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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **July 31, 2019**

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-55036**

VALUESETTERS INC.

(Exact name of registrant as specified in its charter)

Utah

(State or other jurisdiction of incorporation
or organization)

87-0409951

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

745 Atlantic Avenue

Boston MA 02111

(Address of principal executive offices)

(781) 925-1700

(Registrant's telephone number, including area code)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

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 September 13, 2019 the Company had 830,331,712 shares of its common stock, par value \$0.001 per share, issued and outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

VALUESETTERS, INC.
Condensed Balance Sheets

	<u>July 31, 2019</u>	<u>April 30, 2019</u>
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 190	\$ 19,110
Accounts receivable, net	39,000	6,000
Contract assets	—	15,000
Prepaid expenses	16,877	25,699
Total current assets	<u>56,067</u>	<u>65,809</u>
Deposits	6,300	6,300
Investments at cost	704,249	647,317
Total assets	<u>\$ 766,616</u>	<u>\$ 719,426</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable		
Trade	\$ 278,752	\$ 278,752
Related party	16,680	16,680
Accrued expenses	126,468	131,155
Deferred revenue	20,664	15,711
Notes payable – related parties	74,800	76,100
Interest payable – related parties	28,163	24,102
Loan payable – bank	34,324	34,324
Demand notes payable	7,860	7,860
Total current liabilities	<u>587,711</u>	<u>584,684</u>
Long-term secured note payable to related party	1,000,000	1,000,000
	<u>1,587,711</u>	<u>1,584,684</u>
Commitments and Contingencies	—	—
Stockholders' deficit:		
Common stock, \$.001 par value; 900,000,000 shares authorized, 755,331,712 and 752,519,212 shares issued and outstanding at July 31, 2019 and April 30, 2019, respectively	755,332	752,519
Capital in excess of par value	1,466,231	1,449,356
Accumulated deficit	(3,042,658)	(3,067,133)
Total stockholders' deficit	<u>(821,095)</u>	<u>(865,258)</u>
Total liabilities and stockholders' deficit	<u>\$ 766,616</u>	<u>\$ 719,426</u>

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.
Condensed Statements of Operations
(Unaudited)

	For the Three Months Ended	
	July 31, 2019	July 31, 2018
Revenues	\$ 118,732	\$ 91,918
Cost of revenues	2,366	4,579
Gross profit	116,366	87,339
Costs and expenses:		
Stock-based compensation	28,510	16,216
Consulting fees	39,200	32,000
Marketing	3,539	6,666
Rent	12,529	12,882
General and administrative	3,380	24,455
Total costs and expenses	87,158	92,219
Income (loss) from operations	29,208	(4,880)
Other income (expense):		
Interest expense	(4,733)	(5,027)
Other income	—	2,700
Total other income (expense)	(4,733)	(2,327)
Net income (loss) before taxes	24,475	(7,207)
Income tax	—	—
Net income (loss)	\$ 24,475	\$ (7,207)
Basic earnings (loss) per share	\$ 0.00	\$ (0.00)
Diluted earnings (loss) per share	\$ 0.00	\$ (0.00)
Weighted average number of common shares outstanding:		
Basic	752,549,783	731,937,009
Diluted	752,549,783	731,937,009

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.
Condensed Statements of Stockholders' Deficit
For the Three Months Ended July 31, 2019 and the Year Ended April 30, 2019
(Unaudited)

	Shares	Amount	Capital in Excess of Par Value	Accumulated Deficit	Total Deficit
Balance, April 30, 2018	731,694,210	\$ 731,694	\$ 1,434,328	\$ (3,650,013)	\$ (1,483,991)
Net loss, July 31, 2018	—	—	—	(7,207)	(7,207)
Q1 stock-based compensation	3,937,501	3,938	2,757	—	6,695
Q1 stock issued for purchase	200,000	200	500	—	700
Balance, July 31, 2018	735,831,711	735,832	1,437,585	(3,657,220)	(1,483,803)
Net loss, October 31, 2018	—	—	—	(20,355)	(20,355)
Q2 stock-based compensation	8,262,501	8,262	3,946	—	12,208
Q2 sale of common stock	2,800,000	2,800	2,200	—	5,000
Balance, October 31, 2018	746,894,212	746,894	1,443,731	(3,677,575)	(1,486,950)
Net income, January 31, 2019	—	—	—	12,391	12,391
Q3 stock-based compensation	2,812,500	2,813	562	—	3,375
Balance, January 31, 2019	749,706,712	749,707	1,444,293	(3,665,184)	(1,471,184)
Net income, April 30, 2019	—	—	—	598,051	598,051
Q4 stock-based compensation	2,812,500	2,812	5,063	—	7,875
Balance, April 30, 2019	752,519,212	752,519	1,449,356	(3,067,133)	(865,258)
Net income, July 31, 2019	—	—	—	24,475	24,475
Q1 stock-based compensation	2,812,500	2,813	16,875	—	19,688
Balance, July 31, 2019	755,331,712	\$ 755,332	\$ 1,466,231	\$ (3,042,658)	\$ (821,095)

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.
Condensed Statements of Cash Flows
(Unaudited)

	Three Months Ended July 31, 2019	Three Months Ended July 31, 2018
Operating activities		
Net income (loss)	\$ 24,475	\$ (7,207)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	28,510	16,216
Changes in non-cash working capital balances		
Accounts receivable	(33,000)	—
Investments	(56,932)	—
Contracts receivable	15,000	—
Accounts payable	—	(235)
Accrued expenses	(4,687)	8,426
Interest payable – related party	4,061	—
Deferred revenue	4,953	(47)
Cash provided by (used in) operating activities	(17,620)	17,153
Financing activities		
Proceeds from subscription agreement	—	5,000
Payments on bank loan	—	(1,570)
Payments on demand note	—	(5,500)
Payment on related party note	(1,300)	—
Cash used in financing activities	(1,300)	(2,070)
Increase (decrease) in cash and cash equivalents during the period	(18,920)	15,083
Cash and cash equivalents, beginning of the period	19,110	1,655
Cash and cash equivalents, end of the period	\$ 190	\$ 16,738
Cash paid for:		
Interest	\$ 672	\$ 660
Income taxes	\$ —	\$ —

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.

