidated financial statements for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates. Temporary differences arise from net operating losses, differences in depreciation methods of archived images, and property and equipment, stock-based and other compensation, and other accrued expenses. A valuation allowance is established when it is determined that it is more likely than not that some or all of the deferred tax assets will not be realized.

The application of tax laws and regulations is subject to legal and factual interpretation, judgment and uncertainty. Tax laws and regulations themselves are subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations and court rulings. Therefore, the actual liability for U.S., or the various state jurisdictions, may be materially different from management's estimates, which could result in the need to record additional tax liabilities or potentially reverse previously recorded tax liabilities. Interest and penalties are included in tax expense.

The Company includes interest and penalties arising from the underpayment of income taxes in the statements of operation in the provision for income taxes. As of December 31, 2019 and 2018, the Company had no accrued interest or penalties related to uncertain tax positions.

Earnings per share

The Company follows ASC Topic 260 to account for the earnings per share. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Inventory

Inventories are stated at the lower of cost (average cost) or market (net realizable value).

Revenue recognition

We recognize revenue in accordance with ASC 606, Revenue From Contracts with Customers, which requires that five basic criteria be met before revenue can be recognized: (i) identify the contract with the customer; (ii) identity the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price; and (v) recognize revenue when or as the entity satisfied a performance obligation.

Revenue recognition occurs at the time the product is shipped to customers, when control transfers to customers, provided there are no material remaining performance obligations required of the Company or any matters of customer acceptance. We only record revenue when collectability is probable.

Fair value of financial instruments

The Company measures fair value in accordance with ASC 820 - Fair Value Measurements. ASC 820 defines fair value and establishes a three-level valuation hierarchy for disclosures of fair value measurements. ASC 820 establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by ASC 820 are:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted market prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 - Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. Valuation of instruments includes unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

As defined by ASC 820, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale, which was further clarified as the price that would be received to sell an asset or paid to transfer a liability ("an exit price") in an orderly transaction between market participants at the measurement date.

The reported fair values for financial instruments that use Level 2 and Level 3 inputs to determine fair value are based on a variety of factors and assumptions. Accordingly, certain fair values may not represent actual values of the Company's financial instruments that could have been realized as of December 31, 2019 or that will be recognized in the future, and do not include expenses that could be incurred in an actual settlement. The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, receivables from related parties, prepaid expenses and other, accounts payable, accrued liabilities, and related party and third party notes payables approximate fair value due to their relatively short maturities. The Company's notes payable to related parties approximates the fair value of such instrument based upon management's best estimate of terms that would be available to the Company for similar financial arrangements at December 31, 2019 and 2018.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below as of December 31, 2019:

	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Derivative Financial Instruments	$ -	$ -	$ 613,716	$ 613,716

As of December 31, 2019, the Company's stock price was $0.35, risk-free discount rate of 1.60% and volatility of 182%

Financial assets and liabilities measured at fair value on a recurring basis are summarized below as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments	$ -	$ -	$ -	$ -

The following table provides a summary of the changes in fair value, including net transfers in and/or out, of the derivative financial instruments, measured at fair value on a recurring basis using significant unobservable inputs:

	Amount
Balance December 31, 2018	$ -
Debt discount originated from derivative liabilities	277,069
Financing cost recorded	307,218
Change in fair market value of derivative liabilities	29,429
Balance December 31, 2019	$ 613,716

Recent Accounting Pronouncements

ASU 2016-02 - In February 2016, the FASB issued ASU No. 2016-02, "Leases", ("ASC 842") which amended the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASC 842 is effective for public companies during interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. In July 2018, the FASB issued ASU No. 2018-11, which permits entities to record the right-of-use asset and lease liability on the date of adoption, with no requirement to recast comparative periods.

We adopted ASC 842 effective January 1, 2019 using the optional transition method of recognizing a cumulative-effect adjustment to the opening balance of retained earnings on January 1, 2019. Therefore, comparative financial information was not adjusted and continues to be reported under the prior lease accounting guidance in ASC 840. We elected the transition relief package of practical expedients, and as a result, we did not assess 1) whether existing or expired contracts contain embedded leases, 2) lease classification for any existing or expired leases, and 3) whether lease origination costs qualified as initial direct costs. We elected the short-term lease practical expedient by establishing an accounting policy to exclude leases with a term of 12 months or less, as well as the land easement practical expedient for maintaining our current accounting policy for existing or expired land easements.

In June 2018, the FASB issued ASU 2018-07, "Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting," which modifies the accounting for share-based payment awards issued to nonemployees to largely align it with the accounting for share-based payment awards issued to employees. ASU 2018-07 is effective for us for annual periods beginning January 1, 2019. Management evaluated ASU 2018-07 and determined that the adoption of this new accounting standard did not have a material impact on the Company's consolidated financial statements.

