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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 6, 2020

CLOUDCOMMERCE, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation
or organization)

000-13215
(Commission File Number)

30-0050402
IRS Employer Identification No.)

321 Sixth Street
San Antonio, TX
(Address of Principal Executive Offices)

78215
(Zip Code)

(805) 964-3313
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

File of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging Growth Company

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

Item 1.01 Entry into a Material Definitive Agreement

On January 17, 2020, CloudCommerce, Inc. (the “Company”) entered into an Exchange Agreement (the “Exchange Agreement”) with Bountiful Capital, LLC, a Nevada limited liability company, (the “Investor”), pursuant to which the parties agreed that the Investor shall tender certain outstanding promissory notes to the Company for cancellation in exchange for 2,597 shares of the Company’s Series G Preferred Stock (the “Series G Preferred Stock”), \$0.001 par value per share. The parties closed on the Exchange Agreement on February 6, 2020.

The securities above were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended, since, among other things, the transactions did not involve a public offering of the securities.

This description of the Exchange Agreement is only a summary and is qualified in its entirety by reference to the full text of the Exchange Agreement attached as [Exhibit 10.1](#) hereto.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 1.01 is incorporated by reference herein.

As previously reported, the Company entered into securities purchase agreements pursuant to which it issued convertible notes to various accredited investors, which notes are convertible into shares of the Company’s common stock on the terms and subject to the conditions set forth in the various securities purchase agreements and associated notes. Certain accredited investors converted an aggregate of \$30,707.40 in principal, interest and fees resulting in the issuance of an aggregate of 28,200,000 shares of the Company’s common stock.

The securities above were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended, since, among other things, the transactions did not involve a public offering of the securities.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On February 6, 2020, the Company filed a Certificate of Designation (the “Certificate of Designation”) of Series G Preferred Stock with the Secretary of State of Nevada. The Certificate of Designation designates 2,600 shares of the Company’s authorized preferred stock as Series G Preferred Stock.

Each share of Series G Preferred Stock has a stated value of \$100. The Series G Preferred Stock is convertible into shares of the Company’s common stock at a conversion price of \$0.0019 per share, subject to adjustment. The Series G Preferred Stock may not be converted to common stock to the extent such conversion would result in the holder beneficially owning more than 4.99% of the Company’s outstanding common stock; provided, however, that the 4.99% beneficial ownership limitation may be waived by a holder of Series G Preferred Stock upon not less than 61 days’ prior notice to the Company. The holders of outstanding shares of Series G Preferred Stock are not entitled to receive dividends. The holders of the Series G Preferred Stock are entitled to a liquidation preference in an amount equal to \$100 per share before any payments to holders of common stock; however, such liquidation preference shall rank junior to all outstanding shares of the Company’s Series A, B, C and D Preferred Stock. The Series G Preferred Stock has no preemptive or subscription rights, and there is no sinking fund provisions applicable to the Series G Preferred Stock. The Series G Preferred Stock does not have voting rights, except as required by law and with respect to certain protective provisions set forth in the Certificate of Designation.

This description of the Certificate of Designation is only a summary and is qualified in its entirety by reference to the full text of the Certificate of Designation attached as [Exhibit 3.1](#) hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
3.1	Certificate of Designation of Series G Preferred Stock
10.1	Exchange Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLOUDCOMMERCE, INC.

Date: February 12, 2020

By: /s/ Andrew Van Noy

Name: Andrew Van Noy

Title: Chief Executive Officer



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

Filed in the Office of <i>Barbara K. Cegavske</i>	Business Number C1556-2002
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Certificate, Amendment or Withdrawal of Designation

NRS 78.1955, 78.1955(6)