Notes To Condensed Financial Statements (Unaudited)

Note 1– Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for quarterly reports on Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended July 31, 2019, are not necessarily indicative of the results that may be expected for the fiscal year ended April 30, 2020. For further information, refer to the audited financial statements and footnotes thereto in our Annual Report on Form 10-K for the year ended April 30, 2019.

In February 2016, the FASB issued ASU 2016-2, *Leases* (Topic 842), along with amendments issued in 2018, which requires companies to generally recognize on the balance sheet operating and financing lease liabilities and corresponding right-of-use assets. The update also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The adoption did not have an impact on the Company’s consolidated financial statements, given that the only lease it a short-term agreement.

In June 2018, the FASB issued ASU 2018-7, *Compensation-Stock Compensation* (Topic 718), which now provides guidance for share-based payments to non-employees, resulting in alignment in accounting for employees and non-employees. The amendment is effective for public companies with fiscal years beginning after December 15, 2018. . The Company determined the impact of this pronouncement to its consolidated financial statements to be immaterial.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820), which makes modifications to disclosure requirements on fair value measurements. The amendment is effective for public companies with fiscal years beginning after December 15, 2019. The Company determined the impact of this pronouncement to its consolidated financial statements to be immaterial.

In August 2018, the FASB issued 2018-15, *Intangibles-Goodwill and Other-Internal Use Software* (Subtopic 350-40), which reduces complexity for the accounting for the accounting for costs of implementing a cloud computing service arrangement. The amendment is effective for public companies with fiscal years beginning after December 15, 2019. The Company determined the impact of this pronouncement to its consolidated financial statements to be immaterial.

Note 2 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, the Company has negative working capital of \$531,644 and a stockholders’ deficit of \$821,095. In addition, the Company is unable to meet all of its obligations as they become due. The Company believes that its existing cash resources are not sufficient to fund its lease and debt payments and working capital requirements.

The Company may not be able to raise sufficient additional debt, equity or other cash on acceptable terms, if at all. Failure to generate sufficient revenues, achieve certain other business plan objectives or raise additional funds could have a material adverse effect on the Company’s results of operations, cash flows and financial position, including its ability to continue as a going concern, and may require it to significantly reduce, reorganize, discontinue or shut down its operations.

In view of the matters described above, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company which, in turn, is dependent upon the Company's ability to meet its financing requirements on a continuing basis, and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in its existence.

Management's plans include:

1. Seek to raise debt or equity for working capital purposes and to pay off existing debt balances. With sufficient additional cash available to the Company, it can make additional marketing expenditures and hire people to generate more revenues, and consequently increase cash flow from operations.
2. Continue to look for software niches and other digital products that can be sold via an Internet-based store. Various acquisition opportunities may help us generate the revenues we are seeking and be a quicker path to profitability than organic growth.
3. Continue to provide advisory services to companies seeking to raise capital and assist them with capital raises.

Management has determined, based on its recent history and its liquidity issues that it is not probable that management's plan will sufficiently alleviate or mitigate, to a sufficient level, the relevant conditions or events noted above. Accordingly, the management of the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year after the issuance date of these financial statements.

There can be no assurance that the Company will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If the Company is unable to generate adequate funds from operations or raise sufficient additional funds, the Company may not be able to repay its existing debt, continue to operate its business network, respond to competitive pressures or fund its operations. As a result, the Company may be required to significantly reduce, reorganize, discontinue or shut down its operations. The financial statements do not include any adjustments that might result from this uncertainty.

Note 3 – Revenue Recognition

Revenue Recognition under ASC 606

The Company recognizes service revenue from its consulting contracts and its game website using the five-step model as prescribed by ASC 606:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as, the Company satisfies a performance obligation.

The Company identifies performance obligations in contracts with customers, which primarily are professional services and subscription services. The transaction price is determined based on the amount the Company expects to be entitled to receive in exchange for transferring the promised services to the customer. The transaction price in the contract is allocated to each distinct performance obligation in an amount that represents the relative amount of consideration expected to be received in exchange for satisfying each performance obligation. Revenue is recognized when performance obligations are satisfied. The Company usually bills its customers before it provides any services, and begins performing services after the first payment is received. Contracts are typically one year or less. For larger contracts, in addition to the initial payment, the Company may allow for progress payments throughout the term of the contract.

Judgments and Estimates

The estimation of variable consideration for each performance obligation requires the Company to make subjective judgments. The Company enters into contracts with customers that regularly include promises to transfer multiple services, such as digital marketing, web-based videos, offering statements, and professional services. For arrangements with multiple services, the Company evaluates whether the individual services qualify as distinct performance obligations. In its assessment of whether a service is a distinct performance obligation, the Company determines whether the customer can benefit from the service on its own or with other readily available resources, and whether the service is separately identifiable from other services in the contract. This evaluation requires the Company to assess the nature of each individual service offering and how the services are provided in the context of the contract, including whether the services are significantly integrated, highly interrelated, or significantly modify each other, which may require judgment based on the facts and circumstances of the contract.