NOTE 2 - GOING CONCERN

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Management evaluated all relevant conditions and events that are reasonably known or reasonably knowable, in the aggregate, as of the date the consolidated financial statements are issued and determined that substantial doubt exists about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on the Company's ability to generate revenues and raise capital. The Company has not generated sufficient revenues from product sales to provide sufficient cash flows to enable the Company to finance its operations internally. As of December 31, 2019, the Company had $4,342 cash on hand. At December 31, 2019 the Company has an accumulated deficit of $32,425,982. For the year ended December 31, 2019, the Company had a net loss of $4,893,230, and cash used in operations of $2,218,326. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year from the date of filing.

Over the next twelve months management plans raise additional capital and to invest its working capital resources in sales and marketing in order to increase the distribution and demand for its products. If the Company fails to generate sufficient revenue and obtain additional capital to continue at its expected level of operations, the Company may be forced to scale back or discontinue its sales and marketing efforts. However, there is no guarantee the Company will generate sufficient revenues or raise capital to continue operations. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 - INVENTORY

Inventories consist of the following at:

	December 31, 2019	December 31, 2018
Finished goods	106,958	403,322
Total	$ 106,958	$ 403,322

NOTE 4 - ACCOUNTS RECEIVABLE, NET

Accounts receivable consist of the following at:

	December 31, 2019	December 31, 2018
Accounts receivable	377,222	222,959
Allowance for doubtful accounts	(106,958)	(70,569)
Total	$ 270,381	$ 214,260

NOTE 5 - PREPAID CONSULTING EXPENSES

During the years ended December 31, 2019 and 2018, the Company issued 2,094,300 and 730,000 shares of stock for various consulting agreement with terms ranging between 6 months to two years. The Company considered the market price of the common stock issued and fair value of the services rendered and determined that the market prices of the share issued of $1,012,285 and $365,000, respectively were the more readily determinable values. The Company recorded amortization of the prepaid stock compensation amounting to $758,064 and $137,889 for the years ended December 31 2019 and 2018, respectively.

NOTE 6 - RELATED PARTY

As of December 31, 2019, and 2018, the Company had two notes payable due to an officer and director of the Company in the amount of $69,150 and $99,150, respectively. The notes have interest rate that range from 0%-8% and are due on demand.

In January 2019, the Company executed a lease agreement with Templar Asset Group, LLC, a related party. The lease term is one year at a rate of $4,200 per month for a period of one year with an option to continue a month to month basis thereafter (See Note 8).

NOTE 7 - NOTES PAYABLE

Notes payable consist of the following at:

	December 31, 2019	December 31, 2018
Note payable, secured, 12% interest, due July 2020 (see Note 12)	$ 150,000	$ 150,000
Note payable, secured, 12% interest, due July 2020 (see Note 12)	100,000	100,000
Note payable, secured, 12% interest, due January 2020 (see Note 12)	50,000	50,000
Note payable, secured, 12% interest, due September 2020	-	50,000
Note payable, secured, 12% interest, due July 2020 (see Note 12)	100,000	-
Note payable, secured, 12% interest, due October 2019	5,750	-
Note payable, secured, 12% interest, due March 2020	12,000	-
Total Notes Payable	$ 417,750	$ 350,000
Less discounts	(5,943)	(22,050)
Total Notes Payable	411,807	327,980
Less current portion	(411,807)	(45,717)
Total Notes Payable - long term	$ -	$ 282,233

On September 2, 2016, the Company issued a $100,000 12% promissory note. The note was due on September 1, 2017. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $25,000 which was recognized as a debt discount. On May 16, 2019, the maturity date of the note was extended to July 1, 2020 for the issuance of 50,000 shares of common stock valued at $21,000. As of December 31, 2019, $12,290 of the debt discount has been amortized and the note was shown net of unamortized discount of $5,443.

On February 2, 2018, the Company entered into an agreement with the note holder to split a certain note payable dated July 1, 2015 into two notes in the amount of $150,000 and $50,000, respectively. In addition to the splitting the notes the noteholder also agreed to the extend the due date of the new $50,000 note to July 1, 2018 and on June 4, 2018, for consideration of 15,000 shares the noteholder further agreed to extend the due date of the new $50,000 note to April 1, 2019. On November 15, 2018, both notes were further extended to January 1, 2020 for the issuance of 80,000 shares valued $40,800. On May 16, 2019, the maturity dates of both notes were extended to July 1, 2020 for the issuance of 50,000 shares of common stock valued at $21,000. The Company recorded the fair market value of all the shares issued for extensions to financing cost.

On January 30, 2019, the Company issued a $100,000 12% promissory note. The note was due on September 30, 2019. As an incentive to enter into the agreement the noteholder was also granted 100,000 shares valued at $45,000 which was recognized as a debt discount. On May 16, 2019, the maturity date of the note was extended to September 30, 2020 for the issuance of 55,000 shares of common stock valued at $23,100 The Company recorded the fair market value of all the shares issued for extensions to financing cost.