Certificate of Designation

Certificate of Amendment to Designation - Before Issuance of Class or Series

Certificate of Amendment to Designation - After Issuance of Class or Series

Certificate of Withdrawal of Certificate of Designation

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

1. Entity information:	Name of entity: CloudCommerce, Inc.
	Entity or Nevada Business Identification Number (NVID): C1556-2002
2. Effective date and time:	For Certificate of Designation or Amendment to Designation Only (Optional): Date: _____ Time: _____ (must not be later than 90 days after the certificate is filed)
3. Class or series of stock: (Certificate of Designation only)	The class or series of stock being designated within this filing: Series G Preferred Stock
4. Information for amendment of class or series of stock:	The original class or series of stock being amended within this filing: _____
5. Amendment of class or series of stock:	<input type="checkbox"/> Certificate of Amendment to Designation- Before Issuance of Class or Series As of the date of this certificate no shares of the class or series of stock have been issued. <input type="checkbox"/> Certificate of Amendment to Designation- After Issuance of Class or Series The amendment has been approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation.
6. Resolution: Certificate of Designation and Amendment to Designation only)	By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock. Up to two thousand six hundred (2,600) shares of Series G Preferred Stock of the Company with a face value of \$100 per share - see attached.
7. Withdrawal:	Designation being Withdrawn: _____ Date of Designation: _____ No shares of the class or series of stock being withdrawn are outstanding. The resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock: * _____
8. Signature: (Required)	<input checked="" type="checkbox"/> <u><i>[Signature]</i></u> _____ Date: 2/6/19 Signature of Officer

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

**CERTIFICATE OF DESIGNATION
OF
CLOUDCOMMERCE, INC.**

1. The name of the corporation is CloudCommerce, Inc., a Nevada corporation (the "Corporation").

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

This series of the Corporation's Preferred Stock shall be designated "Series G Preferred Stock". The number of shares constituting the Series G Preferred Stock shall be two thousand six hundred (2,600) shares. The total face value of this entire series is two hundred sixty thousand dollars (\$260,000). Each share of Series G Preferred Stock shall have a stated face value of One Hundred Dollars (\$100.00) ("Face Value"), and is convertible into shares of fully paid and non-assessable shares of common stock ("Common Stock") of the Corporation in accordance with Section 3 below. The Series G Preferred Stock shall have the rights, preferences and privileges set forth below:

Section 1. Dividends. Except as required by applicable law, no dividends will be payable on the Series G Preferred Stock.

Section 2. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holder of each outstanding share of the Series G Preferred Stock (the "Holder") shall be entitled to receive, out of the assets of the Corporation available for distribution to its shareholders upon such liquidation, whether such assets are capital or surplus of any nature, an amount equal to One Hundred Dollars (\$100.00) for each such share of the outstanding Series G Preferred Stock held by such Holder (as adjusted for any combinations, consolidations, stock distributions or stock dividends with respect to such shares), plus all dividends, if any, declared and unpaid thereon as of the date of such distribution, before any payment shall be made or any assets distributed to the holders of the Common Stock, and, after such payment, the remaining assets of the Corporation shall be distributed to the holders of Common Stock.

(a) If the assets to be distributed pursuant to this Section 2 to the holders of the Series G Preferred Stock shall be insufficient to permit the receipt by such holders of the full preferential amounts aforesaid, then all of such assets shall be distributed among such holders of Series G Preferred Stock ratably in accordance with the number of such shares then held by each such holder.

Section 3. Conversion. The Series G Preferred Stock shall be subject to conversion into Common Stock upon the following terms and conditions:

(a) Timing and Mechanics of Conversion.