When agreements involve multiple distinct performance obligations, the Company allocates arrangement consideration to all performance obligations at the inception of an arrangement based on the relative standalone selling prices (“SSP”) of each performance obligation. Where the Company has standalone sales data for its performance obligations which are indicative of the price at which the Company sells a promised service separately to a customer, such data is used to establish SSP. In instances where standalone sales data is not available for a particular performance obligation, the Company estimates SSP by the use of observable market and cost-based inputs. The Company continues to review the factors used to establish list price and will adjust standalone selling price methodologies as necessary on a prospective basis.

Service Revenue

Service revenue from subscriptions to the Company's game website is recognized over time on a ratable basis over the contractual subscription term beginning on the date that the platform is made available to the customer. Payments received in advance of subscription services being rendered are recorded as a deferred revenue. Professional services revenue is recognized over time as the services are rendered.

When a contract with a customer is signed, the Company assesses whether collection of the fees under the arrangement is probable. The Company estimates the amount to reserve for uncollectible amounts based on the aging of the contract balance, current and historical customer trends, and communications with its customers. These reserves are recorded as operating expenses against the contract asset (Accounts Receivable).

Contract Assets

Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services. Contract assets are included in other current or non-current assets in the consolidated balance sheets, depending on if their reduction will be recognized during the succeeding twelve-month period or beyond.

Deferred Revenue

Deferred revenues represent billings or payments received in advance of revenue recognition and is recognized upon transfer of control. Balances consist primarily of annual plan subscription services and professional and training services not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding twelve-month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other non-current liabilities in the consolidated balance sheets.

Costs to Obtain a Customer Contract

Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized as other current or non-current assets and amortized on a straight-line basis over the life of the contract, which approximates the benefit period. The benefit period was estimated by taking into consideration the length of customer contracts, technology lifecycle, and other factors. All sales commissions are recorded as consulting fees within the Company's consolidated statement of operations.

Remaining Performance Obligations

The Company's subscription terms are typically less than one year. All of the Company's revenues in the three-month periods ended July 31, 2019 and 2018, which amounted to \$118,732 and \$91,918, respectively, are considered contract revenues. Contract revenue as of July 31, 2019 and April 30, 2019, which has not yet been recognized, amounted to \$20,664 and \$15,711, respectively, and is recorded on the balance sheet as deferred revenue. The Company expects to recognize revenue on all of its remaining performance obligations over the next 12 months.

Note 4 – Earnings (Loss) Per Common

Income (loss) per common share data was computed as follows:

	Three Months Ended July 31, 2019	
Net income (loss) attributable to common stockholders – basic	\$ 24,475	\$ (7,207)
Adjustments to net income (loss)	—	—
Net income (loss) attributable to common stockholders – diluted	\$ 24,475	\$ (7,207)
Weighted average common shares outstanding – basic	752,549,783	731,937,009
Effect of dilutive securities	—	—
Weighted average common shares outstanding – diluted	752,549,783	731,937,009
Earnings (loss) per common share – basic	\$ 0.00	(0.00)
Earnings (loss) per common share – diluted	\$ 0.00	(0.00)

For the three-month period ended July 31, 2018, the Company excluded 18,000,000 shares of common stock, issuable upon the exercise of outstanding stock options from the calculation of net loss per share because the effect would be anti-dilutive. For the three-month period ended July 31, 2019, the Company had no convertible or dilutive securities.

Note 5 – Principal Financing Arrangements

The following table summarizes components debt as of July 31, 2019 and April 30, 2019:

	July 31, 2019	April 30, 2019	Interest Rate
Secured lender (affiliate)	\$ 1,000,000	\$ 1,000,000	1.25%
Notes payable – related parties	74,800	76,100	0.0 – 8.0 %
Demand notes payable	7,860	7,860	0.0 – 10.0%
Loan payable – bank	34,324	34,324	5.5%
Total Debt	\$ 1,116,984	\$ 1,118,284	

As of July 31, 2019 and April 30, 2019, the Company owed its principal lender (“Lender”) \$1,000,000 under a loan and security agreement (“Loan”) dated April 28, 2011, that was amended on July 26, 2014 and again on October 31, 2017. The Lender is also the largest shareholder of the Company, owning 271,371,454 shares of common stock, or 36% of the 755,331,712 shares issued and outstanding, as of July 31, 2019.

The Loan was amended on October 31, 2017 to change the maturity date to October 31, 2020, reduce the interest rate from 8% to 1.25% per annum, and reduce the default interest rate from 15% to 8% per annum (the “Amendments”). In conjunction with the Amendments, the Lender also agreed to reduce the total debt and accrued interest payable by \$453,031 to \$1,000,000, in exchange for the Company issuing to the Lender 44,198,246 shares of its common stock. Consequently, upon issuance of the 44,198,246 shares, the Company recorded an increase of \$44,198 in common stock and \$408,833 in capital in excess of par value.

In connection with the financing, the Company has agreed to certain restrictive covenants, including, among others, that the Company may not convey, sell, lease, transfer or otherwise dispose of any part of its business or property, except as permitted in the agreement, dissolve, liquidate or merge with any other party unless, in the case of a merger, the Company is the surviving entity, incur any indebtedness except as defined in the agreement, create or allow a lien on any of its assets or collateral that has been pledged to the Lender, make any loans to any person, except for prepaid items or deposits incurred in the ordinary course of business, or make any material capital expenditures. To secure the payment of all obligations to the Lender, the Company granted to the Lender a continuing security interest and first lien on all of the assets of the Company.