On February 11, 2019, the Company issued a $12,500 12% promissory note. The note is due on October 11, 2019. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $12,500, which was recognized as a debt discount. On May 17, 2019, the Company agreed to settle the note along with $833 in accrued interest for 53,334 shares valued at $13,333. At the time of note settlement, the remaining unamortized discount was immediately expensed.

On February 11, 2019, the Company issued a $12,500 12% promissory note. The note is due on October 11, 2019. As an incentive to enter into the agreement the noteholder was also granted 25,000 shares valued at $12,500, which was recognized as a debt discount. As of December 31, 2019, $12,500 of the debt discount was amortized.

On March 1, 2019, the Company issued a $12,000 12% promissory note. The note is due on March 1, 2020.

Convertible notes payable, net of debt discount consist of the following:

	December 31, 2019	December 31, 2018
Convertible note payable, secured, 12% interest, due March 2019, convertible at $1 per share	$ -	$ 10,000
Convertible note payable, secured, 12% interest, due May 2018, convertible at $1 per share	-	50,000
Convertible note payable, secured, 12% interest, due August 2019, convertible at $1 per share	50,000	50,000
Convertible note payable, secured, 12% interest, due August 2018, convertible at $1 per share	-	50,000
Convertible note payable, secured, 12% interest, due 120 days after delivery of payment notice from lender or November 2019, convertible at $0.25 per share	900,000	900,000
Convertible note payable, secured, 12% interest, due May 2020, convertible at $1 per share	100,000	100,000
Convertible note payable, secured, 12% interest, due May 2020, convertible at $1 per share	50,000	50,000
Convertible note payable from a shareholder, secured, 12% interest, due May 2020, convertible at $1 per share	5,000	5,000
Convertible note payable from a shareholder, secured, 12% interest, due Feb 2020, convertible at $1 per share	75,000	75,000
Convertible note payable from a shareholder, secured, 4% interest, due October 2020	75,000	--
Convertible note payable from a shareholder, secured, 12% interest, due January 2020, convertible at $0.50 per share (See Note 12)	160,000	160,000
Convertible note payable, secured, 10% interest, due Sept 2020, convertible at $0.50 per share	50,000	--
Convertible note payable from a shareholder,12% interest, due May 2020, conversion price is the lesser of (i) 70% multiplied by the lowest Trading Price during the previous twenty-five (25) trading day period ending on the latest complete Trading Day prior to the date of the note and 70% of the market price.	337,000	
Convertible note payable from a shareholder,12% interest, due May 2020, conversion price is the lesser of (i) 70% multiplied by the lowest Trading Price during the previous twenty-five (25) trading day period ending on the latest complete Trading Day prior to the date of the note and 70% of the market price.	168,500	

	December 31, 2019	December 31, 2018
Convertible note payable, secured, 10% interest, due Sept 2020, convertible at $0.50 per share	50,000	--
Note payable, secured, 12% interest, due May 2020	31,500	--
Convertible note payable, secured, 10% interest, due October 2021, convertible at $0.50 per share	23,000	
Less discounts	(474,692)	(239,900)
Total notes payable, net	$ 1,596,410	$ 1,210,100
Less current portion	(1,583,066)	(983,220)
Convertible notes payable, net - Long-term	$ 17,242	$ 226,880

On September 17, 2018, the Company issued a $50,000 10% promissory note. The note is due on September 18, 2020. As an incentive to enter into the agreement the noteholder was also granted 10,000 shares valued at $5,000. On February 9, 2019, the note was amended for the issuance of 50,000 shares of common stock valued at $30,000, the note holder agreed to a convert the note at a price of $0.50 per share. Additionally, the maturity date of the note was changed to February 8, 2020. As of December 31, 2019, the shares have not been issued and were included in stock payable. As of December 31, 2019, $21,513 of the debt discount has been amortized and the note was shown net of unamortized discount of $4,204.

During the year ended December 31, 2016, the Company issued $160,000 of principal amount of 12% secured convertible promissory notes and warrants to purchase common stock. The notes were due between May and August 2018 and bear interest of percent (12%). The notes are secured by all of the Company's assets. The outstanding principal amounts and accrued but unpaid interest of the notes is convertible at any time at the option of the holder into common stock at a conversion price of $1.00 per share. The notes were issued with warrants to purchase up to 160,000 shares of the Company's common stock which were valued at $119,616. On May 16, 2019, the maturity date of the note was extended to January 11, 2020 for the issuance of 90,000 shares of common stock valued at $45,900. As of December 31, 2019, $165,516 of the debt discount was amortized and the note was shown net of unamortized discount of $835.

