

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

FORM 10-K

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

For the fiscal year ended September 30, 2010

Commission file number 333-154455

CommerceTel Corporation

(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

26-3439095
(I.R.S. Employer
Identification No.)

8929 Aero Drive, Suite E
San Diego, CA 92123
(Address of Principal Executive Offices & Zip Code)

(866) 622-4261
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(Name, Address and Telephone Number of Agent for Service)

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

Securities registered pursuant to section 12(g) of the Act:
Common Stock, \$.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

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

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 No

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

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

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

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

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

As of December 15, 2010, the registrant had 17,700,000 shares of common stock issued and outstanding. No market value has been computed based upon the fact that no active trading market had been established as of December 15, 2010.

COMMERCETEL CORP.
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Part I

Item 1. Business

CommerceTel Corporation, a Nevada corporation (the “Company”), formerly Ares Ventures Corporation, was during the most recent fiscal year end an exploration stage company with no revenues and a limited operating history. On November 2, 2010 the Company completed an acquisition of CommerceTel, Inc, a Nevada corporation, as described below.

Recent Developments

On November 2, 2010 the Company entered into a Share Exchange Agreement (the “Exchange Agreement”) with CommerceTel Canada Corporation, an Ontario company and the principal shareholder (the “Shareholder”) of CommerceTel, Inc., a Nevada corporation (“CommerceTel”), as well as the other shareholders of CommerceTel (together with the Shareholder, the “Sellers”), pursuant to which the Company purchased from the Sellers all issued and outstanding shares of CommerceTel, in consideration for the issuance to the Sellers of 10,000,000 shares of common stock of the Company (the “Share Exchange”). Please refer to Note 10 accompanying the financial statements.

In anticipation of the transaction, effective October 5, 2010, the Company changed its name from Ares Ventures Corp. to CommerceTel Corporation.

Bridge Financing

On November 2, 2010, the Company issued to a number of accredited investors a series of its 10% Senior Secured Convertible Bridge Note (the “Notes”) in the aggregate principal amount of \$1,000,000 (the “Financing”). The Notes accrue interest at the rate of 10% per annum. The entire principal amount evidenced by the Notes (the “Principal Amount”) plus all accrued and unpaid interest is due on the earlier of (i) the date the Company completes a financing transaction for the offer and sale of shares of common stock (including securities convertible into or exercisable for its common stock), in an aggregate amount of no less than 125% of the principal amounts evidenced by the Notes (a “Qualifying Financing”), and (ii) November 3, 2011. On the maturity date of the Notes, in addition to the repayment of the Principal Amount and all accrued and unpaid interest, the Company will issue to each holder of the Notes, at each such holder’s option, (i) three year warrants to purchase that number of shares of its common stock equal to the Principal Amount plus all accrued and unpaid interest divided by the per share purchase price of the common stock offered and sold in the Qualifying Financing (the “Offering Price”) which warrants shall be exercisable at the Offering Price, or (ii) that number of shares of Common Stock equal to the product arrived at by multiplying (x) the Principal Amount plus all accrued and unpaid interest divided by the Offering Price and (y) 0.33. The Company’s obligations under the Notes are secured by all of the assets of the Company, including all shares of CommerceTel, its wholly owned subsidiary.

General Information

CommerceTel is a provider of technology that enables major brands and enterprises to engage consumers via their mobile phone. Interactive electronic communications with consumers is a complex process involving communication networks and software. CommerceTel removes this complexity through its suite of services and technologies thereby enabling brands, marketers, and content owners to communicate with their customers and consumers in general. From Presidential elections to major broadcast events, we are pioneers in the deployment of the mobile channel as the ultimate direct connection to the consumer.

Mobile phone users represent a large and captive audience. While televisions, radios, and even PCs are often shared by multiple consumers, mobile phones are personal devices representing a unique and individual address to the end user. We believe that the future of digital media will be driven by mobile phones where a direct, personal conversation can be had with the world's largest audience. The future of mobile includes banking, commerce, advertising, video, games and just about every other aspect of both on and offline life. Over four million consumers have been engaged via their mobile device thanks to CommerceTel's technology.

We believe that our mobile marketing and advertising campaign platform is among the most advanced in the industry as it allows real time interactive communications with consumers. We generate revenue from licensing our software to clients in our software as a service (SaaS) model, per-message and per minute transactional fees, and customized professional services.

Our "C4" Mobile Marketing and Customer Relationship Management (CRM) platform is a hosted solution enabling our clients to develop, execute, and manage a variety of engagements to a consumer's mobile phone. Short Messaging Service (SMS), Multi-Media Messaging (MMS), and Interactive Voice Response (IVR) interactions can all be facilitated via a set of Graphical User Interfaces (GUIs). Reporting and analytics capabilities are also available to our users through the C4 solution.

Mobile devices are emerging as the principal interactive channel for brands to reach consumers since it is the only media platform that has access to the consumer virtually anytime and anywhere. Brands and advertising agencies are recognizing the unique benefits of the mobile channel and they are increasingly integrating mobile media within their overall advertising and marketing campaigns. Our objective is to become the industry leader in connecting brands and enterprises to consumers' mobile phones.

Industry Background

The area of our business consists of advertising and marketing. While advertising raises awareness and fosters positive perceptions of a product, service or company through brand-building or individually-targeted campaigns, marketing activities occur once the consumer decides to interact with the brand, and are focused on convincing the consumer to take action, for example request information, opt-in to a campaign, or make a purchase.

The Mobile Marketing Association, the premier global non-profit trade association in the area of mobile marketing, has defined mobile marketing as a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network. Mobile marketing is commonly known as wireless marketing.

Mobile advertising is a rapidly growing business providing brands, agencies and marketers the opportunity to connect with consumers beyond traditional and digital media directly on their mobile phones. Today's mobile phones are utilized for more than just making and receiving calls. Besides voice services, mobile users have access to data services such Short Message Service (SMS), also known as text messaging, picture messaging, content downloads and the Mobile Web. These media channels carry both content and advertising. The mobile phone is an extremely personal device as each mobile phone typically has one unique user. While televisions, radios, and even PCs are often shared by multiple consumers, mobile phones are personal devices representing a truly unique and individual address to the end user. This makes the mobile phone a precisely targeted communication channel, where users are highly engaged with content. As a result, the mobile channel is a highly effective campaign tool and its response levels are high compared to other media. Mobile is valuable as a stand-alone medium for advertising, but it's also well suited for a vital role in fully integrated cross-media campaign plans, including TV, print, radio, outdoor, cinema, online and direct mail. We believe that the future of digital media will be driven by mobile phones where a direct, personal conversation can be had with the world's largest network. The future of mobile includes banking, commerce, advertising, video, games and just about every other aspect of both on and offline life.

Mobile advertising campaigns may use multiple channels to reach the consumer, including Mobile Web sites, mobile applications, mobile messaging and mobile video, all of which can be integrated into interactive campaigns. Each channel can link to additional mobile content or channels, as well as to complementing traditional media. Mobile advertising provides a powerful, instant and interactive response path in that consumers may send a keyword to a short code via SMS, or register on a Mobile Web site.

Mobile Web

The Mobile Web is fast emerging as a mainstream information, entertainment and transaction source for people on the move and away from a PC. Browsing the Mobile Web is similar to traditional PC-based Web browsing and provides users with access to news, sports, weather, entertainment and shopping sites. However, there are some significant differences between PC based access and phone-based access:

- The mobile phone is a targeted device with typically only one user. This enable the delivery of relevant communications causing users to become engaged immediately with campaigns and content resulting in increased campaign effectiveness.
- Mobile phones do not permit detailed search and delivery. Rather, mobile users will usually seek quick access to succinct information and services. Space on mobile phone screens is at a premium, and users have limited input mechanisms, so Mobile Web sites need to be easy to navigate using just the mobile phone keypad.
- Mobile phones have a broad range of different form factors, screen sizes and resolutions, all of which presents a challenge for the display and optimal viewing of content and advertising.

Mobile Messaging

Mobile messaging technology enables users to communicate in a so-called asynchronous manner, where messages are stored in the network and delivered to the recipient as soon as the recipient's mobile phone can receive it. Once delivered, the message is stored on the users' mobile phone. SMS (Short Messaging Service) allows a mobile user to send and receive a text message of up to 160 characters and across virtually any operator network. This service is also referred to as "text messaging" or "texting". All recent mobile phone models support SMS. As a result, the large installed base of SMS phones creates a large addressable market for SMS-based mobile marketing campaigns. MMS (Multimedia Messaging Service) is the rich media equivalent to SMS text messages. An MMS message can include graphics photos, audio and video, in addition to text. MMS is not yet universally supported by all networks, however this market segment is growing. SMS and MMS services are together referred to as "mobile messaging" or "messaging". The stickiness of Mobile Messaging, the enormous reach of SMS and the rich media capabilities of MMS make this channel a highly rewarding advertising opportunity.

Mobile messaging represents an opportunity for advertising placement. Media publishers are using messaging to distribute mobile content. Businesses are providing consumer services through mobile messaging. These messages provide inventory into which advertisements can be inserted. In addition, it is now possible to purchase advertising in personal – person-to person (P2P) – SMS and MMS messages.

Mobile devices have become one of the most widely used means of communication globally. Significant technological advancements have and are continuing to provide mobile users with increased access to features previously available only on PCs, such as Internet browsing, email and social networking. As mobile devices have evolved, they have begun to enable brands and advertising agencies to interact with consumers virtually anytime and anywhere, optimizing engagement with other traditional media while lowering the cost of customer acquisition and retention.

As a result, mobile devices have emerged as an important media method for brands and advertising agencies to interact with consumers. According to ABI Research, mobile marketing and advertising spending is expected to increase from \$1.64 billion in 2007 to nearly \$29 billion in 2014.

The CommerceTel Solution

CommerceTel resolves three technical barriers needing to be overcome for the marketplace to achieve the ultimate goal of engaging the consumer via their mobile devices.

- *Multimodal Communication:* Cell phones are used for voice conversations, to take pictures, sending and receiving SMS text messages, and several other tasks. Marketers and enterprises need to include multiple communication modalities when interacting with the mobile consumer. Engaging only one channel to the mobile consumer, for example SMS text messaging, will only result in a partial engagement with the consumer. CommerceTel solves this problem via its carrier-grade integrated infrastructure delivering access to all modes of mobile communication from SMS to MMS to IVR and beyond.

- *Campaign Design and Management.* The ability to conceptualize, create, and execute mobile marketing campaigns or enterprise applications in an efficient manner is affected by software and tools available at any given time. Fragmented tool sets, costly service models, and prolonged time-to-market will impede and impair the growth of the industry. CommerceTel's Web-based solution, "C4", is a unified services creation environment that enables brands and enterprises to create, manage, and report on campaigns through a set of hosted Web tools.
- *Analytics.* Fragmented analytic solutions (i.e. the lack of a uniform tool set used to analyze mobile consumers' preferences) only provide insights into disparate modalities of the mobile channel. For example, a Mobile Web analytics solution reveals a consumer's Internet consumption while neglecting that same consumer's SMS and Voice related activities. CommerceTel's patent pending "Personalization Engine" leverages an innovative approach to gaining deep insight into mobile consumer activities and their associated profiles.

Our Principal Competitive Strength

We believe that we have a significant advantage over our main competitors for the following reasons:

- *Proprietary Technology:* Our proprietary, patent pending technology enables our customers to reach across all mobile phone interfaces. We continue to develop, design and deploy enterprise-grade software that we believe is more advanced than technologies developed by our competitors.
- *IVR and Voice Capabilities:* Our IVR and Voice capabilities allow marketers, content owners, and search operators the freedom of engaging mobile consumers outside of wireless carrier controlled messaging networks. In many instances our competitors have outsourced business to CommerceTel to enable IVR features in their service offerings. It is this fundamental advantage that has allowed CommerceTel to quickly penetrate major brands.
- *In-house Expertise:* We believe that our primary technical advantage is that we've built most of our systems in-house, relieving us from costly software licensing fees associated with IVR platforms, SMS messaging and other platforms. For example, IVR software typically ranges from \$150.00US to \$1,000.00US per port, plus annual maintenance and support fees. CommerceTel's current infrastructure supports over 10,000 IVR ports without any associated IVR licensing costs. In addition, there are unavoidable provisioning times for interconnecting with VOIP and PSTN networks that can take a minimum of 90 days, plus another 30 days for equipment provisioning.

Research and Development

We have built a strong internal software development team that has many years of experience in the mobile advertising and marketing industries. As of September 30, 2010, we had 4 engineers and software developers in our development centers located in San Diego, CA. Our recent research and development activities have been focused on enhancements to our platform. Current research and development initiatives continue to focus on extending our technology into payment processing, location based services, application analytics, and other technical opportunities in the evolving mobile industry.

We believe that having a dedicated, highly-trained advanced projects team enables us to effectively address the rapidly evolving mobile marketing and advertising services market.

We expect our total R&D expenditures in calendar year 2011 to be approximately \$400,000.

Competition

Although the market for mobile marketing and advertising solutions is relatively new, it is very competitive. We compete with companies of all sizes in select geographies that offer solutions that compete with single elements of our platform, such as mobile advertising networks, mobile ad serving and ad routing providers, mobile website and content creators, providers of mobile publishing and application development, SMS aggregators or providers of mobile analytics. We compete at times with interactive and traditional advertising agencies that perform mobile marketing and advertising as part of their services to their customers. Some of these entities have significantly greater resources than we do.

As a result of industry developments, some of our competitors may in the future create an integrated platform with features similar to ours, for example, Google, Inc.'s proposed acquisition of Admob, Inc. which was announced in November 2009, Apple, Inc.'s acquisition of Quattro Wireless, Inc. in January 2010, and the entry of larger companies such as Nokia, AOL, Microsoft and Yahoo! into the mobile media markets. However, we do not directly compete with these companies as we believe we are the only provider of an integrated, end-to-end mobile marketing and mobile advertising platform with a significant global presence.

We believe that the key competitive factors that our customers use in selecting solutions include the availability of:

- an integrated, scalable and relatively easy to implement platform that can expand the reach of their future campaigns;
- solutions providing high quality functionality that meet their immediate marketing and advertising needs;
- sophisticated analytics and reporting;
- competitive pricing;
- existing strategic relationships with customers globally;
- high levels of quality service and support; and

- a sophisticated and financially stable provider with a proven track record.

We believe that we compete favorably on each of these factors. Our extensive experience managing global marketing and advertising campaigns, together with experienced professional services to implement and integrate these options globally, provides us with an advantage that many of our competitors lack.

The consolidation of our competitors offering point solutions into larger organizations with increased resources is a recent trend in the industry. The effects of such acquisitions on the market are still unclear.

Seasonality

Our business, as is typical of companies in our industry, is highly seasonal. This is primarily due to traditional marketing and advertising spending being heaviest during the holiday season while brands, advertising agencies, mobile operators and media companies often close out annual budgets towards the end of a given year. Seasonal trends have historically contributed to, and we anticipate will continue to contribute to fluctuations in our quarterly results, including fluctuations in sequential revenue growth rates.

Intellectual Property

We regard the protection of our developed technologies and intellectual property rights as an important element of our business operations and as crucial to our success. We rely primarily on a combination of patent laws, trademark laws, copyright laws, trade secrets, confidentiality procedures and contractual provisions to protect our proprietary technology. We generally require our employees, consultants and advisors to enter into confidentiality agreements. These agreements provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except under specific circumstances. In the case of our employees, the agreements provide that all of the technology which is conceived by the individual during the course of employment is our exclusive property. The development of our technology and many of our processes are dependent upon the knowledge, experience and skills of key scientific and technical personnel.

We do not own any patents. However, we have one pending U.S. patent application. Patent application 20070249369 was filed on April 25, 2007. This patent application is described as a system, method and apparatus for delivering Web content to a mobile telephone or related device by using a dialing code is provided. In an exemplary embodiment, a user who dials a telephone number, or other dialing code, and subsequently receives content sent to the user's mobile handset. In another embodiment, content is Web content sent to the user's phone via a Wireless Application Protocol (WAP) process.

Any future patents that may issue may not survive a legal challenge to their scope, validity or enforceability, or provide significant protection for us. The failure of our patents, or our reliance upon copyright and trade secret laws to adequately protect our technology might make it easier for our competitors to offer similar products or technologies. In addition, patents may not issue from any of our current or any future applications.

Employees

As of September 30, 2010, we had 5 full-time employees and 3 contract employees.

Sales, marketing, and business development functions are provided by one full time employee and one contract consultant. Engineering and research and development functions are provided by two full time employees and two contract employees. General administration, finance, and executive management consist of two full time employees.