As of July 31, 2019 and April 30, 2019, the Company's related-party unsecured notes payable totaled \$74,800 and \$76,100, respectively. The Company also owes \$34,324 as of July 31, 2019 and April 30, 2019 to Chase Bank. The Company pays interest expense to Chase Bank, which is calculated at a rate of 5.5% per annum.

The debt to Chase Bank was personally guaranteed by a former Chief Executive Officer and Chairman of the Board (the "Former CEO"). The Former CEO sold shares of the Company to a third-party, and in addition to payments to the Former CEO, the contract of sale required the third-party make monthly payments to Chase Bank to pay down the money owed to Chase Bank. Total payments received from the third-party in the three months ended July 31, 2019 and 2018 amounted to \$0 and \$2,700, respectively. These payments were recorded as other income.

Demand notes payable totaled \$7,860 at July 31, 2019 and April 30, 2019.

Note 6 – Income Taxes

At July 31, 2019 and April 30, 2019, the Company had net operating loss carryforwards for Federal income tax purposes of approximately \$1,300,000 expiring in the years of 2020 through 2035. Utilization of the net operating losses may be subject to annual limitations provided by Section 382 of the Internal Revenue Code and similar State provisions.

The Tax Cuts and Jobs Act ("Tax Act") was enacted on December 22, 2017. Among numerous provisions, the Tax Act reduces the U.S. federal corporate tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and creates new taxes on certain foreign sourced earnings. As a result of the Tax Act, the Company remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%.

Due to the nominal income for the three-month period ended July 31, 2019, and the availability of a tax loss carryforward to offset any potential tax, the Company has recorded no income tax expense for the three months ended July 31, 2019. Due to the loss for the three-month period ended July 31, 2018, the Company has recorded no income tax expense for the three months ended July 31, 2018.

Note 7 – Related Party Transactions

The Company's largest shareholder is also its principal lender. As of July 31, 2019 and April 30, 2019, the Company owed its largest shareholder, under a secured lending agreement, \$1,000,000. Under the existing loan agreement, as amended, the maximum amount of the loan is \$1,250,000, and the loan matures on October 31, 2020. The largest shareholder of the Company owns 271,371,454 shares of common stock, or 36% of the 755,331,712 shares issued and outstanding at July 31, 2019.

Compensation to officers in the three-month periods ended July 31, 2019 and 2018 consisted of common stock valued at \$19,688 and \$6,695 respectively, and cash payments of \$30,000 and \$30,000, respectively. The Company also remitted cash payments to a related party consultant of \$7,200 and \$0 in the three-month periods ended July 31, 2019 and 2018, respectively.

The Company owes a director \$16,680 as of July 31, 2019 and April 30, 2019, which is recorded as accounts payable, plus \$15,000 in a non-interest-bearing note payable.

The Company owes a related party \$59,800 and \$61,100 as of July 31, 2019 and April 30, 2019 under a note payable with interest at 8% per annum, which had a maturity date of November 18, 2017.

Accrued interest payable on related party debt amounted to \$28,163 and \$24,102 at July 31, 2019 and April 30, 2019, respectively.

Note 8 – Stockholders’ Deficit

The Company is authorized to issue 900,000,000 shares of its common stock, par value \$0.001. 755,331,212 and 752,519,212 shares were outstanding as of July 31, 2019 and April 30, 2019, respectively.

In the first quarter of fiscal 2020, the Company issued an aggregate of 2,812,500 shares of restricted stock to its chief executive officer, chief financial officer and chief marketing officer as compensation. The shares were valued at \$19,688.

In the first quarter of fiscal 2019, the Company issued 200,000 restricted shares of stock in conjunction with the purchase of a virtual reality game known as SpaceoutVR. The Company also issued 3,937,501 restricted shares of common stock as part of stock-based compensation agreements. Shares issued for compensation amounted to 3,625,000 shares to Company officers, and 312,501 to a consultant.

Compensation expense was recorded of \$8,822 for the three-month periods ended July 31, 2019 and 2018 for previously issued shares in conjunction with a consulting agreement.

Note 9 – Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
July 31, 2019				
Investments at cost	\$ —	\$ —	\$ 704,249	\$ 704,249
April 30, 2019				
Investments at cost	\$ —	\$ —	\$ 647,317	\$ 647,317

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, we base fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used.

Note 10 – Stock-Based Compensation Plans

The Company entered consulting agreements to issue common stock and recorded the applicable non-cash expense in accordance with the authoritative guidance of the Financial Accounting Standards Board. For the three-month periods ended July 31, 2019 and 2018, the Company recorded \$28,510 and \$16,216, respectively, in stock-based compensation expense.

As of July 31, 2019, there was \$16,877 of prepaid stock-based compensation expense for services that end in January 2020.

As of July 31, 2019, an aggregate of 3,437,500 shares of common stock can be earned by our chief marketing officer from unvested stock grants. These shares vest at a rate of 312,500 shares per quarter, over the next eleven quarters.

Note 11 – Deposits and Commitments

The Company utilizes office space in Boston, Massachusetts, under a month-to-month lease agreement that allows to company to end its lease by providing 30-day written notice. The lease agreement includes a deposit of \$6,300.

Note 12 – Concentrations

For the three-month period ended July 31, 2019, the Company had one customer that constituted 81% of its revenues. For the three-month period ended July 31, 2018, the Company had a different customer that constituted 82% of its revenues.