The Holder may convert shares of Series G Preferred Stock held by such Holder into shares of Common Stock. The conversion price shall be \$0.0019 per share (the "Conversion Price"), subject to adjustments described in Section 3. The number of shares of Common Stock receivable upon conversion of one share of Series G Preferred Stock equals the Face Value divided by the then Conversion Price. A conversion notice (the "Conversion Notice") may be delivered to Corporation by method of Holder's choice (including but not limited to email, facsimile, mail, overnight courier, or personal delivery), and all conversions shall be cashless and not require further payment from the Holder. If no objection is delivered from the Corporation to the Holder, with respect to any variable or calculation reflected in the Conversion Notice within 48 hours of delivery of the Conversion Notice, the Corporation shall have been thereafter deemed to have irrevocably confirmed and irrevocably ratified such notice of conversion and waived any objection thereto. The Corporation shall deliver the shares of Common Stock from any conversion to the Holder within three (3) business days of Conversion Notice delivery. If the Corporation is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, then upon request of the Holder and provided that the shares to be issued are eligible for transfer under Rule 144 of the Securities Act of 1933, as amended (the "Securities Act"), or are effectively registered under the Securities Act, the Corporation shall cause its transfer agent to electronically issue the Common Stock issuable upon conversion to the Holder through the DTC Direct Registration System ("DRS"). If the Corporation is not participating in the DTC FAST program, then the Corporation agrees in good faith to apply and cause the approval for participation in the DTC FAST program. .

- (b) Limitation of Conversions. In no event shall the Holder be entitled to convert any Series G Preferred Stock, such that upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of this Series G Preferred Stock or the unexercised or unconverted portion of any other security of the Corporation subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of Series G Preferred Stock with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived by the Holder upon, at the election of the Holder, not less than 61 days prior notice to the Corporation, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver).
- (c) Adjustment to Conversion Price for Stock Dividends, Consolidations and Subdivisions. In case the Corporation at any time after the first issuance of a share of the Series G Preferred Stock shall declare or pay on the Common Stock any dividend in shares of Common Stock, or effect a subdivision of the outstanding shares of the Common Stock into a greater number of shares of the Common Stock (by reclassification or otherwise than by payment of a dividend payable in shares of the Common Stock), or shall combine or consolidate the outstanding shares of the Common Stock into a lesser number of shares of the Common Stock (by reclassification or otherwise), then, and in each such case, the Conversion Price (as previously adjusted) in effect immediately prior to such declaration, payment, subdivision, combination or consolidation shall, concurrently with the effectiveness of such declaration, payment, subdivision, combination or consolidation, be proportionately adjusted.
- (d) Adjustments for Reclassifications and Certain Reorganizations. In case the Corporation at any time after the first issuance of a share of the Series G Preferred Stock shall reclassify or otherwise change the outstanding shares of the Common Stock, whether by capital reorganization, reclassification or otherwise, or shall consolidate with or merge with or into any other corporation where the Corporation is not the surviving corporation but not otherwise, then, and in each such case, each outstanding share of the Series G Preferred Stock shall, immediately after the effectiveness of such reclassification, other change, consolidation or merger, be convertible into the type and amount of stock and other securities or property which the holder of that number of shares of the Common Stock into which such share of the Series G Preferred Stock would have been convertible before the effectiveness of such reclassification, other change, consolidation or merger would be entitled to receive in respect of such shares of the Common Stock as the result of such reclassification, other change, consolidation or merger.
- (e) Fractional Shares. No fractional shares of the Common Stock shall be issuable upon the conversion of shares of the Series G Preferred Stock and the Corporation shall pay the cash equivalent of any fractional share upon such conversion.

- (f) **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of the Common Stock, solely for the purpose of effecting the conversion of the Series G Preferred Stock, such number of shares of the Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series G Preferred Stock (the "Reserve Shares"); and if at any time the number of authorized but unissued shares of the Common Stock shall not be sufficient to effect the conversion of all outstanding shares of the Series G Preferred Stock, the Corporation will take such corporate action as is necessary to increase its authorized by unissued shares of the Common Stock to such number of shares as shall be sufficient for such purpose. The Holder shall have the right to directly instruct the Corporation's transfer agent to explicitly reserve the Reserve Shares from the Corporation's authorized shares of Common Stock, solely for satisfying the conversion of the Series G Preferred Stock.
- (g) **Transfer Agent Instructions.** The Holder shall have the right to directly instruct the Corporation's transfer agent to explicitly reserve the Reserve Shares from the Corporation's authorized shares of Common Stock, solely for satisfying the conversion of the Series G Preferred Stock. In the event that an opinion of counsel, such as but not limited to a Rule 144 opinion, is needed for any matter related to this Series G Preferred Stock or the Common Stock, the Holder has the right to have any such opinion provided by its own counsel.