Government Regulation

Depending on the products and services that they offer, mobile data service providers may be subject to regulations and laws applicable to providers of mobile, Internet and voice over Internet protocol, or VOIP, services both domestically and internationally. In addition, the application of existing domestic and international laws and regulations relating to issues such as user privacy and data protection, defamation, pricing, advertising, taxation, gambling, sweepstakes, promotions, billing, real estate, consumer protection, accessibility, content regulation, quality of services, telecommunications, mobile, television and intellectual property ownership and infringement to wireless industry providers and platforms in many instances is unclear or unsettled. Further, the application of existing laws regulating or requiring licenses for certain businesses of our advertisers can be unclear.

It is possible that a number of laws and regulations may be adopted in the countries where we operate, which may be inconsistent and which could restrict the wireless communications industry, including laws and regulations regarding network management and device interconnection, lawful interception of personal data, taxation, content suitability, copyright, distribution and antitrust. Furthermore, the growth and development of the market for electronic storage of personal information may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies that store personal information. We anticipate that regulation of our industry generally will increase and that we will be required to devote legal and other resources to address this regulation.

We are directly subject to certain regulations and laws applicable to providers of Internet and mobile services both domestically and internationally. The application of existing domestic and international laws and regulations relating to issues such as user privacy and data protection, marketing, advertising, consumer protection and mobile disclosures in many instances is unclear or unsettled.

United States Regulatory Environment

In addition to its regulation of wireless telecommunications providers generally, the U.S. Federal Communications Commission, or FCC, has shown interest in at least three areas that impact our business: research and development with regards to innovation, competition in the wireless industry and consumer protection with an emphasis on truth-in-billing. The FCC has examined, or is currently examining, how and when consumers enroll in mobile services, what types of disclosures consumers receive, what services consumers are purchasing and how much consumers are charged. In addition, the Federal Trade Commission, or FTC, has been asked to regulate how mobile marketers can use consumers' personal information. Consumer advocates claim that many consumers do not know when their information is being collected from cell phones and how such information is retained, used and shared with other companies. Consumer groups have asked the FTC to identify practices that may compromise privacy and consumer welfare; examine opt-in procedures to ensure consumers are aware of what data is at issue and how it will be used; investigate marketing tactics that target children and create policies to halt abusive practices. The FTC has expressed interest in particular in the mobile environment and services that collect sensitive data, such as location-based information.

- *Deceptive Trade Practice Law in the U.S.* The FTC and state attorneys general are given broad powers by legislatures to curb unfair and deceptive trade practices. These laws and regulations apply to mobile marketing campaigns and behavioral advertising. The general guideline is that all material terms and conditions of the offer must be "clearly and conspicuously" disclosed to the consumer prior to the buying decision. In practice, the definition of clear and conspicuous disclosure is often a subjective determination. The balancing of the desire to capture a potential customer's attention, while providing adequate disclosure, can be even more challenging in the mobile context due to the lack of space.
- *Behavioral Advertising.* Behavioral advertising is a technique used by online publishers and advertisers to increase the effectiveness of their campaigns. Behavioral advertising uses information collected from an individual's web-browsing behavior, such as the pages they have visited or the searches they have made, to select which advertisements to display to that individual. This data can be valuable for online marketers looking to personalize advertising initiatives or to provide geo-tags through mobile devices. Currently, behavioral advertising is not formally regulated in the U.S., but many businesses adhere to industry self-governing principles, including an opt-out regime whereby information may be collected until an individual indicates that he or she no longer agrees to have this information collected. The FTC and EU member states are considering regulations in this area, which may include implementation of a more rigorous opt-in regime. An opt-in policy would prohibit businesses from collecting and using information from individuals who have not voluntarily consented. Among other things, the implementation of an opt-in regime could require substantial technical support and negatively impact the market for our mobile advertising products and services. A few states have also introduced bills in the past two years that would restrict or prohibit behavioral advertising within the state. These bills would likely have the practical affect of regulating behavioral advertising nationwide because of the difficulties behind implementing state-specific policies or identifying the location of a particular consumer.
- *Behavioral Advertising-Privacy Regulation.* Our business is affected by U.S. federal and U.S. state, as well as EU member state and foreign country, laws and regulations governing the collection, use, retention, sharing and security of data that we receive from and about our users. In recent years, regulation has focused on the collection, use, disclosure and security of information that may be used to identify or that actually identifies an individual, such as an Internet Protocol address or a name. Although the mobile and Internet advertising privacy practices are currently largely self-regulated in the U.S., the FTC has conducted numerous discussions on this subject and suggested that more rigorous privacy regulation is appropriate, possibly including regulation of non-personally identifiable information which could, with other information, be used to identify an individual. Within the EU, member state data protection authorities typically regard IP addresses as personal information, and legislation adopted recently in the EU requires consent for the placement of a cookie on a user device. In addition, EU data protection authorities are following with interest the FTC's discussions regarding behavioral advertising and may follow suit by imposing additional privacy requirements for mobile advertising practices.

- *Marketing-Privacy Regulation.* In addition, there are U.S. federal and state laws and EU member state and other country laws that govern SMS and telecommunications-based marketing, generally requiring senders to transmit messages (including those sent to mobile devices) only to recipients who have specifically consented to receiving such messages. U.S. federal, EU member state and other country laws also govern e-mail marketing, generally imposing an opt-out requirement for emails sent within an existing business relationship.
- *SMS and Location-Based Marketing Best Practices and Guidelines.* We are a member of the Mobile Marketing Association, or MMA, a global association of 700 agencies, advertisers, mobile device manufacturers, wireless operators and service providers and others interested in the potential of marketing via the mobile channel. The MMA has published a code of conduct and best practices guidelines for use by those involved in mobile messaging activities. The guidelines were developed by a collaboration of the major carriers and they require adherence to them as a condition of service. We voluntarily comply with the MMA code of conduct. In addition, the Cellular Telephone Industry Association, or CTIA, has developed Best Practices and Guidelines to promote and protect user privacy regarding location-based services. We also voluntarily comply with those guidelines, which generally require notice and user consent for delivery of location-based services.
- *TCPA.* The United States Telephone Consumer Protection Act, or TCPA, prohibits unsolicited voice and text calls to cell phones or the use of an auto-dialing system unless the recipient has given prior consent. The statute also prohibits companies from initiating telephone solicitations to individuals on the national Do-Not-Call list, unless the individual has given prior express consent or has an established business relationship with the company, and restricts the hours when such messages may be sent. In the case of text messages, a company must obtain opt-in consent to send messages to a mobile device. Violations of the TCPA can result in statutory damages of \$500 per violation (i.e., for each individual text message). U.S. state laws impose additional regulations on voice and text calls.
- *CAN-SPAM.* The U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act, or CAN SPAM, prohibits all commercial e-mail messages, as defined in the law, to mobile phones unless the device owner has given "express prior authorization." Recipients of such messages must also be allowed to opt-out of receiving future messages the same way they opted-in. Senders have ten days to honor opt-out requests. The FCC has compiled a list of domain names used by wireless service providers to which marketers may not send commercial e-mail messages. Senders have 30 days from the date the domain name is posted on the FCC site to stop sending unauthorized commercial e-mail to addresses containing the domain name. Violators are subject to fines of up to \$6.0 million and up to one year in jail for some spamming activities. Carriers, the FTC, the FCC, and State Attorneys General may bring lawsuits to enforce alleged violations of the Act.
- *Communications Privacy Acts.* Foreign, U.S. federal and U.S. state laws impose consent requirements for disclosures of contents of communications or customer record information. To the extent that we knowingly receive this information without the consent of customers, we could be subject to class action lawsuits for statutory damages or criminal penalties under these laws, which could impose significant additional costs and reputational harm. EU member state laws also require consent for our receiving this information, and if our carrier customers fail to obtain such consent we could be subjected to civil or even criminal penalties.

- *Security Breach Notification Requirements.* EU member state laws require notice to the member state data protection authority of a data security breach involving personal data if the breach poses a risk to individuals. In addition, Germany recently enacted a broad requirement to notify individuals in the event of a data security breach that is likely to be followed by notification requirements to data subjects in other EU member states. In the U.S., various states have enacted data breach notification laws, which require notification of individuals and sometimes state regulatory bodies in the event of breaches involving certain defined categories of personal information. Japan and Uruguay have also recently enacted security breach notice requirements. This new trend suggests that breach notice statutes may be enacted in other jurisdictions, including by the U.S. at the federal level, as well.
- *Children.* U.S. federal privacy regulations implementing the Children's Online Privacy Protection Act prohibit the knowing collection of personal information from children under the age of 13 without verifiable parental consent, and strictly regulate the transmission of requests for personal information to such children. Other countries do not recognize the ability of children to consent to the collection of personal information. In addition, it is likely that behavioral advertising regulations will impose special restrictions on use of information collected from minors for this purpose.

Item 1A. Risk Factors

Risks Related to our Business

Proceeds from our recent bridge financing may not be sufficient to sustain our operations and we may need to raise additional capital to grow our business.

We anticipate, based on currently proposed plans and assumptions relating to our ability to market and sell our products, that our cash on hand including the proceeds from our recent bridge as well as revenues from operations will satisfy our operational and capital requirements for the next 12 months. However, the operation of our business and our efforts to grow our business further will require significant cash outlays and commitments. The timing and amount of our cash needs may vary significantly depending on numerous factors, including but not limited to:

- market acceptance of our mobile marketing and advertising services;
- the need to adapt to changing technologies and technical requirements;
- the need to adapt to changing regulations requiring changes to our processes or platform; and
- the existence of opportunities for expansion.

If our existing working capital and the proceeds from our recent bridge financing are not sufficient to meet our cash requirements, we will need to seek additional capital, potentially through debt, or other equity financings, to fund our growth. We may not be able to raise cash on terms acceptable to us or at all. Financings, if available, may be on terms that are dilutive to our shareholders, and the prices at which new investors would be willing to purchase our securities may be lower than the current price of our ordinary shares. The holders of new securities may also receive rights, preferences or privileges that are senior to those of existing holders of our ordinary shares. If new sources of financing are required but are insufficient or unavailable, we would be required to modify our growth and operating plans to the extent of available funding, which could harm our ability to grow our business.

Our sales efforts require significant time and effort and could hinder our ability to expand our customer base and increase revenue.

Attracting new customers requires substantial time and expense, especially in an industry that is so heavily dependent on personal relationships with executives. We cannot assure that we will be successful in establishing new relationships, or maintaining or advancing our current relationships. For example, it may be difficult to identify, engage and market to customers who do not currently perform mobile marketing or advertising or are unfamiliar with our current services or platform. Further, many of our customers typically require input from one or more internal levels of approval. As a result, during our sales effort, we must identify multiple people involved in the purchasing decision and devote a sufficient amount of time to presenting our products and services to those individuals. The complexity of our services, including our software-as-a-service model, often requires us to spend substantial time and effort assisting potential customers in evaluating our products and services including providing demonstrations and benchmarking against other available technologies. We expect that our sales process will become less burdensome as our products and services become more widely known and used. However, if this change does not occur, we will not be able to expand our sales effort as quickly as anticipated and our sales will be adversely affected.

We may not be able to enhance our mobile marketing and advertising platform to keep pace with technological and market developments, or to remain competitive against potential new entrants in our markets.

The market for mobile marketing and advertising services is emerging and is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. Our current platform or platforms we may offer in the future, may not be acceptable to marketers and advertisers. To keep pace with technological developments, satisfy increasing customer requirements and achieve acceptance of our marketing and advertising campaigns, we will need to enhance our current mobile marketing solutions and continue to develop and introduce on a timely basis new, innovative mobile marketing services offering compatibility, enhanced features and functionality on a timely basis at competitive prices. Our inability, for technological or other reasons, to enhance, develop, introduce and deliver compelling mobile marketing services in a timely manner, or at all, in response to changing market conditions, technologies or customer expectations could have a material adverse effect on our operating results or could result in our mobile marketing services platform becoming obsolete. Our ability to compete successfully will depend in large measure on our ability to maintain a technically skilled development and engineering staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of our mobile marketing services platform with evolving industry standards and protocols. In addition, as we believe the mobile marketing market is likely to grow substantially, other companies which are larger and have significantly more capital to invest than us may emerge as competitors. For example, in May 2010, Google, Inc. acquired Admob, Inc. Similarly, in January 2010, Apple, Inc. acquired Quattro Wireless, Inc. New entrants could seek to gain market share by introducing new technology or reducing pricing. This may make it more difficult for us to sell our products and services, and could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition.

Our customer contracts lack uniformity and often are complex, which subjects us to business and other risks.

Our customers include some of the largest enterprises which have substantial purchasing power and negotiating leverage. As a result, we typically negotiate contracts on a customer-by-customer basis and our contracts lack uniformity and are often complex. If we are unable to effectively negotiate, enforce and account and bill in an accurate and timely manner for contracts with our key customers, our business and operating results may be adversely affected. In addition, we could be unable to timely recognize revenue from contracts that are not managed effectively and this would further adversely impact our financial results.

Our services are provided on mobile communications networks that are owned and operated by third parties who we do not control and the failure of any of these networks would adversely affect our ability to deliver our services to our customers.

Our mobile marketing and advertising platform is dependent on the reliability of mobile operators who maintain sophisticated and complex mobile networks. Such mobile networks have historically, and particularly in recent years, been subject to both rapid growth and technological change. If the network of a mobile operator with which we are integrated should fail, including because of new technology incompatibility, the degradation of network performance under the strain of too many mobile consumers using it, or a general failure from natural disaster or political or regulatory shut-down, we will not be able provide our services to our customers through such mobile network. This in turn, would impair our reputation and business, potentially resulting in a material, adverse effect on our financial results.

If our mobile marketing and advertising services platform does not scale as anticipated, our business will be harmed.

We must be able to continue to scale to support potential ongoing substantial increases in the number of users in our actual commercial environment, and maintain a stable service infrastructure and reliable service delivery for our mobile marketing and advertising campaigns. In addition, we must continue to expand our service infrastructure to handle growth in customers and usage. If our mobile marketing services platform does not efficiently and effectively scale to support and manage a substantial increase in the number of users while maintaining a high level of performance, the quality of our services could decline and our business will be seriously harmed. In addition, if we are unable to secure data center space with appropriate power, cooling and bandwidth capacity, we may not be able to efficiently and effectively scale our business to manage the addition of new customers and overall mobile marketing campaigns.

The success of our business depends, in part, on wireless carriers continuing to accept our customers' messages for delivery to their subscriber base.

We depend on wireless carriers to deliver our customers' messages to their subscriber base. Wireless carriers often impose standards of conduct or practice that significantly exceed current legal requirements and potentially classify our messages as "spam," even where we do not agree with that conclusion. In addition, the wireless carriers use technical and other measures to attempt to block non-compliant senders from transmitting messages to their customers; for example, wireless carriers block short codes or Internet Protocol addresses associated with those senders. There can be no guarantee that we, or short codes registered to us, will not be blocked or blacklisted or that we will be able to successfully remove ourselves from those lists. Although our services typically require customers to opt-in to a campaign, minimizing the risk that our customers' messages will be characterized as spam, blocking of this type could interfere with our ability to market products and services of our customers and communicate with end users and could undermine the effectiveness of our customers' marketing campaigns. To date we have not experienced any material blocking of our messages by wireless carriers, but any such blocking could have an adverse effect on our business and results of operations.

We depend on third party providers for a reliable Internet infrastructure and the failure of these third parties, or the Internet in general, for any reason would significantly impair our ability to conduct our business.

We outsource all of our data center facility management to third parties who host the actual servers and provide power and security in multiple data centers in each geographic location. These third party facilities require uninterrupted access to the Internet. If the operation of our servers is interrupted for any reason, including natural disaster, financial insolvency of a third party provider, or malicious electronic intrusion into the data center, our business would be significantly damaged. As has occurred with many Internet-based businesses, on occasion in the past, we have been subject to "denial-of-service" attacks in which unknown individuals bombarded our computer servers with requests for data, thereby degrading the servers' performance. While we have historically been successful in relatively quickly identifying and neutralizing these attacks, we cannot be certain that we will be able to do so in the future. If either a third party facility failed, or our ability to access the Internet was interfered with because of the failure of Internet equipment in general or we become subject to malicious attacks of computer intruders, our business and operating results will be materially adversely affected.

Failure to adequately manage our growth may seriously harm our business.

We operate in an emerging technology market and have experienced, and may continue to experience, significant growth in our business. If we do not effectively manage our growth, the quality of our products and services may suffer, which could negatively affect our brand and operating results. Our growth has placed, and is expected to continue to place, a significant strain on our managerial, administrative, operational and financial resources and our infrastructure. Our future success will depend, in part, upon the ability of our senior management to manage growth effectively. This will require us to, among other things:

- implement additional management information systems;
- further develop our operating, administrative, legal, financial and accounting systems and controls;
- hire additional personnel;
- develop additional levels of management within our company;
- locate additional office space in various countries; and
- maintain close coordination among our engineering, operations, legal, finance, sales and marketing and customer service and support organizations.