At July 31, 2019 one customer accounted for 100% of the net amount of accounts receivable and at April 30, 2019 a different customer accounted for 100% of the net amount of accounts receivable.

Note 13 – Investments

During fiscal 2019, the Company entered into a consulting contract with NetCapital Systems LLC (“Netcapital”), which allows the Company to receive up to 1,000 membership interest units of NetCapital in return for consulting services. As of July 31, 2019 and April 30, 2019, the Company had earned 771 and 709 membership interest units, respectively, and the remaining 229 units can be earned on a straight-line basis over the 11-month period ended June 30, 2020. The Company valued the membership interest units at \$704,249 and \$647,317, at July 31, 2019 and April 30, 2019, respectively, based upon a private sale of Netcapital membership interest units in which an accredited investor purchased Netcapital membership interest units at a per unit price of \$913 in an arms-length transaction. Such value is consistent with the standard hourly billing rate of \$500 per hour charged by the Company for consulting services.

Note 14 – Subsequent Events

The Company signed two contracts that will generate revenue for the Company in the second quarter of fiscal 2020, when the Company's performance obligations are satisfied. In August 2019 the Company received a \$90,000 fee under an advisory service agreement to perform and deliver a comprehensive transition plan for the transformative use of an airport campus. The engagement is for services through October 11, 2019. On August 1, 2019 the Company signed a three-month marketing and advisory services agreement for a fee of \$540,000. Payment to the Company was 300,000 membership interest units that trade at \$1.80 per unit. The Company is current with its performance obligations for both of these contracts through the date these financial statements were available to be issued.

On September 9, 2019, the Company signed a two-year stock-based compensation agreement with its Chief Executive Officer. The Company issued 25 million shares of its common stock in conjunction with this agreement.

On September 9, 2019, the Company signed a two-year stock-based compensation agreement with its Chief Financial Officer. The Company issued 25 million shares of its common stock in conjunction with this agreement.

On September 9, 2019, the Company signed two-year stock-based compensation agreements with two consultants. The Company issued 12,500,000 shares of its common stock to each consultant in conjunction with these agreements.

The Company evaluated subsequent events through the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

This quarterly report on Form 10-Q and other reports filed by the Company from time to time with the U.S. Securities and Exchange Commission (collectively, the “Filings”) contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company’s management as well as estimates and assumptions made by Company’s management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the Filings, the words “anticipate,” “believe,” “estimate,” “expect,” “future,” “intend,” “plan,” or the negative of these terms and similar expressions as they relate to the Company or the Company’s management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management’s judgment in its application. There are also areas in which management’s judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

Overview

We are a boutique advisory firm, based in Boston, Massachusetts. Our team of experts, including entrepreneurs, angel investors, industry specialists and digital marketing professionals work with companies at all stages to provide assistance with capital raising, strategy, technology consulting and marketing.

We specialize in Regulation Crowdfunding (“Reg CF”), under the provisions of Title III of the JOBS Act of 2012. We believe that new capital raising techniques, such as Regulation CF, democratize capital raising, similar to the way that social networks democratize broadcast mechanisms that once belonged only to traditional media. Reg CF is one of three securities exemptions that enable online capital formation. Reg D 506(c) allows an unlimited amount of money to be crowdfunded from accredited investors. Reg A+ enables an issuer to raise up to \$50 million online from anyone. Reg CF, the smallest of the crowdfunding exemptions, allows issuers to raise up to \$1.07 million from non-accredited investors every 12 months.

Our website lists our clients, which include Braidy Industries that raised \$2,493,054, Phoenix PharmaLabs that raised \$1,102,553, Court Innovations that raised \$499,000 and ORPC that raised \$623,678. This information is available at <https://valuesetters.com/track-record>.

We sometimes take equity stakes in promising technology start-ups. We play an active role in growing these companies.

Our limited operating history and the uncertain nature of our future operations and the markets we address or intend to address make prediction of our future results of operations difficult.

Results of Operations

For the Three Months Ended July 31, 2019 Compared to the Three Months Ended July 31, 2018

Our revenues for the three-months ended July 31, 2019 increased by \$26,814, or 29%, to \$118,732 as compared to \$91,918 reported for the three months ended July 31, 2018. The increase in revenues is attributable to the new consulting services, including digital marketing, that we provided to companies seeking to raise capital. We anticipate revenues for the second quarter of fiscal 2020 will be significantly higher than first quarter revenues. In the second quarter of fiscal 2020 we are providing our services under four service contracts that will generate aggregate revenues of \$706,932 for us in the second quarter, when our performance obligations are satisfied.

Costs of revenues decreased by \$2,213 to \$2,366 for the three-months ended July 31, 2019 from \$4,579 reported in the three-months ended July 31, 2018. The decrease is primarily attributable to a reduction in the variable cost component of our cost of revenues.

Consulting fees increased by \$7,200, or 23%, to \$39,200 for the three months ended July 31, 2019, as compared to \$32,000 reported for the three months ended July 31, 2018. The increase in expense is due to an additional consultant performing services for us in fiscal 2020.

Marketing expense decreased by \$3,127, or 47%, to \$3,539 for the three months ended July 31, 2019, as compared to \$6,666 reported for the three months ended July 31, 2018. The decrease in expense is due to a reevaluation of digital marketing outlets.

Rent expense decreased by \$353, or 3%, to \$12,529 for the three months ended July 31, 2019, as compared to \$12,882 reported for the three months ended July 31, 2018. The decrease in expense is a result of fewer ancillary services used in the three-month period ended July 31, 2019.