During the year December 31, 2019, the notes holders of $110,000 of the convertible notes agreed to convert the notes and accrued interest at a conversion price of $0.25 per share into 552,767 shares of common stock. The Company evaluated the adjustment of the conversion price under ASC 470, and recorded an additional loss on conversion of $126,813, which was recognized as an expense equal to the fair value of all securities and other consideration transferred in the transaction in excess of fair value of securities issuable pursuant to the original conversion terms.

On December 14, 2018, the Company issued a $50,000 4% convertible note. The note is due on February 14, 2019 and is convertible at a rate of $0.50 per shares. On February 14, 2019, the noteholder agreed to extend the note through October 14, 2020. As an incentive to enter into the agreement the noteholder was also granted 10,000 shares valued at $5,000. As of December 31, 2019, $5,000 of the debt discount was amortized.

On January 25, 2019, the Company issued a $100,000 8% promissory note. The note is due on March 1, 2019 and is convertible at a rate of $0.50 per shares. Additionally, the note holder is due two shares of common stock for every dollar funded. As of December 31, 2019, the note holder has advanced a total of $47,500 and is due 95,000 shares valued at $37,500, and the Company has made payments of $16,000. As of December 31, 2019, there was an outstanding balance on the note in the amount of $31,500. As of December 31, 2019, $31,250 of the debt discount was amortized and the note was shown net of unamortized discount of $6,250.

On February 8, 2019, the Company issued a $50,000 10% promissory note. The note is due on September 8, 2020. As an incentive to enter into the agreement the noteholder was also granted 60,000 shares valued at $30,000. As of December 31, 2019, $26,795 of the debt discount has been amortized and the note was shown net of unamortized discount of $3,205.

On February 19, 2019, the Company issued a $25,000 4% convertible note. The note is due on August 19, 2019 and is convertible at a rate of $0.50 per shares. On February 14, 2019, the noteholder agreed to extend the note through October 14, 2020. As an incentive to enter into the agreement the noteholder was also granted 5,000 shares valued at $2,500. As of December 31, 2019, the shares have not been issued and were included in stock payable. As of December 31, 2019, $2,500 of the debt discount was amortized and the note was shown net of unamortized discount of $0.

On October 18, 2019, the Company issued a $23,000 10% convertible note. The note is due on October 17, 2021 and is convertible at a rate of $0.50 per shares. As an incentive to enter into the agreement the noteholder was also granted 46,000 shares valued at $15,175. As of December 31, 2019, $1,536 of the debt discount was amortized and the note was shown net of unamortized discount of $13,639.

On November 5, 2019, the Company entered into a $562,000 convertible note payable, including a original issue discount of $56,200 pursuant to which we borrowed $337,000, including a $37,000 original issue discount in the first tranche during the year ended December 31, 2019. Interest under the convertible promissory note is 12% per annum, and the principal and all accrued but unpaid interest is due 180 days from funding. The note is convertible at the lesser of (i) 70% multiplied by the lowest Trading Price during the previous twenty-five (25) trading day period ending on the latest complete Trading Day prior to the date of the note and 70% of the market price. As an incentive to enter into the agreement the noteholder was also granted 854,000 shares valued at $307,440. The Company analyzed the conversion feature and determined it was required to be bifurcated and recognized as a derivative liability. The derivative at inception was valued at $392,061, based on the Black Scholes Merton pricing model. As the fair value of the derivative and the shares issued at inception were in excess of the face amount of the note, the Company recorded a debt discount in the amount of $337,000 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the excess of $203,177 was recognized as a financing cost on the Statement of Operations. As of December 31, 2019, $104,265 of the debt discount has been amortized and the note was shown net of unamortized discount of $232,735.

On November 19, 2019, we entered into a $281,000 convertible note payable, including a original issue discount of $28,100 convertible promissory note pursuant to which we borrowed of $150,000, including a $18,500 discount during the year ended December 31, 2019. Interest under the convertible promissory note is 12% per annum, and the principal and all accrued but unpaid interest is due 180 days from funding. The note is convertible at the lesser of (i) 70% multiplied by the lowest Trading Price during the previous twenty-five (25) trading day period ending on the latest complete Trading Day prior to the date of the note and 70% of the market price. As an incentive to enter into the agreement the noteholder was also granted 427,000 shares valued at $175,070, the Company analyzed the conversion feature and determined it was required to be bifurcated and recognized as a derivative liability. The derivative at inception was valued at $192,226, based on the Black Scholes Merton pricing model. As the fair value of the derivative and the shares issued at inception were in excess of the face amount of the note the Company recorded a debt discount in the amount of $168,500 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the excess of $104,041 was recognized as a financing cost on the Statement of Operations. As of December 31, 2019, $39,099 of the debt discount has been amortized and the note was shown net of unamortized discount of $129,401.

The embedded conversion feature in the convertible debt instruments above were convertible at issuance which qualified them as a derivative instrument since the number of shares issuable under the note is indeterminate based on guidance in ASC 815-15, “Derivatives and Hedging (“Topic No. 815-15”). Topic No. 815-15 requires the Company to bifurcate and separately account for the conversion features as an embedded derivative contained in the Company’s convertible debt.