Moreover, as our sales increase, we may be required to concurrently deploy our services infrastructure at multiple additional locations or provide increased levels of customization. As a result, we may lack the resources to deploy our mobile marketing services on a timely and cost-effective basis. Failure to accomplish any of these requirements would seriously harm our ability to deliver our mobile marketing services platform in a timely fashion, fulfill existing customer commitments or attract and retain new customers.

We depend on the services of key personnel to implement our strategy. If we lose the services of our key personnel or are unable to attract and retain other qualified personnel, we may be unable to implement our strategy.

We believe that the future success of our business depends on the services of a number of key management and operating personnel, including Dennis Becker, our chief executive officer, Shane Kading, our senior vice president of client services, and Brad Morrow, our vice president of product management. We currently have an Employment Agreement in place with CEO Dennis Becker. We do not maintain any key-person life insurance policies. Some of these key employees have strong relationships with our customers and our business may be harmed if these employees leave us. The loss of members of our key management and certain other members of our operating personnel could materially adversely affect our business, operating results and financial condition.

In addition, our ability to manage our growth depends, in part, on our ability to identify, hire and retain additional qualified employees, including a technically skilled development and engineering staff. We face intense competition for qualified individuals from numerous technology, marketing and mobile software and service companies. We require a mix of highly talented engineers as well as individuals in sales and support who are familiar with the marketing and advertising industry. In addition, new hires in sales positions require significant training and may, in some cases, take more than a year before they achieve full productivity. Our recent sales force hires and planned hires may not become as productive as we would like, and we may be unable to hire sufficient numbers of qualified individuals in the future in the markets where we do business. Further, given the rapid pace of our expansion to date, we may be unable to attract and retain suitably qualified individuals who are capable of meeting our growing, creative, operational and managerial requirements, or may be required to pay increased compensation in order to do so. If we are unsuccessful in attracting and retaining these key personnel, our ability to operate our business effectively would be negatively impacted and our business, operating results and financial condition would be adversely affected.

The gathering, transmission, storage and sharing or use of personal information could give rise to liabilities or additional costs of operation as a result of governmental regulation, legal requirements, civil actions or differing views of personal privacy rights.

We transmit and store a large volume of personal information in the course of providing our services. Federal, state and international laws and regulations govern the collection, use, retention, sharing and security of data that we receive from our customers and their users. Any failure, or perceived failure, by us to comply with U.S. federal, state, or international privacy or consumer protection-related laws, regulations or industry self-regulatory principles could result in proceedings or actions against us by governmental entities or others, which could potentially have an adverse effect on our business, operating results and financial condition. Additionally, we may also be contractually liable to indemnify and hold harmless our customers from the costs or consequences of inadvertent or unauthorized disclosure of their customers' personal data which we store or handle as part of providing our services.

The interpretation and application of privacy, data protection and data retention laws and regulations are currently unsettled in the U.S. and internationally, particularly with regard to location-based services, use of customer data to target advertisements and communication with consumers via mobile devices. Such laws may be interpreted and applied inconsistently from country to country and inconsistently with our current data protection policies and practices. Complying with these varying international requirements could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business, operating results or financial condition.

As privacy and data protection have become more sensitive issues, we may also become exposed to potential liabilities as a result of differing views on the privacy of personal information. These and other privacy concerns, including security breaches, could adversely impact our business, operating results and financial condition.

In the U.S., we have voluntarily agreed to comply with wireless carrier technological and other requirements for access to their customers' mobile devices, and also trade association guidelines and codes of conduct addressing the provision of location-based services, delivery of promotional content to mobile devices and tracking of users or devices for the purpose of delivering targeted advertising. We could be adversely affected by changes to these requirements, guidelines and codes, including in ways that are inconsistent with our practices or in conflict with the rules or guidelines in other jurisdictions.

We may not be able to effectively manage our growth, which may harm our profitability.

Our strategy envisions expanding our business. If we fail to effectively manage our growth, our financial results could be adversely affected. Growth may place a strain on our management systems and resources. We must continue to refine and expand our business development capabilities, our systems and processes and our access to financing sources. As we grow, we must continue to hire, train, supervise and manage new employees. We cannot assure you that we will be able to:

- meet our capital needs;
- expand our systems effectively or efficiently or in a timely manner;
- allocate our human resources optimally;
- identify and hire qualified employees or retain valued employees; or
- incorporate effectively the components of any business that we may acquire in our effort to achieve growth.

If we are unable to manage our growth, our operations and our financial results could be adversely affected by inefficiency, which could diminish our profitability.

Loss of Dennis Becker, our Chief Executive Officer, could impair our ability to operate.

If we lose Dennis Becker, our Chief Executive Officer, our business could suffer. Our success is highly dependent on our ability to attract and retain qualified management personnel. We have entered into an employment agreement with Mr. Becker. The loss of Mr. Becker could have some effect on our operations. If we were to lose our Chief Executive Officer, we may experience temporary difficulties in competing effectively, developing our technology and implementing our business strategies. We do not have key man life insurance in place for any of our key personnel.

Our management team has limited experience in public company matters, which could impair our ability to comply with legal and regulatory requirements.

Our management team has only limited public company management experience or responsibilities, which could impair our ability to comply with legal and regulatory requirements such as the Sarbanes-Oxley Act of 2002 and applicable federal securities laws including filing required reports and other information required on a timely basis. There can be no assurance that our management will be able to implement and affect programs and policies in an effective and timely manner that adequately respond to increased legal, regulatory compliance and reporting requirements imposed by such laws and regulations. Our failure to comply with such laws and regulations could lead to the imposition of fines and penalties and further result in the deterioration of our business.

RISKS RELATED TO OUR COMMON STOCK

There has been a limited trading market for our Common Stock.

It is anticipated that there will be a limited trading market for the Common Stock on the Over-the-Counter Bulletin Board. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital by selling shares of capital stock and may impair our ability to acquire other companies or technologies by using Common Stock as consideration.

You may have difficulty trading and obtaining quotations for our Common Stock.

The Common Stock may not be actively traded, and the bid and asked prices for our Common Stock on the Over-the-Counter Bulletin Board may fluctuate widely. As a result, investors may find it difficult to dispose of, or to obtain accurate quotations of the price of, our securities. This severely limits the liquidity of the Common Stock, and would likely reduce the market price of our Common Stock and hamper our ability to raise additional capital.

The market price of our Common Stock may be, and is likely to continue to be, highly volatile and subject to wide fluctuations.

The market price of our Common Stock is likely to be highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond our control, including:

- dilution caused by our issuance of additional shares of Common Stock and other forms of equity securities, which we expect to make in connection with future acquisitions or capital financings to fund our operations and growth, to attract and retain valuable personnel and in connection with future strategic partnerships with other companies;
- announcements of new acquisitions or other business initiatives by our competitors;
- our ability to take advantage of new acquisitions or other business initiatives;
- quarterly variations in our revenues and operating expenses;
- changes in the valuation of similarly situated companies, both in our industry and in other industries;
- changes in analysts' estimates affecting our company, our competitors and/or our industry;
- changes in the accounting methods used in or otherwise affecting our industry;
- additions and departures of key personnel;
- announcements by relevant governments pertaining to additional quota restrictions; and
- fluctuations in interest rates and the availability of capital in the capital markets.

These and other factors are largely beyond our control, and the impact of these risks, singly or in the aggregate, may result in material adverse changes to the market price of our Common Stock and/or our results of operations and financial condition.

Our operating results may fluctuate significantly, and these fluctuations may cause our stock price to decline.

Our operating results will likely vary in the future primarily as the result of fluctuations in our revenues and operating expenses, expenses that we incur, prices of feed used in our business, the price that customer are willing and able to pay for our products and other factors. If our results of operations do not meet the expectations of current or potential investors, the price of our Common Stock may decline.

We do not expect to pay dividends in the foreseeable future.

We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their Common Stock, and stockholders may be unable to sell their shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment in the Common Stock.

Directors and officers of the Company will have a high concentration of Common Stock ownership.

Based on the 17,700,000 shares of Common Stock that are estimated to be outstanding as of the date hereof, our officers and directors will beneficially own approximately 41.7% of our outstanding Common Stock. Such a high level of ownership by such persons may have a significant effect in delaying, deferring or preventing any potential change in control of the Company. Additionally, as a result of their high level of ownership, our officers and directors might be able to strongly influence the actions of the Company's board of directors (the "Board") and the outcome of actions brought to our shareholders for approval. Such a high level of ownership may adversely affect the voting and other rights of our shareholders.

Applicable SEC rules governing the trading of "penny stocks" limit the trading and liquidity of our Common Stock, which may affect the trading price of our Common Stock.

Shares of Common Stock may be considered a "penny stock" and be subject to SEC rules and regulations which impose limitations upon the manner in which such shares may be publicly traded and regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules which may increase the difficulty investors may experience in attempting to liquidate such securities.

Item 2. Properties

We own no real estate. We currently lease 3,751 square feet of office space located at 8929 Aero Drive, Suite E, San Diego, CA 92123 at a monthly expense of \$5,441. The original 60 month lease term expires June 30, 2012. The management believes the property is sufficient for our needs at this time.

Item 3. Legal Proceedings

We are not currently involved in any legal proceedings and we are not aware of any pending or potential legal actions.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of the security holders during the year ended September 30, 2010.

Part II

Item 5. Market for Common Equity and Related Stockholder Matters

Since December 9, 2010, our shares have been included for quotation on the OTC Electronic Bulletin Board (OTCBB) under the symbol "MFON". Prior thereto it had been traded under the symbol AREV since January 2010. There has been no active trading of our securities, and, therefore, no high and low bid pricing are available. As of the date of this report, the Company has 24 shareholders of record. We have paid no cash dividends and have no outstanding options.

Penny Stock Rules

The Securities and Exchange Commission has also adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system).

A purchaser is purchasing penny stock which limits the ability to sell the stock. Our shares constitute penny stock under the Securities and Exchange Act. The shares will remain penny stocks for the foreseeable future. The classification of penny stock makes it more difficult for a broker-dealer to sell the stock into a secondary market, which makes it more difficult for a purchaser to liquidate his/her investment. Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares in us will be subject to Rules 15g-1 through 15g-10 of the Securities and Exchange Act. Rather than creating a need to comply with those rules, some broker-dealers will refuse to attempt to sell penny stock.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document, which:

- contains a description of the nature and level of risk in the market for penny stock in both public offerings and secondary trading;
- contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the Securities Act of 1934, as amended;
- contains a brief, clear, narrative description of a dealer market, including "bid" and "ask" price for the penny stock and the significance of the spread between the bid and ask price;
- contains a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading penny stocks; and
- contains such other information and is in such form (including language, type, size and format) as the Securities and Exchange Commission shall require by rule or regulation;

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, to the customer:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of reducing the trading activity in the secondary market for our stock because it will be subject to these penny stock rules. Therefore, stockholders may have difficulty selling their securities.

Reports

We are subject to certain filing requirements and will furnish annual financial reports to our stockholders, certified by our independent accountant, and will furnish un-audited quarterly financial reports in our quarterly reports filed electronically with the Securities and Exchange Commission. All reports and information filed by us can be found at their website, www.sec.gov.

Transfer Agent

The company has retained Holladay Stock Transfer, Inc. of 2939 North 67th Place, Suite C, Scottsdale, Arizona as transfer agent.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

General Overview

CommerceTel is a provider of technology that enables major brands and enterprises to engage consumers via their mobile phone. Interactive electronic communications with consumers is a complex process involving communication networks and software. CommerceTel removes this complexity through its suite of services and technologies thereby enabling brands, marketers, and content owners to communicate with their customers and consumers in general. From Presidential elections to major broadcast events, we are pioneers in the deployment of the mobile channel as the ultimate direct connection to the consumer.

Mobile phone users represent a large and captive audience. While televisions, radios, and even PCs are often shared by multiple consumers, mobile phones are personal devices representing a truly unique and individual address to the end user. The future of digital media will be driven by mobile phones where a direct, personal conversation can be had with the world's largest audience. The future of mobile includes banking, commerce, advertising, video, games and just about every other aspect of both on and offline life. Over 4 million consumers have been engaged via their mobile device thanks to CommerceTel's technology.

We believe that our mobile marketing and advertising campaign platform is among the most advanced in the industry as it allows real time interactive communications with consumers. We generate revenue from licensing our software to clients in our software as a service (SaaS) model, per-message and per-minute transactional fees, and customized professional services.

Our "C4" Mobile Marketing and Customer Relationship Management (CRM) platform is a hosted solution enabling our clients to develop, execute, and manage a variety of engagements to a consumer's mobile phone. Short Messaging Service (SMS), Multi-Media Messaging (MMS), and Interactive Voice Response (IVR) interactions can all be facilitated via a set of Graphical User Interfaces (GUIs). Reporting and analytics capabilities are also available to our users through the C4 solution.

Mobile devices are emerging as the principal interactive channel for brands to reach consumers since it is the only media platform that has access to the consumer virtually anytime and anywhere. Brands and advertising agencies are recognizing the unique benefits of the mobile channel and they are increasingly integrating mobile media within their overall advertising and marketing campaigns. Our objective is to become the industry leader in connecting brands and enterprises to consumers' mobile phones.

Results of Operations

During the two most recent fiscal years ended September 30, 2010 and 2009, we were in the exploration stage and had not generated any revenue. As a result of the acquisition of CommerceTel Inc. in November 2010, the financial results for the two most recent fiscal years bear no relationship to our current financial condition.

We incurred operating expenses of \$26,569 and \$30,727 for the years ended September 30, 2010 and 2009, respectively. These expenses consisted of general operating expenses incurred in connection with the day to day operation of our business and the preparation and filing of our periodic reports. Our net loss from inception (September 25, 2008) through September 30, 2010 was \$57,810.

In September, 2008, a total of 3,000,000 shares of common stock were issued in exchange for \$15,000 US, or \$.005 per share. These securities were issued to Shane Ellis, the officer and director of the company. On May 12, 2009 the Company completed its S-1 offering, selling 3,000,000 common shares at \$.02 per share for total proceeds of \$60,000.

On October 5, 2010, the Company effected a one (1) old for two (2) new forward stock split of our authorized and issued and outstanding shares of common stock. As a result, our authorized capital increased from 75,000,000 shares of common stock to 150,000,000 shares of common stock and the issued and outstanding increased from 6,000,000 shares of common stock to 12,000,000 shares of common stock, all with a par value of \$0.001. The stock split has been retroactively applied.

The following table provides selected financial data about our company for the period ended September 30, 2010.

Balance Sheet Data:	9/30/10
Cash	\$ 7,786
Deposit/Prepaid Expenses	\$ 10,054
Total assets	\$ 17,840
Total liabilities	\$ 650
Shareholders' equity	\$ 17,190

Our auditors expressed their doubt about our ability to continue as a going concern unless we are able to raise additional capital and ultimately to generate profitable operations.

Liquidity and Capital Resources

Our cash balance at September 30, 2010 was \$7,786. On October 25, 2010, the Company issued to a number of accredited investors a series of its 10% Senior Secured Convertible Bridge Note (the "Notes") in the aggregate principal amount of \$1,000,000 (the "Financing").

Plan of Operation

Our objective is to become the industry leader in connecting brands and enterprises to consumers' mobile phones. We intend to simplify utilizing the unique benefits of mobile marketing and advertising campaigns. Future opportunities might evolve to mobile payments, enterprise, or health applications. Following are the principal elements of our strategy are to:

- *Capitalize upon current customer relationships and acquire new customers.* We intend to capitalize on our customer relationships to widen the appeal of our solutions.
- *Enable our platform by addressing technology shifts in mobile devices and computing.* The mobile device marketplace by its nature undergoes constant change as new technologies and products emerge. In particular, we believe that smartphone devices as well as tablet computers with mobile capabilities are growing and becoming increasingly important components of mobile communications. We devote significant resources to address this evolving technology landscape with innovative application interfaces for our platform that ensures we will be well positioned to address the mobile marketplace as consumer device preferences evolve.
- *Extend our leadership position by continuing to invest in our platform.* We believe that the technical capabilities of our platform significantly surpass the ability of our competitors to provide brands, advertising agencies, mobile operators and media companies a comprehensive view of a consumer's interaction and engagement across a variety of media. We intend to continue to invest in, and enhance the functionality of our platform and develop new technology solutions to further strengthen and broaden our end-to-end platform.
- *Encourage the adoption of our platform by third parties.* Our platform provides a scalable, open architecture platform that allows third parties, including content delivery platform providers, application providers, campaign optimization specialists, mobile ad networks, and analytic and billing providers, to use our platform to execute marketing and advertising campaigns as well as to create new business opportunities and technology innovations. We have designed our platform to become central to the creation of a connected, global mobile marketing and advertising marketplace, and we believe that this platform will form the basis for a global mobile marketing and advertising ecosystem.
- *Continue expansion and pursue partnerships and acquisitions.* We intend to continue our expansion into new markets. In addition, we will continue to evaluate and pursue strategic partnerships and acquisitions, to continue strengthening our platform, increase our presence, expand relationships and enter into new markets.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

SEALE AND BEERS, CPAs

PCAOB & CPAB REGISTERED AUDITORS

www.sealebeers.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors


CommerceTel, Inc. fka Ares Ventures, Inc.