General and administrative expenses decreased by \$21,075, or 86%, to \$3,380 for the three months ended July 31, 2019, from \$24,455 for the three months ended July 31, 2018. The decrease is primarily attributed to a decrease in professional fees and an office event.

Stock-based compensation increased by \$12,294, to \$28,510 for the three-months ended July 31, 2019 from \$16,216 reported in the three-months ended July 31, 2018. The increase in expense is primarily due to the higher price per share of our common stock when shares were issued in fiscal 2020.

Interest expense decreased by \$294 to \$4,733 for the three-months ended July 31, 2019, as compared to \$5,027 for the three months ended July 31, 2018. The decrease in interest expense is attributable to reduced debt amounts.

Liquidity and Capital Resources

At July 31, 2019, we had cash and cash equivalents of \$190 and negative working capital of \$531,644 as compared to cash and cash equivalents of \$19,110 and negative working capital of \$518,875 at April 30, 2019.

Net cash provided by (used in) operating activities amounted to \$(17,620) and \$17,153 in the three-months ended July 31, 2019 and 2018, respectively. The principal source of cash from operating activities in the three-months ended July 31, 2019 was net income of \$24,475 and a non-cash item, stock-based compensation of \$28,510. However, changes in non-cash working capital balances used cash totaling \$70,605. The principal use of cash from operating activities in the three-months ended July 31, 2018 was the net loss of \$7,207, but it was offset by a non-cash item, stock-based compensation of \$16,216, and an increase in non-cash working capital balances of \$8,144.

There was no investing activity in the three-months ended July 31, 2019 and 2018.

For the three months ended July 31, 2019, net cash used in financing activities amounted to \$1,300, which consisted of a payment to a related-party lender. Net cash used in financing activities in the three months ended July 31, 2018 amounted to \$2,070, which consisted of \$5,000 in cash proceeds from subscription agreements and \$7,070 in principal payments of outstanding loans.

In the three-months ended July 31, 2019 and 2018, there were no expenditures for capital assets. We do not anticipate any capital expenditures in fiscal 2020.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of our company as a going concern. However, we have very limited liquidity. Management anticipates that we will be dependent, for the near future, on additional capital to fund our operating expenses and anticipated growth, which we intend to achieve through consulting services and the further development of our digital marketing applications. Although we are choosing methods of growth that potentially minimize the use of cash, and we were successful in generating net income for three consecutive quarters, we cannot be assured that we will be able to continue our success until we have secured customers that will provide us with repeat business. Furthermore, the most recent report of our independent registered public accounting firm expresses doubt about our ability to continue as a going concern. Although we have not had to borrow from a related party in fiscal 2020 or in fiscal 2019, in the past, our operating losses have been funded primarily through borrowings from related-party lenders.

We have only paid \$1,300 in principal and we have not paid interest on any related party debt; the interest accrues each month. We believe our related party creditors will not demand payment of our current liabilities to them, in the near future, although each lender may have a change in circumstances and demand payment. Any demand for payment from a related party will have an adverse impact on our ability to achieve our longer-term business objectives, and will adversely affect our ability to continue operating as a going concern.

We believe we have short-term financing available from our largest shareholder to fund a monthly cash-flow deficit, if needed. While we continually look for other financing sources, in the current economic environment, the procurement of outside funding is extremely difficult and there can be no assurance that such financing will be available, or, if available, that such financing will be at a price that will be acceptable to us. Failure to generate sufficient revenues or raise additional capital will have an adverse impact on our ability to achieve our longer-term business objectives and will adversely affect our ability to continue operating as a going concern.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide information under this item.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures.

The Company's management, with the participation of the Company's principal executive officer ("PEO") and principal financial officer ("PFO"), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the PEO and PFO concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective to ensure that information that is required to be disclosed by the Company in the reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including the PEO and PFO, as appropriate, to allow timely decisions regarding required disclosure. The material weaknesses in our disclosure controls and procedures consisted of:

- There is a lack of accounting personnel with the requisite knowledge of Generally Accepted Accounting Principles in the US ("GAAP") and the financial reporting requirements of the SEC; and
- There are insufficient written policies and procedures to insure the correct application of accounting and financial reporting with respect to the current requirements of GAAP and SEC disclosure requirements.

(b) Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide information under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three-month period ended July 31, 2019, we issued 2,812,500 shares of common stock to our executives as stock-based compensation.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

10.1 Employment Agreement Cecilia Lenk

10.2 Employment Agreement Coreen Kraysler

31 Rule 13a-14(a) Certification

32 Rule 13a-14(b) Certification

101.INSXBRL Instance

101.SCHXBRL Schema

101.CAL XBRL Calculation

101.DEF XBRL Definition

101.LABXBRL Label

101.PREXBRL Presentation

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 hereunto duly authorized.

Date: September 13, 2019

VALUESETTERS, INC.

By: /s/ Cecilia Lenk

Cecilia Lenk

Chairman of the Board and Chief Executive Officer

By: /s/ Coreen Kraysler

Coreen Kraysler

Principal Financial Officer

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of September 9, 2019, by and between VALUESETTERS, INC., a Utah corporation (the "Company"), and CECILIA LENK, an individual (the "Employee").

WITNESSETH:

WHEREAS, the Company desires to employ the Employee as Chief Executive Officer of the Company and wishes to acquire and be assured of Employee's services on the terms and conditions hereinafter set forth; and

WHEREAS, the Employee desires to be employed by the Company and to perform and to serve the Company on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual terms, covenants, agreements and conditions hereinafter set forth, the Company and the Employee hereby agree as follows:

1. Employment. (a) The Company hereby employs the Employee to serve as a full-time employee of the Company, and the Employee hereby accepts such employment with the Company, for the period set forth in Section 2 hereof. The Employee's principal place of employment shall be at the offices at 745 Atlantic Avenue, Boston MA, 02111, or such other location as determined by the Company, provided however, that the Employee's principal place of employment shall not be relocated more than 25 miles from its current location without the prior written consent of the Employee.