The Black-Scholes model, adopted by management as an appropriate financial model, utilized the following inputs to value the derivative liabilities at the date of issuance of the convertible note through December 30, 2019:

Risk free interest rate	1.58% - 1.60%
Expected term (years)	0.31 - 0.50
Expected volatility	182% - 193.54%
Expected dividends	0%

Interest expense including amortization of the associated debt discount for the year ended December 31, 2019 and 2018 was $782,677 and $637,382, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Operating Lease Agreements

The Company determines whether or not a contract contains a lease based on whether or not it provides the Company with the use of a specifically identified asset for a period of time, as well as both the right to direct the use of that asset and receive the significant economic benefits of the asset. The Company elected the transition relief package of practical expedients, and as a result, we did not assess 1) whether existing or expired contracts contain embedded leases, 2) lease classification for any existing or expired leases, and 3) whether lease origination costs qualified as initial direct costs. We elected the short-term lease practical expedient by establishing an accounting policy to exclude leases with a term of 12 months or less.

The Company has entered into lease agreements as a lessee for the use of office space. These lease agreements are classified as operating leases and the liability and right-of-use asset are recognized on the balance sheet at lease commencement. Leases with an initial term of 12 months or less are not recorded on the balance sheet and are recognized as lease expense on a straight-line basis over the lease term. As a result of the adoption of ASC 842, the Company recognized an operating lease liability and right-of-use asset of $64,978.

The discount rate utilized for classification and measurement purposes as of the inception date of the lease is based on the Company's collateralized incremental interest rate to borrow of 12%, as the rate implicit in the lease is not determinable.

During 2018, the Company executed a lease agreement. The lease term is 39 months at a rate of $1,680 per month with 3% increases beginning January 1, 2021 and rent commencing on January 1, 2019. The Company was required to pay a $1,781 security deposit.

In January 2019, the Company executed a lease agreement with Templar Asset Group, LLC, a related party. The lease term is one year at a rate of $4,200 per month for a period of one year with an option to continue a month to month basis thereafter. Under ASC 842, this lease is not recorded on the balance sheet as its term is 12 months or less.

Undiscounted Cash Flows

As of December 31, 2019, the right of use asset and lease liability were shown on the consolidated balance sheet at $50,234 and $51,912, respectively. The table below reconciles the fixed component of the undiscounted cash flows and the total remaining years to the operating lease liability recorded on the consolidated balance sheet as of December 31, 2019:

Amounts due as of December 31, 2019	Operating Leases	
2020	$	20,160
2021		20,765
2022		21,370
Total minimum lease payments	$	62,294
Less: effect of discounting		(10,381)
Present value of future minimum lease payments	$	51,912
Less: current obligations under leases		(14,723)
Long-term lease obligations	$	37,189

NOTE 9 - STOCK WARRANTS

During the year ended December 31, 2019, we issued 82,500 warrants in conjunction with units which included shares sold for cash to purchase 426,500 shares of the Company's common stock at an exercise price of $1.00 per share. The warrants are exercisable at any time until three (3) years after the closing date.

The following is a summary of stock warrants activity during the year ended December 31, 2019.

	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2018	2,395,624	$1.00
Warrants granted and assumed	82,500	$1.00
Warrants expired	-	-
Warrants canceled	-	-
Warrants exercised	-	-
Balance outstanding and exercisable, December 31, 2019	2,478,124	$1.00

NOTE 10 - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company recorded the valuation allowance due to the uncertainty of future realization of federal and state net operating loss carryforwards. The deferred income tax assets are comprised of the following at December 31, 2019 and 2018:

	2019		2018	
Deferred income tax assets:	$	9,866,701	$	8,901,506
Valuation allowance		(9,866,701)		(8,901,506)
Net deferred tax asset	$	-	$	-

Reconciliation between the statutory rate and the effective tax rate is as follows at December 31, 2019 and 2018:

	2019	2018
Effective Tax Rate Reconciliation:		
Federal statutory tax rate	21.0%	21.0%
State taxes, net of federal benefit	0.0%	0.0%
Change in valuation allowance	(21.0)%	(21.0)%
Effective tax rate	0.0%	0.0%

As of December 31, 2019, the Company had net operating loss carryforwards of approximately $16,724,000 and net operating loss carryforwards expire in 2021 through 2029. The current year's net operating loss will carryforward indefinitely, limited to 80% of the current year taxable income.

The current income tax benefit of $965,195 generated for the year ended December 31, 2019 was offset by an equal increase in the valuation allowance. The valuation allowance was increased due to uncertainties as to the Company's ability to generate sufficient taxable income to utilize the net operating loss carryforwards which is the only significant component of deferred taxes.