We have audited the accompanying balance sheets of Ares Ventures, Inc. (An Exploration Stage Company) as of September 30, 2010 and 2009, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended September 30 2010 and 2009 and since inception on September 25, 2008 through September 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ares Ventures, Inc. (An Exploration Stage Company) as of September 30, 2010 and 2009, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended September 30 2010 and 2009 and since inception on September 25, 2008 through September 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has had an accumulated deficit of \$57,810 and has earned no revenues since inception, which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



Seale and Beers, CPAs
Las Vegas, Nevada
December 13, 2010

50 S. Jones Blvd. Suite 202 Las Vegas, NV 89107 Phone: (888)727-8251 Fax: (888)782-2351

Item 8. Financial Statements

ARES VENTURES CORP.
(An Exploration Stage Company)
Balance Sheets

	As of September 30, 2010	As of September 30, 2009
ASSETS		
Current Assets		
Cash	\$ 7,786	\$ 47,758
Deposits	54	-
Prepaid Expenses (See Note 9)	10,000	-
Total Current Assets	17,840	47,758
TOTAL ASSETS	\$ 17,840	\$ 47,758
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 650	\$ 4,000
Total Current Liabilities	650	4,000
Total Liabilities	650	4,000
Stockholders' Equity		
Common stock, (\$0.001 par value, 75,000,000 shares authorized; 12,000,000 and 12,000,000 shares issued and outstanding as of September 30, 2010 and September 30, 2009)	12,000	12,000
Additional paid-in capital	63,000	63,000
Deficit accumulated during exploration stage	(57,810)	(31,242)
Total Stockholders' Equity	17,190	43,758
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 17,840	\$ 47,758

The accompanying notes are an integral part of these Financial Statements

ARES VENTURES CORP.
(An Exploration Stage Company)
Statements of Operations

	Year ended September 30, 2010	Year ended September 30, 2009	September 25, 2008 (inception) through September 30, 2010
Revenues			
Revenues	\$ -	0	\$ 0
Total Revenues	-	0	0
Operating Expenses			
Office and Administration	3,877	5,616	10,008
Mineral Exploration Expenses	8,000	15,611	23,611
Professional Fees	14,691	9,500	24,191
Total Operating Expenses	(26,569)	(30,727)	(57,810)
Provision for Income Taxes	-	-	-
Net Income (Loss)	\$ (26,569)	(30,727)	\$ (57,810)
Basic earnings (loss) per share	\$ (0.00)	(0.00)	\$
Weighted average number of common shares outstanding	12,000,000	8,317,808	

The accompanying notes are an integral part of these Financial Statements

ARES VENTURES CORP.
(An Exploration Stage Company)
Statement of Stockholders' Equity
From September 25, 2008 (Inception) through September 30, 2010

	Common Stock	Common Stock Amount	Additional Paid-in Capital	Stock Subscription Receivable	Deficit Accumulated During Development Stage	Total
Balance, September 25, 2008	-	\$ -	\$ -	\$ -	\$ -	\$ -
Stock issued for cash on September 25, 2008 @ \$0.0025 per share	6,000,000	6,000	9,000	(13,000)		2,000
Net loss, September 30, 2008 (restated)					(515)	(515)
Balance, September 30, 2008 (restated)	<u>6,000,000</u>	<u>\$ 6,000</u>	<u>\$ 9,000</u>	<u>\$ (13,000)</u>	<u>\$ (515)</u>	<u>\$ 1,485</u>
Receipt of cash from stock subscription receivable on October 6, 2008				13,000		13,000
Stock issued for cash on May 12, 2009 @ \$0.01 per share	6,000,000	6,000	54,000			60,000
Net loss, September 30, 2009					(30,727)	(30,727)
Balance, September 30, 2009	<u>12,000,000</u>	<u>\$ 12,000</u>	<u>\$ 63,000</u>	<u>\$ -</u>	<u>\$ (31,242)</u>	<u>\$ 43,758</u>
Net loss, September 30, 2010					(26,569)	(26,569)
Balance, September 30, 2010	<u>12,000,000</u>	<u>12,000</u>	<u>63,000</u>	<u>\$ -</u>	<u>(57,810)</u>	<u>17,190</u>

The accompanying notes are an integral part of these Financial Statements

ARES VENTURES CORP.
(An Exploration Stage Company)
Statements of Cash Flows

	<u>Year ended</u> <u>September 30, 2010</u>	<u>Year ended</u> <u>September 30, 2009</u>	<u>September 25, 2008</u> <u>(inception)</u> <u>through</u> <u>September 30, 2010</u>
<u>OPERATING ACTIVITIES</u>			
Net income (loss)	\$ (26,569)	\$ (30,727)	\$ (57,810)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Changes in operating assets and liabilities:			
(Increase) decrease in Deposits	(54)	-	(54)
(Increase) decrease in Prepaid Expenses	(10,000)	-	(10,000)
Increase (decrease) in Accounts Payable	(3,350)	3,485	650
<i>Net cash provided by (used in) operating activities</i>	<u>(39,972)</u>	<u>(27,242)</u>	<u>(67,214)</u>
<u>INVESTING ACTIVITIES</u>			
<i>Net cash provided by (used in) investing activities</i>	-	-	-
<u>FINANCING ACTIVITIES</u>			
Issuance of Common Stock	-	60,000	75,000
Stock Subscription Receivable	-	13,000	-
<i>Net cash provided by (used in) financing activities</i>	-	73,000	75,000
<i>Net increase (decrease) in cash</i>	<u>(39,972)</u>	<u>45,758</u>	<u>7,786</u>
<i>Cash at beginning of period</i>	<u>47,758</u>	<u>2,000</u>	<u>-</u>
<i>Cash at end of period</i>	<u>\$ 7,786</u>	<u>\$ 47,758</u>	<u>\$ 7,786</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during period for :

Interest	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these Financial Statements

ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
September 30, 2010

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Ares Ventures Corp. (the Company) was incorporated under the laws of the State of Nevada on September 25, 2008. The Company was formed to engage in the acquisition, exploration and development of natural resource properties.

The Company is in the exploration stage. Its activities to date have been limited to capital formation, organization, development of its business plan and the first phase of its exploration plan.

On November 2, 2010, the Company effected an acquisition of CommerceTel Inc., a Nevada Corporation. For more information refer to Note 10.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a September 30, year-end.

b. Basic Earnings per Share

ASC No. 260, "Earnings Per Share", specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC No. 260.

Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company.

c. Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

d. Use of Estimates and Assumptions

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 revenues and expenses during the reporting period. Actual results could differ from those estimates. In accordance with ASC No. 250 all adjustments are normal and recurring.

ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
September 30, 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Income Taxes

Income taxes are provided in accordance with ASC No. 740, Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carryforwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

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

f. Revenue

The Company records revenue on the accrual basis when all goods and services have been performed and delivered, the amounts are readily determinable, and collection is reasonably assured. The Company has not generated any revenue since its inception.

g. Advertising

The Company will expense its advertising when incurred. There has been no advertising since inception.

h. Mineral Exploration Expenses

Ares has been in the exploration stage since its inception and has not yet realized any revenues from its planned operations. It was primarily engaged in the acquisition and exploration of mining properties. Mineral property acquisition and exploration costs were expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. No such properties currently exist.

i. Recent Accounting Pronouncements

The Company has evaluated all the recent accounting pronouncements through the date the financial statements were issued and filed with the Securities and Exchange Commission and believe that none of them will have a material effect on the company's financial statements.

ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
September 30, 2010

NOTE 3. GOING CONCERN

The accompanying financial statements are presented on a going concern basis. The Company had limited operations during the period from September 25, 2008 (inception) to September 30, 2010 and generated a net loss of \$57,810. This condition raises substantial doubt about the Company's ability to continue as a going concern. The Company's current cash of \$7,786 is not sufficient to cover the expenses they will incur during the next twelve months.

NOTE 4. WARRANTS AND OPTIONS

There are no warrants or options outstanding to acquire any additional shares of common.

NOTE 5. RELATED PARTY TRANSACTIONS

The Company neither owns nor leases any real or personal property. The sole officer and director of the Company is involved in other business activities and may, in the future, become involved in other business opportunities as they become available.

Thus he may face a conflict in selecting between the Company and his other business interests. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 6. INCOME TAXES

	<u>As of September 30, 2010</u>	<u>As of September 30, 2009</u>
Deferred tax assets:		
Net operating tax carryforwards	\$ 57,810	\$ 22,742
Other	<u>-0-</u>	<u>-0-</u>
Gross deferred tax assets	19,655	7,732
Valuation allowance	<u>(19,655)</u>	<u>(7,732)</u>
Net deferred tax assets	<u>\$ -0-</u>	<u>\$ -0-</u>

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a valuation allowance.

ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
September 30, 2010

NOTE 7. NET OPERATING LOSSES

As of September 30, 2010, the Company has a net operating loss carryforward of approximately \$57,810. Net operating loss carryforward expires twenty years from the date the loss was incurred.

NOTE 8. STOCK TRANSACTIONS

Transactions, other than employees' stock issuance, are in accordance with ASC No. 505. Thus issuances shall be accounted for based on the fair value of the consideration received. Transactions with employees' stock issuance are in accordance with ASC No. 718. These issuances shall be accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, or whichever is more readily determinable.

On September 25, 2008 the Company issued a total of 6,000,000 shares of common stock to one director for cash at \$0.0025 per share for a total of \$15,000.

On May 12, 2009 the Company completed its S-1 offering, selling 6,000,000 common shares at \$.01 per share for total proceeds of \$60,000.

As of September 30, 2010 the Company had 12,000,000 shares of common stock issued and outstanding.

On October 5, 2010, the Company effected a one (1) old for two (2) new forward stock split of our authorized and issued and outstanding shares of common stock. As a result, our authorized capital increased from 75,000,000 shares of common stock to 150,000,000 shares of common stock and the issued and outstanding increased from 6,000,000 shares of common stock to 12,000,000 shares of common stock, all with a par value of \$0.001. The stock split has been retroactively applied.

The stockholders' equity section of the Company contains the following classes of capital stock as of September 30, 2010:

- Common stock, \$ 0.001 par value: 150,000,000 shares authorized; 12,000,000 shares issued and outstanding.

NOTE 9. PREPAID EXPENSE

On September 2, 2010, the Company issued \$10,000 to CommerceTel Inc as an advance to fund transaction costs anticipated to be associated with the business combination disclosed in Form 8K dated November 8, 2010.

ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
September 30, 2010

NOTE 10. SUBSEQUENT EVENTS

Effective October 5, 2010, the Company changed its name from "Ares Ventures Corp." to "CommerceTel Corporation", by way of a merger with our wholly owned subsidiary CommerceTel Corporation, which was formed solely for the change of name.

The forward stock split and name change became effective with the Over-the-Counter Bulletin Board at the opening of trading on October 5, 2010.

On November 2, 2010, the Company executed a Share exchange Agreement, ("Share Exchange"). Please refer the Company's Form 8K filed on 11/8/2010 for details.

Pursuant to the Exchange Agreement, the Shareholder transferred to the Company all of the issued and outstanding shares of common stock of CommerceTel. In consideration for the transfer of the shares of CommerceTel, the Company issued an aggregate of 10,000,000 shares of common stock of the Company to the Shareholders. As a result of the Exchange Agreement, (i) CommerceTel became a wholly-owned subsidiary of the Company and (ii) the Company succeeded to the business of CommerceTel as its sole business.

For accounting purposes, the Share Exchange was treated as a recapitalization of CommerceTel. CommerceTel is the accounting acquirer and the results of its operations will be the results of the Company's operations going forward.

On November 2, 2010, the Company issued to a number of accredited investors a series of its 10% Senior Secured Convertible Bridge Note (the "Notes") in the aggregate principal amount of \$1,000,000 (the "Financing"). The Notes accrue interest at the rate of 10% per annum. The entire principal amount evidenced by the Notes (the "Principal Amount") plus all accrued and unpaid interest is due on the earlier of (i) the date the Company completes a financing transaction for the offer and sale of shares of common stock (including securities convertible into or exercisable for its common stock), in an aggregate amount of no less than 125% of the principal amounts evidenced by the Notes (a "Qualifying Financing"), and (ii) November 3, 2011.

On the maturity date of the Notes, in addition to the repayment of the Principal Amount and all accrued and unpaid interest, the Company will issue to each holder of the Notes, at each such holder's option, (i) three year warrants to purchase that number of shares of its common stock equal to the Principal Amount plus all accrued and unpaid interest divided by the per share purchase price of the common stock offered and sold in the Qualifying Financing (the "Offering Price") which warrants shall be exercisable at the Offering Price, or (ii) that number of shares of Common Stock equal to the product arrived at by multiplying (x) the Principal Amount plus all accrued and unpaid interest divided by the Offering Price and (y) 0.33.

ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
September 30, 2010

The Company's obligations under the Notes are secured by all of the assets of the Company, including all shares of CommerceTel, its wholly owned subsidiary.

WFG Investments, Inc., a registered broker dealer, was paid a placement agent fee in the amount of \$40,000 for its services rendered in connection with the Financing.

On December 7, 2010, the Board of Directors of CommerceTel Corporation (the "Company") resolved to change the Company's fiscal year end from September 30 to December 31, effective immediately, to coincide with the fiscal year end of its wholly owned subsidiary CommerceTel Inc. that was recently acquired in a reverse acquisition (as disclosed previously on a Current Report on Form 8-K that was filed on November 8, 2010).

We have evaluated events through the issuance of these Financial Statements. Other than what has already been disclosed, no events have occurred subsequent to the Balance Sheet date of September 30, 2010 that would require adjustment to, or disclosure in, the financial statements.

Item 9. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 or 15d-15 under the Exchange Act, our management, with the participation of our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer) evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report, being September 30, 2010. Our president and our chief financial officer evaluated our company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of September 30, 2010.

Based on this evaluation, these officers concluded that, as of September 30, 2010, these disclosure controls and procedures were not effective to ensure that the information required to be disclosed by our company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities Exchange Commission. The conclusion that our disclosure controls and procedures were not effective was due to the presence of material weaknesses in internal control over financial reporting as identified below under the heading "Management's Report on Internal Control over Financial Reporting." Management anticipates that such disclosure controls and procedures will not be effective until the material weaknesses are remediated.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. The term "internal control over financial reporting" is defined as a process designed by, or under the supervision of, an issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's 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:

- (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer; and
- (2) 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 issuer are being made only in accordance with authorizations of management and directors of the issuer.

Under the supervision of our president, being our principal executive officer, and our chief financial officer, being our principal financial officer and principal accounting officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of September 30, 2010 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, our management concluded our internal control over financial reporting was not effective as at September 30, 2010.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of our internal control over financial reporting as of June 30, 2010, we determined that there were control deficiencies that constituted material weaknesses which are indicative of many small companies with small staff, such as:

- (1) inadequate segregation of duties and effective risk assessment; and
- (2) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both generally accepted accounting principles in the United States and guidelines of the Securities and Exchange Commission.

These control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements could not have been prevented or detected on a timely basis. As a result of the material weaknesses described above, we concluded that we did not maintain effective internal control over financial reporting as of September 30, 2010 based on criteria established in *Internal Control—Integrated Framework* issued by COSO. Our management is currently evaluating remediation plans for the above deficiencies. During the period covered by this annual report on Form 10-K, we have not been able to remediate the weaknesses described above. However, we plan to take steps to enhance and improve the design of our internal control over financial reporting.

Changes in Internal Control

There was no change in our internal control over financial reporting identified in connection with the evaluation of our internal control over financial reporting described above that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers

Below are the names and certain information regarding the Company's executive officers and directors. Officers are appointed annually by the Company's board of directors (the "Board"). Dennis Becker, David Souaid, and H. Fraser Clarke were appointed on October 29, 2010. Paul Meyer and Doug Schneider were appointed on December 17, 2010.