(b) The Employee affirms and represents that (i) the Employee is under no obligation to any former employer or other party that is in any way inconsistent with, or that imposes any restriction upon, the Employee's acceptance of employment hereunder with the Company, the employment of the Employee by the Company, or the Employee's undertakings under this Agreement and (ii) her performance of all the terms of this Agreement and her employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by her in confidence or in trust prior to her employment by the Company.

2. Term. Unless earlier terminated as provided in this Agreement, the term of the Employee's employment under this Agreement shall be for a period beginning on the date hereof and ending on July 31, 2021 or, if the Employee's employment hereunder is earlier terminated, such shorter period, being hereinafter called the "Employment Term").

3. Duties.

(a) The Employee shall be employed as Chief Executive Officer. The Employee shall faithfully and competently perform such duties at such times and places and in such manner as the Company may from time to time reasonably direct or such other duties appropriate to a senior executive managerial position as the Board of Directors of the Company shall from time to time determine.

(b) Except as may otherwise be approved in writing by the Board of Directors of the Company, and except during vacation periods and reasonable periods of absence due to sickness, personal injury or other disability, the Employee shall devote a minimum of 35 hours per week of time throughout the Employment Term to the services required of Employee hereunder. The Employee shall use her best efforts, judgment and energy to improve and advance the business and interests of the Company and its Affiliates in a manner consistent with the duties of Employee's position.

4. Salary and Bonus.

(a) Base Salary. In consideration for the services of the Employee rendered hereunder, the Company shall pay the Employee a base salary (the "Base Salary") at an annual rate of \$1.00 during the Employment Term, plus twenty-five million shares of common stock, par value \$0.001 of the Company to be issued immediately as a prepaid compensation (the "Prepaid Compensation").

(b) Bonus. Employee shall be eligible for periodic bonuses throughout the year, or for additional salary in excess of the Base Salary.

(c) Withholding, Etc. The payment of any salary or bonus hereunder shall be subject to income tax, social security and other applicable withholdings, as well as such deductions as may be required under the Company's employee benefit plans.

5. Benefits. (a) During the Employment Term, the Employee shall be:

(i) eligible to participate in all employee fringe benefits and any pension and/or profit sharing plans that may be provided by the Company for its key executive employees in accordance with the provisions of any such plans, as the same may be in effect on and after the date hereof;

(ii) eligible to participate in any medical and health plans or other employee welfare benefit plans that may be provided by the Company for its key executive employees in accordance with the provisions of any such plans, as the same may be in effect on and after the date hereof;

(iii) entitled to up to eight (8) weeks of paid time off ("PTO") each year, which shall be taken at such time or times as will not unreasonably hinder or interfere with the Company's business or operations; provided, however, that unused PTO in any 12-month period shall be forfeited and the Employee hereby waives any rights under applicable law or otherwise to be compensated in respect thereof;

(iv) entitled to sick leave, sick pay and disability benefits in accordance with any Company policy that may be applicable on and after the date hereof to key executive employees; and

(v) entitled to reimbursement for all reasonable and necessary out-of-pocket business expenses incurred by the Employee in the performance of the Employee's duties hereunder in accordance with the Company's policies applicable (on and after the date hereof) thereto.

(b) Employee shall cooperate with the Company in the event the Company wishes to obtain key-woman insurance on the Employee. Such cooperation shall include, but not be limited to taking any physical examinations that may be requested by the insurance company.

6. Inventions and Confidential Information. The Employee hereby covenants, agrees and acknowledges as follows:

(a) The Company is engaged in a continuous program of research, design, development, production, marketing and servicing with respect to its businesses.

(b) The Employee's employment hereunder creates a relationship of confidence and trust between the Employee and the Company with respect to certain information pertaining to the business of the Company and its Affiliates (as hereinafter defined) or pertaining to the business of any client or customer of the Company or its Affiliates which may be made known to the Employee by the Company or any of its Affiliates or by any client or customer of the Company or any of its Affiliates or learned by the Employee during the period of Employee's employment by the Company.

(c) The Company possesses and will continue to possess information that has been created, discovered or developed by, or otherwise become known to it (including, without limitation, information created, discovered or developed by, or made known to, the Employee during the period of Employee's employment or arising out of Employee's employment) or in which property rights have been or may be assigned or otherwise conveyed to the Company, which information has commercial value in the business in which the Company is engaged and is treated by the Company as confidential.

(d) Any and all inventions, products, discoveries, improvements, processes, manufacturing, marketing and services methods or techniques, formulae, designs, styles, specifications, data bases, computer programs (whether in source code or object code), know-how, strategies and data, whether or not patentable or registrable under copyright or similar statutes, made, developed or created by the Employee (whether at the request or suggestion of the Company, any of its Affiliates, or otherwise, whether alone or in conjunction with others, and whether during regular hours of work or otherwise) during the period of Employee's employment by the Company which may pertain to the business, products, or processes of the Company or any of its Affiliates (collectively hereinafter referred to as "Inventions"), will be promptly and fully disclosed by the Employee to an appropriate executive officer of the Company (other than the Employee) without any additional compensation therefor, all papers, drawings, models, data, documents and other material pertaining to or in any way relating to any Inventions made, developed or created by Employee as aforesaid. For the purposes of this Agreement, the term "Affiliate" or "Affiliates" shall mean any person, corporation or other entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For the purposes of this definition, "control" when used with respect to any person, corporation or other entity means the power to direct the management and policies of such person or entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(e) The Employee will keep confidential and will hold for the Company's sole benefit any Invention which is to be the exclusive property of the Company under this Section 6 for which no patent, copyright, trademark or other right or protection is issued.