The Company recognizes interest and penalties related to uncertain tax positions in general and administrative expense. As of December 31, 2019 and 2018 the Company has no unrecognized uncertain tax positions, including interest and penalties.

NOTE 11 - STOCKHOLDERS' EQUITY

The Company is authorized to issue 10,000,000 shares of it $0.001 par value preferred stock and 100,000,000 shares of its $0.001 par value common stock.

The Company has also designated 76,000 shares of Series A Preferred Stock. Each share of Series A Preferred Stock is convertible, at any time, at the option of the holder, is convertible into five shares of our common stock and one warrant to purchase one share of our common stock at $1.00 per share. All Preferred Stock automatically converts into shares of the Company's common stock and warrants after three years from the original issue date of the Preferred Stock. All the Series A Preferred Stock reached it conversion date during the year ended December 31, 2019 and the Company has begun to convert the shares subsequent to year end (See note 12).

During the year ended December 31, 2019, the Company issued 2,679,300 shares of common stock with a fair value of $1,399,852 for services based on the stock price on the date of issuance ranging from $0.33 to $0.84, of which $90,705 is included in stock payable. The Company valued the shares at their fair market value which was considered the most readily determinable value. Additionally, the Company cancelled two consulting agreements entered into during the year ended December 31, 2018. As a result, the Company received and cancelled 100,000 shares of common stock valued at $50,000.

During the year ended December 31, 2019, the Company issued 5,625,000 shares of common stock for $1,472,250 cash at sales prices ranging from $0.25 to $0.50. Additionally, the Company received $61,000 for the sale of common stock which has not been issued and has been recorded as stock payable.

During the year ended December 31, 2019, the Company issued 1,777,777 shares of common stock valued at $598,567 as incentives for certain noteholders to enter into financing agreements.

During the year ended December 31, 2019, the Company issued 606,101 shares of common stock valued at $289,717 to settle certain convertible notes payable and accrued interest.

NOTE 12 - SUBSEQUENT EVENT

On February 5, 2020, the Company agreed to settle a certain $900,000 note payable dated August 2, 2016 and $312,006 in accrued interest. As part of the settlement the Company issued 1,000,000, 5 year warrants exercisable at $0.50 per share, 4,000,000 shares of common stock in settlement of $400,000 of the principal balance of the note, and issued a new $500,000 11% promissory note. The Company also agreed to amend the warrants agreements for 2,631,094 previously granted warrants to the investor to include the same terms as the warrants granted under the settlement agreement.

The new note is due in two payments, $250,000 January 2, 2022 and $250,000 on January 2, 2023. Interest will accrue from the date of this Note on the unpaid and outstanding Principal balance to be paid as follows: (a) Fifty-Four Thousand Nine Hundred Ninety-Three and 37/100 Dollars ($54,993.37) on January 4, 2021; plus (b) three hundred thousand (300,000) shares of common Stock, by January 3, 2022, plus (c) six hundred thousand (600,000) shares of common stock on January 3, 2023.

As part of the agreement the Company also agreed to pay the accrued Interest in two (2) installments as follows: (a) $167,000 due upon execution of the settlement agreement, and (b) $145,006.13) due on January 4, 2021. In addition to the First Interest Payment, Borrower shall also pay to Lender the sum $33,000 as a fee to induce and otherwise compensate Lender for the immediate release of the loan security.

On January 3, 2020, the Company issued 200,000 shares of common stock for $50,000.

On January 30, 2020, the Company issued 64,166 shares of common stock for $32,083.

On April 1, 2020, the Company issued 500,000 shares of common stock for $100,000.

On January 3, 2020, the Company issued 100,000 shares for services with a fair value of $39,290, based on stock price on date of issuance.

On January 30, 2020, the Company issued 15,000 shares for services with a fair value of $4,643, based on stock price on date of issuance.

On February 19, 2020, the Company issued 3,600,000 shares for services with a fair value of $754,560, based on stock price on date of issuance.

On March 10, 2020, the Company issued 300,000 shares for services with a fair value of $74,400, based on stock price on date of issuance.

On March 2, 2020, the Company issued 50,000 shares of common stock in connection with extending certain notes payable.

On January 1, 2020, the Company entered into an agreement to consolidate three notes payable dated February 2, 2018 and May 16, 2019 into one $300,000, 12% note due June 1, 2021. As consideration the Company issued the note holder 175,000 shares of common stock.

On January 1, 2020, the Company entered into an agreement to consolidate two notes payable dated June 11, 2018 and September 6, 2016 into one $260,000, 12% note due June 1, 2021. As consideration the Company issued the note holder 175,000 shares of common stock.

On November 5, 2019, we entered into a $562,000, convertible note payable including an original issue discount of $56,200 convertible promissory note pursuant to which we borrowed of $337,000 during the year ended December 31, 2019. On February 7, 2020 we borrowed an additional $225,000, including a original issue discount of $25,000 and granted the noteholder an additional 476,493 shares of common stock.