Name	Age	Position
Dennis Becker	37	Chief Executive Officer
Paul Meyer	63	Chief Financial Officer
David Souaid	37	Director
H. Fraser Clarke	35	Director
Doug Schneider	50	Director

Dennis Becker - President & Chief Executive Officer

Dennis Becker was appointed the Company's Chief Executive Officer and a Director effective as of the closing date of the Share Exchange. He will also act as the Company's Interim Chief Financial Officer until a more permanent replacement will have been identified. Mr. Becker has been President and Chief Executive Officer of CommerceTel, Inc. since September, 2007. He was a founder of Frontieric Corporation, a pioneer in providing complex call routing and merchant processing applications, where he was Chief Executive Officer from 2002 to 2005. Mr. Becker was also Chief Executive Officer of Bexel Technologies, which served solutions to large enterprise, from 1999 to 2001. Mr. Becker studied Computer Science at the University of Oregon and served in the United States Air Force.

Paul Meyer – Chief Financial Officer

Paul Meyer has been a Partner at Scigliano Group, LLC which provides consulting for emerging technologies and venture backed initiatives since 2008. The group's current clients include social media networks; wireless and internet gaming technologies and content providers and publishers. It provides management consulting, restructuring, interim management, capital raising and intellectual property monetization services.

From 2003 to 2008, Mr. Meyer was President and Chief Operating Officer for Shuffle Master, Inc., a NASDAQ Global Select gaming supply company. During Mr. Meyer's five year tenure, Shuffle Master's revenues grew by over 225% to \$190 million, both organically and through acquisition, and international revenues increased from less than 9% to over 50% of total.

From 2000 to 2003, Mr. Meyer was President of the Integrated Solutions Division of Concurrent Computer Corporation, a leading NASDAQ simulation technology support provider. Mr. Meyer moved his division to develop a Linux-based real time operating system as demand for the company's proprietary Unix-based operating system was waning. Mr. Meyer also negotiated a change in his division's supply role in the Navy's Aegis program from technology licensor to hardware and software sub-contract supplier, generating over \$8 million in incremental gross margin over the succeeding three years.

Mr. Meyer has also managed his own consulting ventures on two separate occasions, focusing on turnarounds, interim management, crisis management, restructuring and Chapter XI consulting. His clients in these ventures included a toy company; a location-based entertainment provider; a retail costume jewelry chain; a food packaging equipment supplier; a locomotive re-manufacturer and a video game accessory distributor.

Mr. Meyer has also held C-level positions with Virgin Interactive, Inc. and Viacom New Media, entertainment software developers and publishers, and has served as a public company Chief Financial Officer on two separate occasions.

Mr. Meyer has also served on a number of public and private company boards, and has chaired Compensation, Audit and Governance committees in this regard.

Mr. Meyer is a Vietnam veteran, and graduated Summa Cum Laude from C.W. Post College with a Bachelor of Science degree in Accounting.

David Souaid, Director

David Souaid was elected a director of the Company on the date of closing of the Share Exchange. He is currently the President of SterlingCard Payment Solutions and was previously the Senior Vice President, Sales and Marketing of Optimal Payments Inc., a credit card processing company, since 1999. He has also been a director of Sterling Payment Solutions and Mercantile Advance Corp. since 2008 respectively. He holds a B.A. in Political Science from Mount Allison University.

H. Fraser Clarke, Director

Herbert Fraser Clarke was elected a director of the Company on the date of closing of the Share Exchange. He has been the President and Chief Operating Officer of Herbal Magic, a Toronto based weight loss company, since 2009. From 2008 to 2009 he was Chief Financial Officer of NLRC, a Newfoundland based oil and gas refinery. From 2005 to 2008, he was the Chief Executive Officer of the Hair Club, a hair restoration company. Mr. Clarke holds a business degree from Memorial University. He is a chartered accountant and a chartered financial analyst. He currently serves on a number of boards including Europe's largest provider of hair loss solutions, a United States based mobile marketing company and a Canadian mid marketing leasing firm.

Doug Schneider, Director

Mr. Schneider is a technology business executive and entrepreneur with over twenty years of experience in mobile/wireless, internet/data center, web services, and energy-related companies. From 2007 to 2010 Mr. Schneider was the CEO of Genea Energy, a clean tech company that provides an innovative and comprehensive SaaS based energy services platform for commercial office building portfolios. Prior thereto, he served in various consulting capacities for venture capital and internet firms. He served as President, Small and Medium Enterprise (SME) Hosting Business Unit for Verio, an NTT Communications Company from 1999 to 2004. In this role, he architected a highly profitable, \$125 million revenue premier global hosting company that met the needs of over one million SMEs in 140 countries. In an earlier role as President, Web Services, he built and managed Verio's distribution channels and service operations for its shared server, virtual server, and enterprise hosting product lines, which collectively represented \$160,000 million in revenues and was the world's largest domain-based hosting company at the time. In 1999, Mr. Schneider was selected by VAR Business as one of thirty leading visionary executives in the nation shaping the future of e-business for the channel and the industry. In 2002, Verio was recognized by Frost & Sullivan for market leadership in the SME web hosting market. Mr. Schneider was a key member of the Verio (NASDAQ: VRIO) executive team responsible for executing a combined roll-up and organic growth strategy of over 50 companies to create \$5.5 billion in realized shareholder value within 5 years through the successful \$126 million IPO and eventual sale of the company to NTT Communications.

In 1994 Mr. Schneider co-founded and served as President of a regional distribution company based in Colorado that performed customized equipment fulfillment services for wireless carriers OneComm and Nextel with their first generation of integrated cellular phone and two-way radio digital products. From 1991 to 1994, he served in marketing and sales roles with CellularOne in the San Francisco Bay Area and drove significant subscriber growth by leveraging indirect sales channels. Earlier in his career, Mr. Schneider worked for Pacific Gas & Electric Company as an engineer. Mr. Schneider received a Bachelor's degree in Mechanical Engineering from University of California, Davis and an M.B.A. from the Kellogg School of Management at Northwestern University. He also serves as an industry advisor to Pelion Venture Partners, a venture capital firm focused on the IT and medical device sectors.

Employment Agreements

Dennis Becker serves as our Chief Executive Officer under an Employment Agreement that was entered into with CommerceTel, Inc on September 21, 2007 and amended March 16, 2009. The agreement may be terminated without cause provided five (5) days prior written notice, and a payment of six (6) months compensation at the employee's then-current rate of compensation. He is paid \$170,000 annually. The Board of Directors for CommerceTel Corporation is currently negotiating a new Employment Agreement with Dennis Becker.

Paul Meyer serves as our Chief Financial Officer under a Consulting Agreement that was entered into on December 10, 2010. The agreement has a term of one year and may be terminated upon 30 days' written notice. Under the terms agreement, Mr. Meyer has committed to spend up to 50 hours per month working for the Company. He is paid \$30,000 and was granted options to purchase 93,750 shares at \$0.32 per share. The options vest in 12 equal monthly increments.

Compensation of Directors

Compensation for the Directors has not been determined at this time.

Code of Ethics

We do not currently have a code of ethics, because we have only limited business operations and only one officer and director, we believe a code of ethics would have limited utility. We intend to adopt such a code of ethics as our business operations expand and we have more directors, officers and employees.

Item 11. Executive Compensation

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation	Total
Shane Ellis, President, CFO & CEO	2010	0	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0	0

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards; Number of Securities Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Other Rights That Have Not Vested
Shane Ellis CEO & CFO	0	0	0	0	0	0	0	0	0

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Shane Ellis Director	0	0	0	0	0	0	0

In September 2008 Shane Ellis purchased 6,000,000 shares of our common stock at \$0.0025 per share. The terms of the stock issuance was as fair to the company, in the opinion of the board of directors, as could have been made with an unaffiliated third party.

There are no annuity, pension or retirement benefits proposed to be paid to officers, directors or employees in the event of retirement at normal retirement date pursuant to any presently existing plan provided or contributed to by the company or any of its subsidiaries, if any.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of December 20, 2010, certain information regarding the beneficial ownership of the Company’s Common Stock giving effect to the Share Exchange. The table sets forth the beneficial ownership of (i) each person who, to our knowledge, beneficially owns more than 5% of the outstanding shares of Common Stock; (ii) each of the nominees for director and executive officer of the Company; and (iii) all of our executive officers and nominees for director as a group. The number of shares owned includes all shares beneficially owned by such persons, as calculated in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Under such rules, beneficial ownership includes any shares of Common Stock as to which a person has sole or shared voting power or investment power and any shares of Common Stock which the person has the right to acquire within 60 days of December 20, 2010 through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement. Unless otherwise indicated, the address of each shareholder is c/o the Company, 8929 Aero Drive, Suite E, San Diego, CA 92123.

Name of Beneficial Owner	Number of Shares	Percentage(1)
CommerceTel Canada Corporation 1 First Canadian Place 100 King Street West Toronto, ON M5X 1B2	7,267,972	41.1%
Dennis Becker (2)	7,360,335	41.6%
David Souaid	-0-	N/A
Fraser Clarke (3)	7,267,972	4.1%
Paul Meyer	15,625	*
Doug Schneider	-0-	N/A
John Liviakis 655 Redwood Highway, Suite 655 Mall valley, CA	1,700,000	9.6%
Executive Officers and Directors as a Group (three persons)	7,375,960	41.7%

* Denotes less than 1%

(1) Beneficial ownership percentages gives effect to the completion of the Share Exchange, and are calculated based on shares of Common Stock issued and outstanding. Beneficial ownership is determined in accordance with Rule 13d-3 of the Exchange Act. The number of shares beneficially owned by a person includes shares of Common Stock underlying options or warrants held by that person that are currently exercisable or exercisable within 60 days of December 20, 2010. The shares issuable pursuant to the exercise of those options or warrants are deemed outstanding for computing the percentage ownership of the person holding those options and warrants but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

- (2) Includes 7,267,972 shares owned by CommerceTel Canada Corporation ("CTel Canada") of which Mr. Becker may be deemed to be the beneficial owner in his capacity as President and Chief Executive Officer of that entity. Mr. Becker disclaims beneficial ownership in the shares owned by CTel Canada in excess of his proportional ownership of CTEL Canada.
- (3) Consists of shares held by CTel Canada of which Mr. Clarke may be deemed the beneficial owner in his capacity as Chairman of that entity. Mr. Clarke disclaims beneficial ownership in the shares owned by CTel Canada in excess of his proportional ownership of CTEL Canada.
- (4) Consists of shares issuable upon exercise of options that vest within the next 60 days does not include 78,125 that will vest thereafter.

Item 13. Certain Relationships and Related Transactions

In September 2008 Shane Ellis purchased 6,000,000 shares of our common stock at \$0.0025 per share. All of such shares are "restricted" securities, as that term is defined by the Securities Act of 1933, as amended, and are held by the officer and director of the Company. (See "Principal Stockholders".)

Item 14. Principal Accounting Fees and Services

The total fees charged to the company for audit services were \$8,000 for audit-related services were \$Nil, for tax services were \$Nil and for other services were \$Nil during the year ended September 30, 2010.

For the year ended September 30, 2009, the total fees charged to the company for audit services were \$Nil, for audit-related services were \$Nil, for tax services were \$Nil and for other services were \$Nil.

PART IV

Item 15. Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>	<u>Incorporated by Reference or Filed Herewith</u>
3.1	Articles of Incorporation	Incorporated by reference to the Registration Statement on Form S-1 filed with the SEC on October 20, 2008, File No. 333-154455
4.1	Form of 10% Senior Secured Convertible Bridge Note	Incorporated by reference to the Company's Current Report on Form 8-K filed November 7, 2010
3.2	Bylaws	Incorporated by reference to the Registration Statement on Form S-1 filed with the SEC on October 20, 2008, File No. 333-154455
10.1	Form of Security Agreement	Incorporated by reference to the Company's Current Report on Form 8-K filed November 7, 2010
10.2	Form of Subsidiary Guaranty	Incorporated by reference to the Company's Current Report on Form 8-K filed November 7, 2010
10.3	Consulting Agreement dated December 10, 2010 with Paul Meyer	Filed herewith
10.4	Employment Agreement between Dennis Becker and CommerceTel, Inc. dated September 21, 2007.	Filed herewith
31.1	Section 302 Certification of Chief Executive Officer	Filed herewith
31.2	Section 302 Certification of Chief Financial Officer	Filed herewith
32	Section 906 Certification of Chief Executive Officer and Chief Financial Officer	Filed herewith

SIGNATURES

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

DATE: December 20, 2010

COMMERCETEL CORPORATION

/s/ Dennis Becker

Dennis Becker
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dennis Becker, his attorney-in-fact, each with the power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connections therewith, with the Securities and Exchange Commission, hereby ratifying and conforming all that each of said attorneys-in-fact, or his or her substitutes, may do or cause to be done by virtue of hereof.

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/ <i>Dennis Becker</i>	Chief Executive Officer and Director (Principal Executive Officer)	December 20, 2010
/s/ Paul Meyer	Chief Financial Officer (Principal Financial and Accounting Officer)	December 20, 2010
/s/ <i>Fraser Clarke</i>	Director	December 20, 2010
/s/ <i>David Souaid</i>	Director	December 20, 2010
/s/ Doug Schneider	Director	

CommerceTel, Inc.

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is entered into by and between CommerceTel, Inc., (the "Company"), a Nevada corporation and Paul Meyer ("Consultant").

1. **Consulting Relationship.** During the term of this Agreement, Consultant will provide consulting services (the "Services") to the Company as described on Exhibit A attached to this Agreement. Consultant represents that Consultant is duly licensed (as applicable) and has the qualifications, the experience and the ability to properly perform the Services. Consultant shall use Consultant's best efforts to perform the Services such that the results are satisfactory to the Company. Consultant shall devote up to **50 hours per month** to performance of the Services.

2. **Fees.** As consideration for the Services to be provided by Consultant and other obligations, the Company shall pay to Consultant the amounts specified in Exhibit B attached to this Agreement at the times specified therein.

3. **Expenses.** Consultant shall not be authorized to incur on behalf of the Company any expenses except as expressly specified in Exhibit B without the prior consent of the Company, which consent shall be evidenced in writing for any expenses in excess of \$250. As a condition to receipt of reimbursement, Consultant shall be required to submit to the Company reasonable evidence that the amount involved was expended and related to Services provided under this Agreement.

4. **Term and Termination.** Consultant shall serve as a consultant to the Company for a period commencing on December 10, 2010 and terminating on December 9, 2011 provided however the Consulting Relationship shall terminate prior to such date if (a) Consultant completes the provision of the Services to the Company under this Agreement, or (b) Consultant shall have been paid the maximum amount of consulting fees as provided in Exhibit B.

Notwithstanding the above, either party may terminate this Agreement at any time upon thirty days' written notice. In the event of such termination, Consultant shall be paid for any portion of the Services that have been performed prior to the termination.

5. **Independent Contractor.** Consultant's relationship with the Company will be that of an independent contractor and not that of an employee.

(a) **Method of Provision of Services:** Consultant shall be solely responsible for determining the method, details and means of performing the Services. Consultant may, at Consultant's own expense, employ or engage the service of such employees or subcontractors as Consultant deems necessary to perform the Services required by this Agreement (the "Assistants"). Such Assistants are not the employees of the Company and Consultant shall be wholly responsible for the professional performance of the Services by his Assistants such that the results are satisfactory to the Company. Consultant shall expressly advise the Assistants of the terms of this Agreement, and shall require each Assistant to execute a Confidential Information and Invention Assignment Agreement substantially in the form attached to this Agreement as Exhibit C (the "Confidentiality Agreement").

(b) **No Authority to Bind Company.** Neither Consultant, nor any partner, agent or employee of Consultant, has authority to enter into contracts that bind the Company or create obligations on the part of the Company without the prior written authorization of the Company.

(c) **No Benefits.** Consultant acknowledges and agrees that Consultant (or Consultant's employees, if Consultant is an entity) will not be eligible for any Company employee benefits and, to the extent Consultant (or Consultant's employees, if Consultant is an entity) otherwise would be eligible for any Company employee benefits but for the express terms of this Agreement, Consultant (on behalf of itself and its employees) hereby expressly declines to participate in such Company employee benefits.

(d) **Withholding; Indemnification.** Consultant shall have full responsibility for applicable withholding taxes for all compensation paid to Consultant, its partners, agents or its employees under this Agreement, and for compliance with all applicable labor and employment requirements with respect to Consultant's self-employment, sole proprietorship or other form of business organization, and Consultant's partners, agents and employees, including state worker's compensation insurance coverage requirements and any US immigration visa requirements. Consultant agrees to indemnify, defend and hold the Company harmless from any liability for, or assessment of, any claims or penalties with respect to such withholding taxes, labor or employment requirements, including any liability for, or assessment of, withholding taxes imposed on the Company by the relevant taxing authorities with respect to any compensation paid to Consultant or Consultant's partners, agents or its employees.