Section 4. Notices. Any notice required by the provisions of this Certificate of Designation to be given to holders of shares of the Series G Preferred Stock shall be deemed given three days following the date on which mailed by certified mail, return receipt requested, postage prepaid, addressed to such holder at the address last appearing on the books of the Corporation for such holder or given by such holder to the Corporation for the purpose of notice, or if no such address appears or is so given, at the principal office of the Corporation, or upon personal delivery to the aforementioned address.

Section 5. Voting Rights. Except as required by law or as specifically provided herein, the Holders of Series G Preferred shall not be entitled to vote, as a separate class or otherwise, on any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting); provided, however, that each Holder of outstanding shares of Series G Preferred shall be entitled, on the same basis as holders of Common Stock, to receive notice of such action or meeting.

Section 6. Protective Provisions. So long as any shares of the Series G Preferred Stock shall remain outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series G Preferred Stock voting together as one class alter or change the rights, preferences or privileges of the shares of the Series G Preferred Stock so as to affect materially and adversely such shares; or

The Corporation hereby covenants and agrees that the Corporation will not, by amendment of its Certificate of Incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Certificate of Designation, and will at all times carry out all the provisions of this Certificate of Designation and take all action as may be required to protect the rights of the Holders.

Section 7. Status of Converted Stock. In the event any shares of the Series G Preferred Stock shall be converted pursuant to Section 3 above, the shares so converted shall be cancelled and shall revert to the Corporation's authorized but unissued Preferred Stock.

Section 8. Transferability. This Series G Preferred Stock shall be transferable and may be assigned by the Holder, to anyone of its choosing without Corporation's approval subject to applicable securities laws. Lender covenants not to engage in any unregistered public distribution of the Series G Preferred Stock when making any assignments.

Section 9. Notices. Any notice required hereby to be given to the holders of shares of the Series G Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of the Corporation for such holder or given by such holder to

the Corporation for the purpose of notice, or if no such address appears or is so given, at the principal office of the Corporation, or upon personal delivery to the aforementioned address.

Section 10. Public Disclosure. The Corporation and the Holder agree not to issue any public statement with respect to the Holder's investment or proposed investment in the Corporation's Series G Preferred Stock, or the terms of any agreement or covenant without the other party's prior written consent, except such disclosures as may be required under applicable law or under any applicable order, rule or regulation.

Section 11. Miscellaneous.

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

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

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

(d) Notwithstanding anything to the contrary herein, with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, all shares of Series G Preferred Stock shall rank junior to all outstanding shares of Series A and B, C and D Preferred Stock.

IN WITNESS WHEREOF, this Certificate of Designation has been executed by a duly authorized officer of the Corporation on this 17th day of January, 2020.

CLOUDCOMMERCE, INC.

By: /s/ Andrew Van Noy

Name: Andrew Van Noy

Title: President and Chief Executive Officer

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (“Agreement”) is entered into as of January 17, 2020, by and between CloudCommerce, Inc., a Nevada corporation (the “Company”), and Bountiful Capital, LLC, a Nevada limited liability company, (the “Investor”), with respect to the following facts:

RECITALS

A. The Company entered into loan transactions with the Investor in the aggregate principal amount of \$240,500.00, as described below, which were evidenced by certain promissory Demand Notes (the “Notes”), copies of which are attached hereto as Exhibit A.