On February 19, 2020 the Company converted the 76,000 outstanding Series A preferred shares, based on the automatic conversion terms. As of the date of this filing, only 205,000 common shares and 76,000 warrants have been issued, with the remaining 175,000 shares of common stock still to be issued and recognized as Stock payable.

On March 9, 2020, the Company cancelled a consulting agreement entered into during the year ended December 31, 2019. As a result, the Company received and cancelled 500,000 shares of common stock.

On April 2, 2020, the Company filed a certificate of designation of preferences, rights and limitations of a new Series B Preferred Stock with the Secretary of State of Nevada, designating 10,000 shares of preferred stock, par value $0.001 of the Company, as Series B Preferred Stock. The new Series B Preferred Stock does not pay a dividend, does not have any liquidation preference over other securities issued by the Company and are not convertible into shares of the Company's common stock. For so long as any shares of the Series B Preferred Stock remain issued and outstanding, the holders thereof, voting separately as a class, shall have voting power equal to 51% of the total vote on all shareholder matters of the Company. Upon or after the third anniversary of the initial issuance date, the Company shall have the right, at the Company's option, to redeem all or a portion of the shares of Series B Preferred Stock, at a price per share equal to par value.

On April 2, 2020, the board approved the issuance of 5,000 shares of the Series B Preferred Stock to the Company's Chief Executive Officer and President, Michael Stebbins, and 5,000 shares of the Series B Preferred Stock to the Company's Secretary and Treasurer, Robertson Orr. The shares were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended.

2: ex-3.1 (EX-31)

To Top

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Certificate, Amendment or Withdrawal of Designation

NRS 78.1955, 78.1955(6)

☒ Certificate of Designation
☐ Certificate of Amendment to Designation - Before Issuance of Class or Series
☐ Certificate of Amendment to Designation - After Issuance of Class or Series
☐ Certificate of Withdrawal of Certificate of Designation

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

1. Entity information:	Name of entity: Trutankless, Inc. Entity or Nevada Business Identification Number (NVID): E0148042008-3
2. Effective date and time:	For Certificate of Designation or Amendment to Designation Only (Optional): Date: 04/02/2020 Time: (must not be later than 90 days after the certificate is filed)
3. Class or series of stock: (Certificate of Designation only)	The class or series of stock being designated within this filing: Series B Preferred Stock
4. Information for amendment of class or series of stock:	The original class or series of stock being amended within this filing:
5. Amendment of class or series of stock:	☐ Certificate of Amendment to Designation- Before Issuance of Class or Series As of the date of this certificate no shares of the class or series of stock have been issued. ☐ Certificate of Amendment to Designation- After Issuance of Class or Series The amendment has been approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation.
6. Resolution: Certificate of Designation and Amendment to Designation only)	By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.* Series B Preferred Stock as set forth in the Certificate of Designation attached.
7. Withdrawal:	Designation being Withdrawn: Date of Designation: No shares of the class or series of stock being withdrawn are outstanding. The resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock: *
8. Signature: (Required)	X [signature] Signature of Officer Date: 04/02/2020

* Attach additional page(s) if necessary
This form must be accompanied by appropriate fees.

Certificate, Amendment or Withdrawal of Designation

NRS 78.1955, 78.1955(6)

[X] Certificate of Designation

1. Entity information:

Name of entity: Trutankless, Inc.

Entity or Nevada Business Identification Number (NVID): E0148042008-3

2. Effective date and For Certificate of Designation or Date:

Date: 04/02/2020

3. Class or series of stock:

The class or series of stock being designated within this filing: Series B Preferred Stock

4. Information for amendment of class or series of stock:

5. Amendment of class or series of stock:

6. Resolution:

By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.*

Series B Preferred Stock as set forth in the Certificate of Designation attached.

7. Withdrawal:

8. Signature:

Signature of Officer: */s/ Michael Stebbins*

Date: 04/02/2020

CERTIFICATE OF DESIGNATION
OF
SERIES B PREFERRED STOCK
of
TRUTANKLESS, INC.

Establishing the
Voting Powers, Designations, Preferences, Limitations,
Restrictions, and Relative Rights of Series B Preferred Stock

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Pursuant to Section 78.1955 of the
Nevada Revised Statutes

Trutankless, Inc., a corporation organized and existing under the Nevada Revised Statutes (hereinafter called the "*Corporation*"), hereby certifies that the following resolution was adopted by the board of directors of the Corporation on April 2, 2020;

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of the Corporation (the "*Board*") in accordance with the provisions of the Articles of Incorporation of the Corporation, as currently in effect, and the provisions of Section 78.1955 of the Nevada Revised Statutes, the Board, by resolutions duly adopted as of April 2, 2020 hereby creates Series B Preferred Stock, par value $0.001 per share, consisting of ten thousand (10,000) shares, of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series B Preferred Stock:

SECTION 1. DESIGNATION AND AMOUNT. A total of 10,000 shares of Preferred Stock, $0.001 par value per share, out of the 10,000,000 total Preferred shares authorized in the Corporation's Articles of Incorporation, shall be designated "Series B Preferred Stock" (the "*Series B Preferred Stock*").