6. **Supervision of Consultant's Services.** All of the Services to be performed by Consultant, including but not limited to the Services, will be as agreed between Consultant and the Company's CEO, Dennis Becker. Consultant will be required to report to the CEO concerning the Services performed under this Agreement. The nature and frequency of these reports will be left to the discretion of the CEO.

7. **Consulting or Other Services for Competitors.** Consultant represents and warrants that Consultant does not presently perform or intend to perform, during the term of the Agreement, consulting or other services for, or engage in or intend to engage in an employment relationship with, companies whose businesses or proposed businesses in any way involve products or services which would be competitive with the Company's products or services, or those products or services proposed or in development by the Company during the term of the Agreement (except for those companies, if any, listed on Exhibit D attached hereto). If, however, Consultant decides to do so, Consultant agrees that, in advance of accepting such work, Consultant will promptly notify the Company in writing, specifying the organization with which Consultant proposes to consult, provide services, or become employed by and to provide information sufficient to allow the Company to determine if such work would conflict with the terms of this Agreement, including the terms of the Confidentiality Agreement, the interests of the Company or further services which the Company might request of Consultant. If the Company determines that such work conflicts with the terms of this Agreement, the Company reserves the right to terminate this Agreement immediately.

8. **Confidentiality Agreement.** Consultant shall sign, or has signed, a Confidentiality Agreement on or before December 10, 2010. In the event that Consultant is an entity or otherwise will be causing individuals in its employ or under its supervision to participate in the rendering of the Services, Consultant warrants that it shall cause each of such individuals to execute a Confidentiality Agreement.

9. **Conflicts with this Agreement.** Consultant represents and warrants that neither Consultant nor any of Consultant's partners, employees or agents is under any pre-existing obligation in conflict or in any way inconsistent with the provisions of this Agreement. Consultant represents and warrants that Consultant's performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by Consultant in confidence or in trust prior to commencement of this Agreement. Consultant warrants that Consultant has the right to disclose and/or use all ideas, processes, techniques and other information, if any, which Consultant has gained from third parties, and which Consultant discloses to the Company or uses in the course of performance of this Agreement, without liability to such third parties. Notwithstanding the foregoing, Consultant agrees that Consultant shall not bundle with or incorporate into any deliveries provided to the Company herewith any third party products, ideas, processes, or other techniques, without the express, written prior approval of the Company. Consultant represents and warrants that Consultant has not granted and will not grant any rights or licenses to any intellectual property or technology that would conflict with Consultant's obligations under this Agreement. Consultant will not knowingly infringe upon any copyright, patent, trade secret or other property right of any former client, employer or third party in the performance of the Services required by this Agreement.

10. **Miscellaneous.**

(a) **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of the parties.

(b) **Sole Agreement.** This Agreement, including the Exhibits hereto, constitutes the sole agreement of the parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.

(c) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, 48 hours after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) with postage prepaid, if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth below, or as subsequently modified by written notice.

(d) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflict of laws.

(e) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(f) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

(g) **Arbitration.** Any dispute or claim arising out of or in connection with any provision of this Agreement will be finally settled by binding arbitration in San Diego County, California, in accordance with the rules of the American Arbitration Association by one arbitrator appointed in accordance with said rules. The arbitrator shall apply California law, without reference to rules of conflicts of law or rules of statutory arbitration, to the resolution of any dispute. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision. This Section 10(g) shall not apply to the Confidentiality Agreement.

(h) **Advice of Counsel.** EACH PARTY ACKNOWLEDGES THAT, IN EXECUTING THIS AGREEMENT, SUCH PARTY HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

[Signature Page Follows]

The parties have executed this Agreement on the respective dates set forth below.

CommerceTel, Inc.

By: Dennis Becker

Signature

Title: CEO

Address: 8929 Aero Drive
San Diego, CA 92123

Date: _____

PAUL MEYER

Signature

Address: _____

Date: _____

EXHIBIT A

DESCRIPTION OF CONSULTING SERVICES

Description of Services

-
1. All services and obligations as acting CFO for CommerceTel Corporation, for up to 50 hours per month as described in Section 1, including without limitation acting as the Company's principal financial and accounting officer for purposes of signing the Company's filings with the Securities and Exchange Commission.
-

EXHIBIT B
COMPENSATION

Check applicable payment terms:

- For Services rendered by Consultant under this Agreement, the Company shall pay Consultant Consultant shall be paid \$1250 upon execution of this Agreement and \$1250 at fifteen (15) day intervals thereafter during the term of this Agreement. Unless otherwise agreed upon in writing by Company, Company's maximum liability for all Services performed during the term of this Agreement shall not exceed **\$30,000**.
- Consultant shall be paid \$_____ upon the execution of this Agreement and \$_____ upon completion of the Services specified on Exhibit A to this Agreement.
- The Company will recommend that the Board grant a non-qualified option to purchase 93,750 shares of the Company's Common Stock, at an exercise price equal to \$0.32 per share, and which will vest and become exercisable as follows:

Shares shall vest at 1/12 per month throughout the one year term; provided however that the Company may alter or delay the vesting period set forth herein to the extent required to ensure consistency with its Employee Stock Ownership Plan. No options will be earned beyond the termination date if the contract is terminated prior to the completion of the 12 month term.

- Consultant is authorized to incur the following expenses:

- Other:

EXHIBIT C

CONFIDENTIAL INFORMATION AND
INVENTION ASSIGNMENT AGREEMENT

EXHIBIT D

LIST OF COMPANIES
EXCLUDED UNDER SECTION 7

___ No conflicts

___ Additional Sheets Attached

Signature of
Consultant:

Print Name of
Consultant:

Date: _____

COMMERCETEL, INC.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into by and between DENNIS BECKER hereinafter referred to as "Employee," and COMMERCETEL, CORP., a Nevada corporation hereinafter referred to as "Employer," as of the 21st day of September 2007.

WHEREAS, Employee and Employer desire to set out the terms of Employee's employment, all as more particularly set forth below.

NOW, THEREFORE, in consideration of the mutual promises of the parties and the mutual benefits they will gain by their performances thereof, all in accordance with the provisions hereinafter set forth:

1. Term of Employment. Employer agrees to employ Employee commencing beginning September 21, 2007 ("Commencement Date") to render services to Employer in the position and with the duties and responsibilities described in Section 2 until the date this Agreement is terminated in accordance with Section 4 (the period from the Commencement Date until such applicable date being the "Period of Employment"). Employer shall pay Employee the compensation to which he is entitled under Section 3 through the end of the Period of Employment. Employee hereby accepts and agrees to such hiring, engagement and employment.

2. Position, Duties, Responsibilities.

2.1 Position. Employee hereby accepts employment with Employer as President and Chief Executive Officer of Employer. Employee shall devote his best efforts and his full time and attention to the performance of the services customarily incident to such office and to such other services as may be reasonably requested by Employer. Employee agrees to serve Employer in such capacity and position during the Period of Employment. Employee shall be accountable and report directly and solely to the Board of Directors of Employer ("Board") and shall perform his duties at the direction of the Board.

2.2 Other Activities. Except upon the prior written consent of the Board, Employee, during the Period of Employment, will not (i) accept any other employment or (ii) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be competitive with, or that might place him in a competing position to that of Employer and/or requires a time commitment that could in any way adversely affect such Employee's performance under this Agreement.

2.3 Duty of Loyalty. Employee agrees to refrain from engaging in any action that might be harmful to Employer, unless Employer consents in writing in advance. During the employment, Employee shall not, directly or indirectly without the prior written consent of Employer, own an interest in, operate, manage or participate in, offer consulting services to, perform, supply, or provide any similar services to, or be connected as an officer, director, employee, agent, independent contractor, partner, shareholder or principal of (i) any business entity or person engaged in the same business as Employer, within San Diego County, (ii) any customer of Employer, (iii) any Prospect (as defined below) of Employer introduced to Employee during the term of this Agreement, or (iv) any competitor of Employer. Nothing herein shall be construed to prevent Employee from owning a non-controlling interest in a publicly traded company.

2.4 Refrain from Harmful Activities. Employee's responsibility to promote and support Employer's business by its very nature requires Employee to prevent Employer from suffering injury or hardship, if it can be avoided. Accordingly, during the term of this Agreement and for a period of one (1) year following the termination of this Agreement for whatever reason, Employee shall not directly or indirectly (for Employee's benefit or for the benefit of any other person or entity) (a) disclose, distribute, or otherwise make known to any person, firm, or other entity the identity of any customers, investors, and technology and marketing strategic partners to whom Employee has been introduced by Employer or become acquainted with or learned about in any way during the time when Employee provided services to or for Employer ("Prospects") for the purpose of marketing or establishing a business relationship with the Prospects or any information pertaining to them, or (b) call on, solicit, take away, or attempt to call on, solicit, or take away any Prospects, or (c) induce or persuade or assist others in inducing or persuading any Prospects to reduce or discontinue doing business with Employer and/or (d) induce or persuade or assist others in inducing or persuading any vendor of Employer to reduce or discontinue doing business with Employer.

3. Compensation, Benefits, Expenses.

3.1 Compensation. Employee shall be compensated at the rate of \$20,000.00 (Twenty Thousand Dollars) per month, payable at the same time and in the same manner as paid to other employees and Officers of Employer and subject to the usual payroll deductions. As additional consideration for the services to be rendered by Employee hereunder, upon the Commencement Date, Employee shall be issued Five Hundred Thousand, (500,000) shares of common stock of Employer ("Compensation Shares") valued as initially issued Common Stock of Employee at Twenty Five Cents (\$0.25) per share. Upon purchase of the Compensation Shares by Employee, Employer shall deliver to Employee a copy of a duly authorized stock certificate representing all of the Compensation Shares and issued in the name of Employee. Such Compensation Shares shall be subject to the following:

3.1.1 Repurchase Option of Employer

a. Repurchase Option. In the event this Agreement is terminated (i) voluntarily by Employee pursuant to Section 4.1 of the Agreement; (ii) pursuant to Section 4.2 or Section 4.3; or (iii) by Employer in accordance with Section 4.4 of this Agreement before all of the shares of the Compensation Shares are released (see Section 3.1.1(b) below) from Employer's Repurchase Option (as defined herein), Employer shall, upon the date of such termination have an irrevocable, exclusive option (which option may be assigned by Employer) (the "Repurchase Option") for a period of 90 days (or such longer period of time either mutually agreed to by Employee and Employer) from such date to repurchase some or all of the Unreleased Shares (as defined in Section 3.1.1(b)) at such time at the original price per share paid by Employee for the Compensation Shares (the "Repurchase Price"). In the event this Agreement is terminated by Employer pursuant to Section 4.5 of this Agreement, all of the Compensation Shares shall be released from the Repurchase Option and the Repurchase Option shall terminate and be of no further force or effect, contingent upon Employee's signing of the General Release pursuant to Section 4.5 hereof. Said Repurchase Option shall be exercised by Employer by written notice to Employee or Employee's executor with a check in the amount of the aggregate Repurchase Price for the number of Compensation Shares being repurchased. Upon delivery of such notice and the payment of the aggregate Repurchase Price for the Compensation Shares being repurchased, Employer shall become the legal and beneficial owner of the Compensation Stock being repurchased and all rights and interests therein or relating thereto, and Employer shall have the right to retain and transfer to its own name the number of Compensation Shares of Compensation Shares being repurchased by Employer.

b. Release of Compensation Shares from Repurchase Option. The Compensation Shares shall be released from the Repurchase Option as follows: (i) One Hundred and Twenty Five Thousand (165,000) of the Compensation Shares shall be released as of the Commencement Date; (ii) One Thirty Sixth (1/36) of the Compensation Shares shall be released pro-rata per month during the Twenty-Four (24) months of the Period of Employment.

c. Release of Compensation Shares from Repurchase Option in the Event of a Sale, Merger or Other Acquisition of Employer or an Initial Public Offering (IPO) by Employer. In the event of a merger, sale or other acquisition of Employer or IPO by Employer prior to the completion of the Release of Compensation Shares from Repurchase Option in Section 3.1.1(c) above, the Compensation Shares shall be released from the Repurchase Option in full.

d. Delivery of Shares. Share certificates representing the Unreleased Shares (as defined in Section 3.1.1(b)) shall be held by Employer for the benefit of Employee. Shares of Compensation Shares which (i) have been released from Employer's Repurchase Option and (ii) have been paid for in full shall be delivered to Employee at Employee's written request.

3.1.2 Adjustments for Stock Splits. All references to numbers of Compensation Shares and the Repurchase Price in this Agreement shall be appropriately adjusted to reflect any stock split, stock dividend or other change in the Compensation Shares which may be made by Employer after the date of this Agreement.

3.1.3 Restrictions on Transferability. Employee shall not hypothecate, pledge, or otherwise encumber any of the Compensation Shares, or any interest in the Compensation Shares, without the prior consent of Employer. Employee acknowledges and agrees that in addition to the terms of this Agreement, the Compensation Shares are further subject to the terms and conditions of the Bylaws of Employer ("Bylaws"), which, among other things, provides for rights of first refusal of Employer and/or the other shareholders of Employer to purchase any Compensation Shares proposed to be transferred by Employee. In addition to the restrictions upon transfer imposed by this Agreement and the Bylaws, Employee acknowledges that the Compensation Shares may not be transferred, sold, assigned, hypothecated or encumbered unless (i) subject to an effective registration statement under the Securities Act of 1933, as amended, unless an exemption is available from the registration requirements of such Act, and (ii) permitted by all applicable state securities laws. Each Compensation Share certificate of Employer owned by Employee shall have endorsed thereon the following words:

"ANY TRANSFER, ACQUISITION OR PLEDGE OF THE SHARES REPRESENTED BY THIS CERTIFICATE, OR THE TRANSFER OF ANY INTEREST IN THOSE SHARES, IS RESTRICTED BY THE PROVISIONS OF AN EMPLOYMENT AGREEMENT DATED SEPTEMBER 21st, 2007 BY AND BETWEEN DENNIS BECKER AND COMMERCETEL, CORP. ("EMPLOYMENT AGREEMENT") AND THE BYLAWS OF COMMERCETEL, CORP. ("BYLAWS"). A COPY OF THE EMPLOYMENT AGREEMENT AND THE BYLAWS MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF COMMERCETEL, INC. ALL OF THE PROVISIONS OF SAID EMPLOYMENT AGREEMENT AND BYLAWS ARE INCORPORATED HEREIN. THE EMPLOYMENT AGREEMENT AND THE BYLAWS ARE AUTOMATICALLY BINDING UPON ANY PERSON WHO ACQUIRES OR IS TRANSFERRED SHARES."

An executed copy of this Agreement shall be delivered to the Secretary of Employer and shall be shown by the Secretary to any person duly authorized in writing by a shareholder who then holds Compensation Shares subject to this Agreement.

3.1.3 Shares Subject to Dilution. Employee acknowledges and agrees that the proportion of issued and outstanding shares in Employer represented by the Compensation Shares will be subject to dilution as a result of future issuance of securities by Employer such that Employee's proportionate ownership interest of Employer may be altered and proportionately reduced.

3.1.4 Tax Consequences of Receipt of Shares. Employee acknowledges and agrees that it may receive from Employer a Form 1099 in connection with the Compensation Shares received by Employee hereunder and that it may be eligible to make an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, which election must be made within thirty (30) days from the transfer of such Compensation Shares to Employee. Notwithstanding the foregoing, Employee acknowledges that Employer does not purport to give and is not qualified to give Employee any advice as to tax consequences or obligations arising from the Compensation Shares received by Employee. Employee acknowledges that Employer has recommended that it consult with its tax advisors as to such tax matters.

3.2 Benefits.

3.2.1 Insurance. Employee shall be eligible to receive any health, dental, disability, and life insurance benefits adopted by the Board to be provided by Employer to its employees, if any.

3.2.2 Retirement Plan/Profit Sharing or Similar Plans. Employee shall be eligible to participate in the retirement plan adopted by the Board, if any.

3.2.3 Vacation and Professional Time. Employee shall earn paid vacation time at the rate of four (4) calendar weeks per year. At the completion of each calendar year, Employer shall pay Employee a cash lump sum payment for any unused vacation or professional time from the recently completed calendar year. Any unused vacation or professional time shall be paid in a cash lump sum payment promptly after Employee's termination of employment, regardless of the reason for such termination, or at such earlier time as required to avoid forfeiture of accrued, but unused vacation or professional time as described above.

3.2.4 Expenses. Employer shall reimburse Employee on a monthly basis for receipts he submits for all reasonable and necessary travel and other business expenses incurred by Employee in the performance of his duties hereunder, consistent with Employer's normal expense reimbursement policy.