	Effective Date	Annual Interest	Outstanding Principal Balance
November 30, 2017		5%	\$ 30,000.00
January 30, 2018		5%	72,000.00
February 2, 2018		5%	85,000.00
July 23, 2019		5%	25,000.00
August 20, 2019		5%	10,000.00
August 28, 2019		5%	18,500.00
			\$ 240,500.00

B. The Notes are demand notes, which allow the Investor to demand immediate and full payment at any time. The total accrued interest on the Notes is \$19,198.00. The Investor desires to tender the Notes to the Company for cancellation, including all outstanding principal, in exchange for the issuance by the Company to the Investor 2,597 shares of Series G preferred stock, which may, at the option of the Investor, be converted into shares of the Company’s common stock pursuant to the certificate of designation of the Series G preferred stock (the “Convertible Preferred Stock”).

C. The Company desires to issue the Convertible Preferred Stock to the Investor in exchange for the cancellation of the Notes.

D. The closing of the transactions contemplated by this Agreement (the “Closing”) will be deemed to have occurred upon the completion of the deliveries by each Party to this Agreement described in Section 2 of this Agreement.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, and in light of the recitals stated above, the parties to this Agreement hereby agree as follows:

Section 1. EXCHANGE OF THE NOTES FOR THE CONVERTIBLE PREFERRED STOCK

The Investor agrees to tender the Demand Notes to the Company for cancellation in exchange for which the Company agrees to issue the Convertible Preferred Stock to the Investor. The Investor agrees that upon delivery of the Convertible Preferred Stock to the Investor, the Notes shall be deemed

fully paid and satisfied, null and void and no interest, fees or principal shall be due thereon. In the event the Notes are lost or destroyed, the Investor hereby warrants that the Notes are lost or destroyed and agrees to immediately surrender to the Company said Notes should it later be found and the Investor shall provide the Company with an affidavit of loss of said Notes. The Investor hereby agrees to indemnify and hold harmless the Company and its affiliates against all liability, costs, damages, claims or expenses which may be incurred by any of them as a result of any claim to ownership of the lost Notes asserted by the Investor or by anyone other than Investor.

Section 2. DELIVERIES

2.1 The Company. The Company will issue the Convertible Preferred Stock upon the execution of this Agreement.

2.2 The Investor. The Investor will deliver the Notes or an affidavit that said Notes are lost upon the execution of this Agreement. The Investor also agrees to deliver any other document reasonably requested by the Company that it deems necessary for the consummation of the transactions contemplated by this Agreement.

Section 3. EQUITABLE RELIEF

3.1 Damages Inadequate. Each party acknowledges that it would be impossible to measure in money the damages to the other party if there is a failure to comply with any covenants or provisions of this Agreement, and agrees that in the event of any breach of any covenant or provision, the other party to this Agreement will not have an adequate remedy at law.

3.2 Equitable Relief. It is therefore agreed that the other party to this Agreement who is entitled to the benefit of the covenants or provisions of this Agreement which have been breached, in addition to any other rights or remedies which they may have, shall be entitled to immediate equitable relief to enforce such covenants and provisions, and that in the event that any such action or proceeding is brought in equity to enforce them, the defaulting or breaching party will not urge a defense that there is an adequate remedy at law.

Section 4. Investor Representation and Warranty

4.1 Investor's Representations and Warranties. As a material inducement to the Company to enter into this Agreement and consummate the exchange, Investor represents warrants and covenants with and to the Company as follows:

- i. Authorization and Binding Obligation. The Investor has the requisite legal capacity, power and authority to enter into, and perform under, this Agreement, including with respect to canceling the note and receiving the Convertible Preferred Stock. The execution, delivery and performance of this Agreement and performance by such Investor and the consummation by such Investor of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate, partnership or similar action on the part of such Investor and no further consent or authorization is required. This Agreement has been duly authorized, executed and delivered by the Investor. This Agreement has been duly executed and delivered

by the Investor, and constitute the legal, valid and binding obligations of the Investor, enforceable against the Investor in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities laws.