SECTION 2. DIVIDENDS. The holders of the Series B Preferred Stock shall not be entitled to receive dividends paid on the Common Stock.

SECTION 3. LIQUIDATION PREFERENCE. The holders of the Series B Preferred Stock shall not be entitled to any liquidation preference.

SECTION 4. VOTING. The holders of the Series B Preferred Stock will have the stockholder voting rights as described in this Section 4 or as required by law.

4.1. Voting Rights. For so long as any shares of the Series B Preferred Stock remain issued and outstanding, the holders thereof, voting separately as a class, shall have the right to vote in an amount equal to fifty-one percent (51%) of the total voting power of the Corporation's stockholders. For example, if there are 10,000 shares of the Company's Common Stock issued and outstanding at the time of a stockholder vote, the holders of Series B Preferred Stock, voting separately as a class, will have the right to vote an aggregate of 10,400 shares, out of a total number of 20,400 shares voting.

4.2. Amendments to Articles and Bylaws. So long as the Series B Preferred Stock is outstanding, the Corporation shall not, without the affirmative vote of the holders of all outstanding shares of Series B Preferred Stock, voting separately as a class (i) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws of the Corporation so as to adversely affect the designations, preferences, limitations and relative rights of the Series B Preferred Stock, (ii) effect any reclassification of the Series B Preferred Stock, excluding a reverse stock split or forward split, or (iii) designate any additional series of preferred stock, the designation of which adversely effects the rights, privileges, preferences or limitations of the Series B Preferred Stock set forth herein.

4.3. Amendment of Rights of Series B Preferred Stock. The Corporation shall not, without the affirmative vote of the holders of all outstanding shares of the Series B Preferred Stock, amend, alter or repeal any provision of this Certificate of Designation, PROVIDED, HOWEVER, that the Corporation may, by any means authorized by law and without any vote of the holders of shares of the Series B Preferred Stock, make technical, corrective, administrative or similar changes in this Certificate of Designation that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of the Series B Preferred Stock.

SECTION 5. CONVERSION RIGHTS. The shares of the Series B Preferred Stock shall have no conversion rights.

SECTION 6. REDEMPTION RIGHTS.

(a) **Corporation's Redemption Option.** Upon or after the third anniversary of the initial issuance date, the Corporation shall have the right, at the Corporation's option, to redeem all or a portion of the shares of Series B Preferred Stock, at a price per share equal to par value.

(b) **Mechanics of Redemption.** If the Corporation elects to redeem any of the Holders' Series B Preferred Stock then outstanding, it shall do so by delivering written notice thereof by email or overnight courier to each Holder, which Notice of Redemption at Option of the Corporation shall indicate (a) the number of shares of Series B Preferred Stock that the Corporation is electing to redeem and (b) the redemption price.

SECTION 7. NOTICES. Any notice required hereby to be given to the holders of shares of the Series B Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of the Corporation.

SECTION 8. MISCELLANEOUS.

(a) The headings of the various sections and subsections of this Certificate of Designation are for convenience of reference only and shall not affect the interpretation of any of the provisions of the Certificate of Designation.

(b) Whenever possible, each provision of this Certificate of Designation shall be interpreted in a manner as to be effective and valid under applicable law and public policy. If any provision set forth herein is held to be invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions of this Certificate of Designation. No provision herein set forth shall be deemed dependent upon any other provision unless so expressed herein. If a court of competent jurisdiction should determine that a provision of this Certificate of Designation would be valid or enforceable if a period of time were extended or shortened, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law.

(c) Except as may otherwise be required by law, the shares of the Series B Preferred Stock shall not have any powers, designations, preferences or other special rights, other than those specifically set forth in this Certificate of Designation.

In WITNESS WHEREOF, the undersigned hereby declares and certifies that this Certificate of Designation is executed on behalf of the Corporation as of this 2nd day of April, 2020.

Corporation:
TRUTANKLESS, INC.

By: */s/ Michael Stebbins*
Michael Stebbins, President & CEO

EXHIBIT 31.1

CERTIFICATION

I, Michael Stebbins, certify that:

1. I have reviewed this amended annual report on Form 10-K/A of Trutankless, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: April 23, 2020

/s/ Michael Stebbins
Michael Stebbins
Principal Executive Officer and
Principal Financial Officer

EXHIBIT 32.1

CERTIFICATION 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 Annual Report of Trutankles, Inc. (the "Company") on Form 10-K/A for the period ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Stebbins, Principal Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Stebbins
Michael Stebbins
Principal Executive Officer and
Principal Financial Officer
April 23, 2020