4. Termination of Employment. Employee's employment may only be terminated prior to the expiration of the Initial Term Date upon the first to occur of the following events:

4.1 Voluntary Termination Without Cause. By Employee may voluntarily terminate this Agreement at any time upon (30) days prior written notice to Employer.

4.2 By Death. Employee's employment will terminate automatically on the death of Employee. Employer will pay to Employee's beneficiaries or estate, as appropriate, the compensation to which he is entitled pursuant to Section 3 above through the end of the day of such termination, and thereafter Employer's obligation to Employee and/or to his beneficiaries or estate will terminate. Employee will cooperate with Employer's efforts to obtain life insurance to reimburse Employer for its costs of payments to Employee or his estate, if Employer chooses to obtain insurance for such purpose.

4.3 By Disability. If Employee is totally and permanently disabled or is prevented from substantially performing his duties under this Agreement because of any illness or physical or mental disability for a period or periods of more than one hundred twenty (120) days in the aggregate during any calendar year or thirty (30) consecutive days in any twelve (12) month period, then Employee's employment will terminate on the last day of the period in which the day evidencing incapacity occurs (i.e., the final day of the 120-day aggregate period or of the 30-day consecutive period). All of Employer's other obligations will terminate on the date of termination. Employee will cooperate with Employer's efforts to obtain disability insurance to reimburse Employer for its costs of such payment, if Employer chooses to obtain disability insurance for such purpose. Employee shall be deemed totally and permanently disabled if the Board reasonably determines that Employee is incapable of continuing the further performance of his essential job duties/functions as required under this Agreement. Such determination shall be made in accordance with all applicable laws.

4.4 By Employer with Cause. Employer may terminate this Agreement for Cause.

4.4.1 For purposes of this Agreement "Cause" shall mean any one of the following:

4.4.1.1 conviction of Employee for a felony or other crime involving moral turpitude;

4.4.1.2 gross negligence of or misconduct by Employee, resulting or likely to result in harm to Employer;

4.4.1.3 refusal or failure of Employee to carry out the reasonable or lawful directives of the Board;

4.4.1.4 disregard or violation of a material policy of Employer by Employee; or

4.4.1.5 material breach of or failure of Employee to perform his obligations under the Employment Agreement (except for reasonable time off due to illness, in accordance with the terms and conditions of this Agreement and applicable law) or the Confidentiality and Nondisclosure Agreement attached hereto.

4.4.2. Cure of Default. To the extent the occurrence of any of the foregoing (a "Default") is not susceptible to cure, Employer may terminate Employee's employment immediately. To the extent the occurrence is curable, Employee shall have five (5) days after written notice from Employer to cure the Default in the event of a termination under subsections 4.4.1.5. No cure period will be provided under subsections 4.4.1.1, 4.4.1.2, 4.4.1.3 or 4.4.1.4. Any notice of termination provided by Employer to Employee under this Section 4.4 shall identify the events or conduct constituting the grounds for termination with sufficient specificity so as to enable Employee to take steps to cure the same (if susceptible to cure).

4.5 By Employer Without Cause. Employer may terminate Employee without Cause upon five (5) days prior written notice. In the event Employer terminates Employee's employment without Cause, the liability of Employer to Employee as a result of or in connection with such termination, and Employee's exclusive remedy for such termination, will be limited to the release of the Compensation Shares pursuant to Section 3.1.1(a) and compensation at Employee's current rate of compensation at such time for a period of six (6) months. Notwithstanding anything herein to the contrary, the Compensation Shares shall only be released if and only if Employee executes and delivers the General Release, substantially in the form attached hereto as Exhibit "A" and does not later revoke such General Release in accordance with the terms of the General Release. For purposes of this Agreement termination by Employer "without Cause" shall include any attempt by Employer to substantially reduce Employee's compensation, benefits or job responsibilities.

5. Confidentiality and Nondisclosure Agreement. Concurrently herewith, Employee will execute and deliver to Employer a Confidentiality and Nondisclosure Agreement, substantially in the form attached hereto as Exhibit "B" the terms of which are incorporated herein by this reference.

6. Headings. The headings and captions of this Agreement are inserted for convenience only and shall not be used to interpret or construe any provisions of this Agreement.

7. Notices. All notices or other communications required hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or mailed, postage prepaid, by certified or registered mail, return receipt requested, and addressed as follows:

To Employer:

COMMERCECEL, Corp.
Attn: Brian Tobin
8929 Aero Drive Ste E

To Employee:

Dennis Becker
1051 Beryl St., Unit D
San Diego, CA 92109

Notice of change of address shall be effective only when done in accordance with this Section 7.

8. Entire Agreement.

8.1 This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee by Employer. This Agreement contains all of the covenants and agreements between the parties with respect to such employment, except as provided herein. The terms of this Agreement are intended by the parties to be the final expression of their agreement and may not be contradicted by evidence of any prior, contemporaneous or subsequent agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in a judicial, administrative or other legal proceeding involving this Agreement. The terms of this Agreement may only be modified if done so in writing and signed by the parties.

8.2 In the event Employer has or will promulgate a general employee manual or other written employment policies for its employees, appropriate policies shall apply to Employee except to the extent such policies are contrary to this Agreement.

9. Amendments and Waivers. This Agreement may not be modified, amended or terminated except as provided in the Agreement or by an instrument in writing, signed by Employee and by a duly authorized representative of Employer other than Employee. Through an instrument in writing similarly executed, either Employee or Employer, as the case may be, may waive compliance by the other party with any provision of this Agreement that such other party was or is obligated to comply with or perform, provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. The failure of any party to insist in any one or more instances upon performance with any term or condition of this Agreement shall not be construed as a waiver of its or his future performance. The obligations of either party with respect to such term, covenant or condition shall continue in full force and effect.

10. Law Governing Agreement. The validity, interpretation, enforceability and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Severability and Enforcement. If any terms, covenants or conditions in this Agreement, or the applications thereof to any person, party, place or circumstance, shall be held by an arbitrator or court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement or the application of such terms, covenants or conditions as applied to other persons, parties, places and circumstances shall remain in full force and effect.

12. Employee Acknowledgment. Employee acknowledges (i) that he has consulted with or has had the opportunity to consult with independent counsel of his own choice, concerning this Agreement and has been advised to do so by Employer, and (ii) that he has read and understands the Agreement, is fully aware of its legal effect and has entered into it freely based on his own judgment.

13. Joint Preparation. This Agreement is deemed to have been prepared jointly by the parties hereto and to any uncertainty or ambiguity existing herein, if any, shall not be interpreted against any party, but shall be interpreted according to the application of the rules of interpretation for arms length agreements taking into account the specific intention of the parties wherever such intention is discernable.

14. Binding Arbitration Agreement. In the event of any dispute between Employee and Employer or any of its agents, employees, affiliated entities, successors or assigns, arising out of or relating to the interpretation, application, breach, arbitrability, or enforceability of this Agreement, or any other dispute arising out of or relating to Employee's employment or relationship with Employer, any such dispute must be resolved in accordance with the Arbitration Agreement, attached hereto as Exhibit "C"

The parties have duly executed this Agreement as of the day and year set forth above.

EMPLOYER:

EMPLOYEE:

COMMERCETEL, Corp

By: _____
Brian Tobin
Its: Chairman

Dennis Becker
CEO

EXHIBIT A

GENERAL RELEASE OF CLAIMS

This General Release of Claims (hereinafter "Release") is entered into this ___ day of _____, 200_, by and between Dennis Becker (hereinafter "Releasor") and COMMERCETEL, Corp. (hereinafter "Releasee").

RECITALS

- A. Effective _____, 200_, Releasor became employed by Releasee according to the terms and conditions of an employment agreement ("Employment Agreement").
- B. On or about _____, Releasee terminated the employment of Releasor without "Cause" as that term is defined in the Employment Agreement.
- C. According to the terms and conditions of the Employment Agreement, Releasor is entitled to certain compensation so long as Releasor executes this General Release of any and all claims. By execution hereof, Releasor understands and agrees that this Release is a compromise of doubtful and disputed claims, if any, which remain untested; that there has not been a trial or adjudication of any issue of law or fact herein; that the terms and conditions of this Release are in no way to be construed as an admission of liability on the part of Releasee and that Releasee denies liability and intends merely to avoid litigation with this Release.

AGREEMENT

NOW THEREFORE FOR MUTUAL CONSIDERATION, the receipt and sufficiency of which the parties hereto acknowledge, the parties agree as follows:

1. Releasor does hereby unconditionally, irrevocably and absolutely release and discharge Releasee, its owners, directors, officers, employees, agents, attorneys, heir, representatives, legatees, stockholders, insurers, divisions, successors and/or assigns and any related holding, parent or subsidiary corporations, from any and all loss, liability, claims, costs (including, without limitation, attorneys' fees), demands, causes of action, or suits of any type, whether in law and/or in equity, related directly or indirectly or in any way connected with any transaction, affairs or occurrences between them to date, including, but not limited to, Releasor's employment with Releasee, the termination of said employment and claims of emotional or physical distress related to such employment or termination. This Release specifically applies to any claims for age discrimination in employment, including any claims arising under the Age Discrimination In Employment Act, the State of California Fair Employment and Housing Act or any other statutes or laws which govern discrimination in employment.

2. Releasor irrevocably and absolutely agrees that he will not prosecute nor allow to be prosecuted on his behalf in any administrative agency, whether federal or state, or in any court, whether federal or state, any claim or demand of any type related to the matter released above, it being an intention of the parties that with the execution by Releasor of this Release, Releasee, its owners, officers, directors, employees, agents, attorneys, heirs, representatives, legatees, successors and/or assigns and any related holding, parent and subsidiary corporations will be absolutely, unconditionally and forever discharged of and from all obligations to or on behalf of Releasor related in any way to the matter discharged herein.

3. Releasor agrees that all matters relative to this Release and compromise in relation thereto shall remain confidential. Accordingly, Releasor hereby agrees that, with the exception of Releasor's counsel, spouse and tax advisor, Releasor shall not discuss, disclose or reveal to any other persons, entities or organizations, whether within or outside of the State of California, the fact of settlement and/or terms and conditions of settlement and of this Release, including the amount paid to settle Releasor's claims. Similarly, Releasor shall not make, issue, disseminate, publish, print or announce any news release, public statement or announcement with respect to these matters, or any aspect thereof, the reasons therefore and the terms of this Release. Further, in keeping with the spirit of this Release, Releasor shall, upon the execution of this Release, cease and desist from taking any further action in opposition to Releasee, respecting its past employment policies and practices and shall never reapply for employment with Releasor; provided, however, that nothing herein shall be deemed to preclude Releasor from giving statements, affidavits, depositions, testimony, declarations or other disclosures required by or pursuant to legal process.

4. Releasor does expressly waive all of the benefits and rights granted to him pursuant to Civil Code § 1542, which provides and reads as follows:

A general release does not extend to claims which the creditor does not know of or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Releasor does certify that he has read all of this Release, the quoted Civil Code section and that he fully understands all of the same. Releasor hereby expressly agrees that this Release shall extend and apply to all unknown, unsuspected and unanticipated injuries and damages, as well as those that are now known.

5. Releasor further declares and represents that no promise, inducement or agreement not herein expressed has been made to him and that this Release contains the full and entire agreement between and among the parties, and that the terms of this Release are contractual and not a mere recital.

6. The validity, interpretation, and performance of this Release shall be construed and interpreted according to the laws of the State of California.

7. This Release may be pleaded as a full and complete defense and may be used as the basis for an injunction against any action, suit or proceeding which may be prosecuted, instituted or attempted by either party in breach thereof.

8. If any provision of this Release, or part thereof, is held invalid, void or voidable as against the public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Release are declared to be severable.

9. As part of this Release, Releasor agrees to indemnify and hold harmless Releasee against any claim by either the California Franchise Tax Board or the Internal Revenue Service for Releasor's income and other taxes payable as a result of the consideration being paid by Releasee pursuant to this Release or the Employment Agreement. It is understood that the extent of Releasor's obligation would be to pay all sums due to either agency as income tax and his/her portion of social security taxes related to this Release, plus any applicable penalty and/or interest relating to failure to timely pay the tax. It is the intention of all parties to this Release that the severance payments made to Releasor are proper and in accordance with all laws. However, should there be a different determination by either the California Franchise Tax Board or the Internal Revenue Service, Releasor will be obligated based on the terms of this paragraph.

10. It is understood that this Release is not an admission of any liability by any person, firm association or corporation but is in compromise of any disputed claim.

11. Releasor represents, acknowledges and agrees that Releasee has advised him, in writing, to discuss this Release with an attorney; that no promise, representation, warranty or agreements not contained herein have been made by or with anyone to cause him to sign this Release; that he has read this Release in its entirety, and fully understands and is aware of its meaning, intent, contents and legal effect; and that he is executing this Release voluntarily, and free of any duress or coercion.

IN WITNESS WHEREOF, the undersigned have executed this Release on the dates shown below at San Diego, California.

RELEASOR

Dated: _____

Dennis Becker

RELEASEE:

COMMERCETEL, Corp.

Dated: _____

By: _____

Brian Tobin

Its: Chairman

EXHIBIT B

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, is effective as of the date shown below, by and between COMMERCETEL, Corp. ("Employer") and Dennis Becker, as an employee ("Employee") and is in consideration of the services to be provided by Employee for Employer and the compensation for those services to be provided to Employee by Employer, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Employee and Employer agree as follows:

1. OWNERSHIP OF EMPLOYEE DEVELOPMENTS.

1.1 As used in this Agreement, "designs, inventions and innovations," whether or not they have been patented, trademarked, or copyrighted, include, but are not limited to designs, inventions, innovations, ideas, improvements, processes, sources of and uses for materials, plans, and systems relating to the design, use, marketing, distribution and management of Employer's and/or its affiliates' services or products.

1.2 As a material part of the terms and understandings of this Agreement, Employee agrees to assign to Employer all designs, inventions and innovations developed, conceived and/or reduced to practice by Employee, alone or with anyone else, in connection with the projects assigned to Employee by Employer during the term of this Agreement, regardless of whether they are suitable to be patented, trademarked and/or copyrighted.

1.3 Employee agrees to disclose to Employer any design, invention or innovation relating to the business of Employer and/or its affiliates, which Employee develops, conceives and/or reduces to practice in connection with the projects assigned to Employee by Employer, either alone or with anyone else, during the term of this Agreement and/or within twelve (12) months of the termination of this Agreement. Employee shall disclose all designs, inventions and/or innovations to Employer, even if Employee does not believe that he is required under this Agreement, to assign his or her interest in such design, invention or innovation to Employer. If Employer and Employee disagree as to whether or not a design, invention or innovation is included within the terms of this Agreement, it will be the responsibility of Employee to prove that it is not included.

1.4 The obligation to assign as provided in this Agreement does not apply to any design, invention or innovation to the extent such obligation would conflict with any provincial or federal law. The obligation to assign as provided in this Agreement does not apply to any design, invention or innovation that Employee developed entirely on Employee's own time without using Employer's equipment, supplies, facilities or Confidential Information and/or Trade Secrets (as defined in Section 2) except those designs, inventions or innovations that either:

- (i) Relate at the time of conception or reduction to practice of the design, invention or innovation to Employer's and/or its affiliates' business, or actual or demonstrably anticipated research of Employer's and/or its affiliates' products; or
 - (ii) Result from any work performed by Employee for Employer and/or its affiliates.
-

1.5 Employee agrees that any design, invention and/or innovation which is required under the provisions of this Agreement to be assigned to Employer shall be the sole and exclusive property of Employer. Upon Employer's request, at no expense to Employee, Employee shall execute any and all proper applications for patents, copyrights and/or trademarks, assignments to Employer, and all other applicable documents, and will give testimony when and where requested to perfect the title and/or patents in all designs, inventions and/or innovations belonging to Employer.

1.6 The provisions of this Section 1 shall survive the termination or expiration of this Agreement, and shall be binding upon Employee in perpetuity.

2. TRADE SECRETS AND CONFIDENTIALITY

2.1 Definition. As used in this Agreement, the term "Trade Secrets and Confidential Information" means information, whether written or oral, not generally available to the public, regardless of whether it is suitable to be patented, copyrighted and/or trademarked, which is received from Employer and/or its affiliates, either directly or indirectly, including but not limited to (a) concepts, ideas, plans and strategies involved in Employer's and/or its affiliates' products; (b) the processes, formulae and techniques disclosed by Employer and/or its affiliates to Employee or observed by Employee; (c) the designs, inventions and innovations and related plans, strategies and applications which Employee develops during the duration of this Agreement in connection with the projects assigned to Employee by Employer and/or its affiliates; and (d) third party information which Employer and/or its affiliates has/have agreed to keep confidential. It does not include the following: (i) information which, at the time of disclosure or observation, had been previously published or otherwise publicly disclosed; (ii) information which is published (or otherwise publicly disclosed) after disclosure or observation, unless such publication is a breach of this Agreement or is otherwise a violation of the contractual, legal or fiduciary duties owed to Employer, which violation is known to Employee; or (iii) information which, subsequent to disclosure or observation, is obtained by Employee from a third person who is lawfully in possession of such information (which information is not acquired in violation of any contractual, legal, or fiduciary obligation owed to Employer with respect to such information, and is known by Employee) and who is not required to refrain from disclosing such information to others.