- ii. Beneficial Owner. With respect to the Note (i) the Investor owns, beneficially and of record, good and marketable title to the Note, free and clear of any taxes or encumbrances; (ii) the Note is not subject to any transfer restriction, other than the restriction that the Note not been registered under the Securities Act of 1933, as amended (the "1933 Act") and, therefore, cannot be resold unless registered under the 1933 Act or in a transaction exempt from or not subject to the registration requirements of the 1933 Act; (iii) the Note has not entered into any agreement or understanding with any person or entity to dispose of the Note; and (iv) at the Closing, the Investor will convey to the Company good and marketable title to the Note, free and clear of any security interests, liens, adverse claims, encumbrances, taxes or encumbrances.
- iii. Accredited Investor. Such Investor is an accredited investor as defined in Rule 501(a) of Regulation D, as amended, under the 1933 Act.
- iv. Disclosure of Information. Such Investor has had an opportunity to receive all information related to the Company requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Convertible Preferred Stock. Such Investor acknowledges receipt of copies of the Company's most recent Annual Report on Form 10-K for its last fiscal year and all other reports filed by the Company pursuant to the 1934 Act since the filing of the 10-K and prior to the date hereof.
- v. Proceedings. No proceedings relating to the Note is pending or, to the knowledge of the Investor, threatened before any court, arbitrator or administrative or governmental body that would adversely affect the Investor's right and ability to surrender and exchange the Note.
- vi. Tax Consequences. The Investor acknowledges that the contents this Agreement do not contain tax advice and Investor acknowledges that it has not relied and will not rely upon the Company with respect to any tax consequences related to the exchange of the Note and receipt of the Convertible Preferred Stock. The Investor assumes full responsibility for all such consequences and for the preparation and filing of any tax returns and elections which may or must be filed in connection with such Note and/or the exchange of the Note for the Convertible Preferred Stock.
- vii. Reliance on Exemptions. The Investor understands that the Convertible Preferred Stock is being offered and exchanged in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Investor's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein

and in order to determine the availability of such exemptions and the eligibility of the Investor to acquire the Securities.

viii. Neither the Investor nor its agent or representative has engaged any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Transactions contemplated herein.

Section 5. MISCELLANEOUS

5.1 Further Assurances. The parties to this Agreement hereby agree to execute any other documents and take any further actions, which are reasonably necessary or appropriate in order to implement the transactions contemplated by this Agreement.

5.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

5.3 Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of Nevada. The federal and state courts located in Clark County, Nevada shall have sole and exclusive subject matter jurisdiction over this Agreement and the parties expressly consent to personal jurisdiction in Nevada for the purpose of resolving any dispute related to the making or interpretation of this Agreement.

5.4 Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns, if any, and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns, if any.

5.5 Severability. The provisions of this Agreement are severable and in the event that one or more of its provisions are deemed to be unenforceable or invalid for any reason, such finding will not affect the enforceability or validity of any other provision of this Agreement, which shall remain in full force and effect.

5.6 Public Disclosure. The Company and the Investor agree not to issue any public statement with respect to the Investor's investment or proposed investment in the Company or the terms of any agreement or covenant without the other party's prior written consent, except such disclosures as may be required under applicable law or under any applicable order, rule or regulation.

5.7 Waiver. No failure or delay on the part of either party hereto in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege.

5.8 Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto and supersedes all prior agreements and understandings between the parties relating to the subject matter hereof.

5.9 Parties in Interest. None of the provisions of this Agreement or of any other document

relating hereto is intended to provide any rights or remedies to any person (including, without limitation, any employees or creditors of the Company) other than the parties hereto and their respective heirs, successors and assigns, if any.

5.10 Authorized Signatures. Each party to this Agreement hereby represents that the persons signing below are duly authorized to execute this Agreement on behalf of their respective party.

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

COMPANY: **CLOUDCOMMERCE, INC.**

By: /s/ Andrew Van Noy
Andrew Van Noy, Chief Executive Officer

INVESTOR: **BOUNTIFUL CAPITAL, LLC**

By: /s/ Greg Boden
Greg Boden, President

EXHIBIT A

NOTES