2.2 No Disclosure of Trade Secrets and Confidential Information. During the duration of this Agreement, Employee will have access to and become familiar with various Trade Secrets and Confidential Information. Employee acknowledges that the Trade Secrets and Confidential Information are owned and shall continue to be owned solely by Employer. Employee agrees that Employee will not, at any time, whether during or subsequent to the term of employment with Employer, use for Employee's own benefit Trade Secrets and Confidential Information for any competitive purpose or to divulge the same to any person other than Employer or persons with respect to whom Employer has given its written consent, unless this information has already become known to the public, or Employee is compelled to disclose it by governmental process. In the event Employee believes that Employee is legally required to disclose any Trade Secrets or Confidential Information, Employee shall give reasonable notice to Employer prior to disclosing such information and shall assist Employer in taking such legally permissible steps as are reasonable and necessary to protect the Trade Secrets or Confidential Information. If Employee believes that it is necessary for Employee to disclose any Trade Secrets or Confidential Information, Employee shall first obtain written consent to do so from Employer, and the party to whom the disclosure is to be made shall execute a non-disclosure agreement in a form acceptable to Employer, before Employee shall make such disclosure.

2.3 No Removal of Employer's Documents or Information. Employee understands and agrees that all books, records, customer lists and documents connected with the business of Employer and/or its affiliates are the property of and belong to Employer. Under no circumstances shall Employee remove from Employer's facilities any of Employer's and/or its affiliates' books, records, documents, lists or any copies of the same without Employer's written permission, nor shall Employee make any copies of Employer's and/or its affiliates' books, records, documents or lists for use outside Employer's office except as specifically authorized by Employer. Employee shall return to Employer all books, records, documents and customer lists belonging to Employer and/or its affiliates upon termination of Employee's employment with Employer.

2.4 The provisions of Section 2 shall survive the termination or expiration of this Agreement, and shall be binding upon Employee in perpetuity.

3. **RETURN OF MATERIALS.** Upon the request of Employer and, in any event, upon the termination of Employee's employment, Employee must return to Employer and leave at its disposal all memoranda, notes, records, drawings, manuals, computer programs, documentation, diskettes, computer tapes, and other documents or media pertaining to the business of Employer or Employee's specific duties for Employer, including all copies of such materials. Employee must also return to Employer and leave at its disposal all materials involving any Confidential Information of Employer. This Section 3 is intended to apply to all materials made or compiled by Employee, as well as to all materials furnished to Employee by anyone else in connection with Employee's employment.

4. MISCELLANEOUS

4.1 **Survival of Obligations.** The covenants in this Agreement shall survive termination of Employee's employment, regardless of who causes the termination and under what circumstances.

4.2 **Construction.** The headings used herein are for convenience or reference only and shall not affect the construction of, or be taken into consideration in interpreting, any provision of this Agreement. In the interpretation and construction of this Agreement, the acknowledge that the terms hereof reflect extensive negotiations between the parties and that this Agreement shall not be deemed, for the purpose of construction and/or interpretation, that either party drafted this Agreement.

4.3 **Governing Law, Jurisdiction and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California without reference to its choice of law rules and as if wholly performed within the State of California. Any litigation regarding the interpretation, breach or enforcement of this Agreement will be filed in and heard by the state or federal courts with jurisdiction to hear such disputes in San Diego, County, California, and the parties hereby expressly submit to the jurisdiction of such courts.

4.4 **Entire Agreement.** This Agreement sets forth the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all other oral or written representations and understandings. This Agreement may only be modified by a writing signed by Employee and Employer.

4.5 **No Implied License.** No rights or obligations other than those expressly recited herein are to be implied from this Agreement. No license is hereby granted, directly or indirectly, to any of the Trade Secrets and Confidential Information disclosed.

4.6 **Severability.** The parties agree that this Agreement is severable and that in the event any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions will not be affected or impaired. Additionally, the parties expressly grant to any court or other entity interpreting this Agreement the power and authority to modify the terms of this Agreement to extent necessary to allow enforcement of this Agreement to the fullest extent allowed by law.

4.7 Successors and Assigns. This Agreement shall be binding upon the successors, assigns and legal representatives of Employee, and inures to the benefit of any successors or assigns of Employer.

4.8 Waivers. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver of any provision of this Agreement shall be binding on the parties hereto unless it is executed in writing by the party making the waiver.

IN WITNESS WHEREOF, the parties have entered into this agreement as of the date set forth below.

Dated: _____, 200_

EMPLOYEE:

EMPLOYER:
COMMERCETEL, Corp.

Signature
Dennis Becker
S o c i a l Security
Number: _____
Address: _____

By: _____
Brian Tobin
Chairman

EXHIBIT C

EMPLOYEE ARBITRATION AGREEMENT

THIS ARBITRATION AGREEMENT ("Agreement") is made and effective as of _____, 200_, by and between COMMERCETEL, Corp. ("Employer"), and Dennis Becker ("Employee").

The purpose of this Agreement is to establish final and binding arbitration for all disputes arising out of Employee's employment or the termination of Employee's employment. Employee and Employer desire to arbitrate their disputes on the terms and conditions set forth below, in order to gain the benefits of a speedy, impartial dispute-resolution procedure. Employee and Employer agree to the following:

1. Claims Covered By The Agreement. Employee and Employer mutually consent to the resolution by final arbitration of all claims or controversies ("claims") that Employer may have against Employee or that Employee may have against Employer or against its officers, directors, partners, employees, agents, pension or benefit plans, administrators, or fiduciaries, or any subsidiary or affiliated company or corporation (collectively referred to as "Employer"), relating to, resulting from, or in any way arising out of Employee's employment relationship with Employer and/or the termination of Employee's employment relationship with Employer. The claims covered by this Agreement include, but are not limited to, claims for wages or other compensation due; claims for breach of any contract or covenant (express or implied); tort claims; claims for discrimination (including, but not limited to, race, sex, religion, national origin, age, marital status or medical condition, disability, or sexual orientation); claims for benefits (except where an employee benefit or pension plan specifies that its claims procedure shall culminate in an arbitration procedure different from this one); and claims for violation of any federal, state or other governmental law, statute, regulation or ordinance, except claims excluded in the following section.

2. Claims Not Covered By The Agreement. Claims Employee may have for Workers' Compensation or unemployment compensation benefits are not covered by this Agreement. Also not covered are claims by Employer for injunctive and/or other equitable relief for unfair competition and/or the use and/or unauthorized disclosure of trade secrets or confidential information, as to which Employee understands and agrees that Employer may seek and obtain relief from a court of competent jurisdiction.

3. Required Notice Of Claims And Statute Of Limitations. Arbitration may be initiated by Employee by serving or mailing a written notice to the Chairman of the Board of Directors of Employer. In the case of a termination of employment, the notice must be served or mailed within one (1) year of the termination of employment. In an arbitration not arising out of termination of Employee's employment, the written notice must be served or mailed within one (1) year of the event which gave rise to the claim for arbitration. Employer may initiate an arbitration by serving or mailing a written notice to Employee at the last address recorded in Employee's personnel file, within one (1) year of the event which gave rise to the arbitration. The notice shall identify and describe the nature of all claims asserted and the facts upon which such claims are based. Failure to comply with all the requirements of this paragraph will constitute a waiver of all rights that the party seeking arbitration may have against the other party, and any such claims shall be void.

4. Arbitration Procedures.

4.1 After demand for arbitration has been made by serving written notice under the terms of Section 3 of this Agreement, the party demanding arbitration shall file a demand for arbitration with the American Arbitration Association ("AAA") in San Diego County.

4.2 Except as otherwise provided in this Agreement, the arbitration will be conducted according to the then current version of the AAA Employment Dispute Resolution Rules. The AAA shall give each party a list of seven arbitrators from its panel of labor and employment arbitrators. Each party shall alternatively strike one of the arbitrators from the list until only one arbitrator remains. A coin flip will determine which party chooses whether it desires to strike first or second.

4.3 The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state of California, or federal law, or both, as applicable to the claim(s) asserted. The arbitrator shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement, including but not limited to any claim that all or any part of this Agreement is void or voidable.

5. Arbitration Decision. The arbitrator's decision will be final and binding. A party's right to appeal the decision is limited to grounds provided under applicable federal or state law.

6. Place Of Arbitration. The arbitration will be at a mutually convenient location which must be within 50 miles of Employee's last employment location with Employer. If the parties cannot agree upon a location, then the arbitration will be held at the AAA's office nearest to Employee's last employment location with Employer.

7. Construction. Should any portion of this Agreement be found to be unenforceable, such portion will be severed from this Agreement, and the remaining portions shall continue to be enforceable.

8. Consideration. Employer's offer of employment to Employee and the promises by Employer and Employee to arbitrate differences, rather than litigate them before courts or other bodies, provide consideration for each other.

9. Arbitration Fees and Costs. The losing party shall be responsible for the arbitrator's fees and costs. Each party may be represented by an attorney or other representative selected by the party. Each party shall be responsible for its own attorneys' or representative's fees. However, if any party prevails on a statutory claim which affords the prevailing party's attorneys' fees, or if there is a written agreement providing for fees, the arbitrator may award reasonable fees to the prevailing party.

10. Waiver of Jury Trial/Exclusive Remedy. **EMPLOYEE AND EMPLOYER WAIVE ANY CONSTITUTIONAL RIGHT TO HAVE ANY DISPUTE BETWEEN THEM COVERED BY THE TERMS OF THIS AGREEMENT DECIDED BY A COURT OF LAW AND/OR BY A JURY IN A COURT PROCEEDING AND/OR BY ANY ADMINISTRATIVE AGENCY.**

11. Sole And Entire Agreement. This Agreement expresses the entire Agreement of the parties and there are no other agreements, oral or written, concerning arbitration, except as provided herein. This Agreement is not, and shall not be construed to create, any contract of employment, express or implied.

12. Requirements for Modification or Revocation. This Agreement to arbitrate shall survive the termination of Employee's employment. It can only be revoked or modified by a writing signed by the Chairman of the Board of Directors of Employer and Employee which specifically states an intent to revoke or modify this Agreement.

13. Voluntary Agreement. EMPLOYEE ACKNOWLEDGES THAT EMPLOYEE HAS CAREFULLY READ THIS AGREEMENT, UNDERSTANDS ITS TERMS, AND AGREES THAT ALL UNDERSTANDINGS AND AGREEMENTS BETWEEN EMPLOYER AND EMPLOYEE RELATING TO THE SUBJECTS COVERED IN THE AGREEMENT ARE CONTAINED IN IT. EMPLOYEE HAS VOLUNTARILY ENTERED INTO THE AGREEMENT WITHOUT RELIANCE ON ANY PROVISIONS OR REPRESENTATIONS BY EMPLOYER, OTHER THAN THOSE CONTAINED IN THIS AGREEMENT.

EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE HAS BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH EMPLOYEE'S PRIVATE LEGAL COUNSEL AND EMPLOYEE HAS UTILIZED THAT OPPORTUNITY TO THE EXTENT DESIRED.

Dated: _____, 200_

EMPLOYER:

COMMERCETEL, Corp.

By:

Brian Tobin
Its: Chairman

EMPLOYEE:

Dennis Becker

March 16th, 2009

Dennis Becker, CEO
8929 Aero Drive, Suite E
San Diego, CA 92123

Dear Dennis:

Reference is made to that certain employment agreement dated September 21, 2007 (the "Employment Agreement") between you and CommerceTel, Corp., a Nevada corporation, (the "Company") regarding the terms of your employment with the Company. This will confirm our understanding that the Employment Agreement is hereby amended as follows:

1. Sections 3.1 and 3.1.1 are hereby deleted and following is inserted in its place:

3. Compensation, Benefits, Expenses.

3.1 Compensation. Employee shall be compensated at the rate of \$170,000.00 (One Hundred Seventy Thousand Dollars) per year, payable at the same time and in the same manner as paid to other employees and Officers of Employer and subject to the usual payroll deductions. Employee may be eligible to receive an annual bonus compensation from the Company in an amount up to \$130,000.00 (One Hundred Thirty Thousand Dollars) as determined by the Compensation Committee based on attainment of target performance objectives which shall be set by the Compensation Committee of the Board of the Directors of the Company. As additional consideration for the services to be rendered by Employee hereunder, upon the Commencement Date, Employee shall be issued 1,500,000 (One Million Five Hundred Thousand) shares of common stock of CommerceTel Canada Corporation ("Compensation Shares") valued as initially issued Common Stock of Employee at Four Cents (\$0.04 CDN) per share. Employee shall pay the total purchase price for the Issued Shares to Employer at some time during the Period of Employment. Upon purchase of the Compensation Shares by Employee, Employer shall deliver to Employee a copy of a duly authorized stock certificate representing all of the Compensation Shares and issued in the name of Employee. Such Compensation Shares shall be subject to the following:

3.1.1 Repurchase Option of Employer

a. Repurchase Option. In the event this Agreement is terminated (i) voluntarily by Employee pursuant to Section 4.1 of the Agreement; (ii) pursuant to Section 4.2 or Section 4.3; or (iii) by Employer in accordance with Section 4.4 of this Agreement before all of the shares of the Compensation Shares are released (see Section 3.1.1(b) below) from Employer's Repurchase Option (as defined herein), Employer shall, upon the date of such termination have an irrevocable, exclusive option (which option may be assigned by Employer) (the "Repurchase Option") for a period of 90 days (or such longer period of time either mutually agreed to by Employee and Employer) from such date to repurchase some or all of the Unreleased Shares (as defined in Section 3.1.1(b)) at such time at the original price per share paid by Employee for the Compensation Shares (the "Repurchase Price"). In the event this Agreement is terminated by Employer pursuant to Section 4.5 of this Agreement, all of the Compensation Shares shall be released from the Repurchase Option and the Repurchase Option shall terminate and be of no further force or effect, contingent upon Employee's signing of the General Release pursuant to Section 4.5 hereof. Said Repurchase Option shall be exercised by Employer by written notice to Employee or Employee's executor with a check in the amount of the aggregate Repurchase Price for the number of Compensation Shares being repurchased. Upon delivery of such notice and the payment of the aggregate Repurchase Price for the Compensation Shares being repurchased, Employer shall become the legal and beneficial owner of the Compensation Stock being repurchased and all rights and interests therein or relating thereto, and Employer shall have the right to retain and transfer to its own name the number of Compensation Shares of Compensation Shares being repurchased by Employer.

b. Release of Compensation Shares from Repurchase Option. The Compensation Shares shall be released from the Repurchase Option as follows: One Thirty Sixth (1/36) of the remaining Compensation Shares shall be released pro-rata per month during the Thirty Six (36) months of the Period of Employment.

c. Release of Compensation Shares from Repurchase Option in the Event of a Sale, Merger or Other Acquisition of Employer or an Initial Public Offering (IPO) by Employer. In the event of a merger, sale or other acquisition of Employer or IPO by Employer prior to the completion of the Release of Compensation Shares from Repurchase Option in Section 3.1.1(c) above, the Compensation Shares shall be released from the Repurchase Option in full.

d. Delivery of Shares. Share certificates representing the Unreleased Shares (as defined in Section 3.1.1(b)) shall be held by Employer for the benefit of Employee. Shares of Compensation Shares which (i) have been released from Employer's Repurchase Option and (ii) have been paid for in full shall be delivered to Employee at Employee's written request.

CERTIFICATION

Pursuant to 18 U.S.C. 1350
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Dennis Becker, certify that:

1. I have reviewed this report on Form 10-K of CommerceTel Corporation .
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: December 15, 2010

/s/ Dennis Becker

Dennis Becker

Chief Executive Officer

CERTIFICATION

Pursuant to 18 U.S.C. 1350
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Paul Meyer, certify that:

1. I have reviewed this report on Form 10-K of CommerceTel Corporation .
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: December 20, 2010

/s/ Paul Meyer

Paul Meyer

Chief Financial Officer

CERTIFICATION

Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report on Form 10-K of CommerceTel Corporation (the "Company") for the year ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §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.

Date: December 20, 2010 By: /s/ Dennis Becker
Dennis Becker
Chief Executive Officer

Date: December 20, 2010 By: /s/ Paul Meyer
Paul Meyer
Chief Financial Officer