(f) The Employee also agrees that the Employee will not without the prior written consent of the Board of Directors of the Company (i) use for Employee's benefit or disclose at any time during Employee's employment by the Company, or thereafter, except to the extent required by the performance by the Employee of the Employee's duties as an employee of the Company, any information obtained or developed by Employee while in the employ of the Company with respect to any Inventions or with respect to any customers, clients, suppliers, products, employees, financial affairs, or methods of design, distribution, marketing, service, procurement or manufacture of the Company or any of its Affiliates, or any confidential matter, except information which at the time is generally known to the public other than as a result of disclosure by the Employee not permitted hereunder, or (ii) take with the Employee upon leaving the employ of the Company any document or paper relating to any of the foregoing or any physical property of the Company or any of its Affiliates.

(g) The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of this Section 6 would be inadequate and, therefore, agrees that the Company and its Affiliates shall be entitled to injunctive relief in addition to any other available rights and remedies in case of any such breach or threatened breach; provided, however, that nothing contained herein shall be construed as prohibiting the Company or any of its Affiliates from pursuing any other rights and remedies available for any such breach or threatened breach.

(h) The Employee agrees that upon termination of Employee's employment by the Company for any reason, the Employee shall immediately return to the Company all documents, records and other property in Employee's possession belonging to the Company or any of its Affiliates.

(i) Without limiting the generality of Section 9 hereof, the Employee hereby expressly agrees that the foregoing provisions of this Section 6 shall be binding upon the Employee's heirs, successors and legal representatives.

7. Termination. (a) The Employee's employment hereunder shall be terminated upon the occurrence of any of the following:

(i) death of the Employee;

(ii) termination of the Employee's employment hereunder by the Employee at any time for any reason whatsoever (including, without limitation, resignation or retirement) other than for "good reason" as contemplated by clause (v)(B) below;

(iii) termination of the Employee's employment hereunder by the Company because of the Employee's inability to perform Employee's duties on account of disability or incapacity for a period of ninety (90) or more days, whether or not consecutive, occurring within any period of twelve (12) consecutive months;

(iv) termination of the Employee's employment hereunder by the Company at any time for "cause" (as hereinafter defined), such termination to take effect immediately upon written notice from the Company to the Employee; and

(v) termination of the Employee's employment hereunder (A) by the Company at any time, other than termination by reason of disability or incapacity as contemplated by clause (iii) above or termination by the Company for "cause" as contemplated by clause (iv) above and (B) by the Employee for "good reason" (as hereinafter defined).

The following actions, failures or events shall constitute “cause” for termination within the meaning of clause (iv) above: (i) the Employee’s conviction of, admission of guilt to or plea of *nolo contendere* or similar plea (which, through lapse of time or otherwise, is not subject to appeal) with respect to any crime or offense that constitutes a felony in the jurisdiction involved; (2) acts of dishonesty or moral turpitude which are materially detrimental to the Company and/or its Affiliates; (3) failure by the Employee to obey the reasonable and lawful orders of the Board of Directors of the Company following written notice of such failure from the Board of Directors of the Company; (4) any act by the Employee in violation of Section 8 hereof, any statement or disclosure by the Employee in violation of Section 6 hereof, or any material breach by the Employee of a representation or warranty contained in Section 1(b) hereof; (5) following written notice from the Board of Directors of the Company of prior similar actions by Employee, excessive absenteeism (other than by reason of disability); (6) following written notice from the Board or Directors of the Company of prior similar actions by Employee, excessive alcoholism or addiction to drugs not prescribed by a qualified physician or (7) gross negligence by the Employee in the performance of, or willful disregard by the Employee of, the Employee’s obligations hereunder.

The following actions, failures or events shall constitute “good reason” within the meaning of clause (V)(B) above: a material breach by the Company of its obligations under this Agreement or a change in majority control of the Company.

(a) In the event that the Employee’s employment is terminated by the Company prior to July 31, 2021 for any reason other than “cause” or by Employee for “good reason,” then the Company shall have no claims to the 25 million shares of common stock issued to the Employee and the Company agrees to not hinder and to cooperate with the Employee in depositing those shares in a brokerage account, or selling those shares to a third party.

(b) Notwithstanding anything to the contrary expressed or implied herein, except as required by applicable law and except as set forth in paragraph (a) above, the Company (and its Affiliates) shall not be obligated to make any payments to the Employee or on Employee’s behalf of whatever kind or nature by reason of the Employee’s cessation of employment (including, without limitation, by reason of termination of the Employee’s employment by the Company for “cause”), other than (i) such amounts, if any, of Employee’s salary and bonus as shall have accrued and remained unpaid as of the date of said cessation and (ii) such other amounts which may be then otherwise payable to the Employee from the Company’s benefits plans or reimbursement policies, if any.

(c) No interest shall accrue on or be paid with respect to any portion of any payments hereunder.

8. Non-Competition. (a) The term “Non-Compete Term” shall mean the period during which Employee is employed hereunder and (x) in the event Employee’s employment is terminated by the Company for any reason other than “cause” or by Employee for “good reason,” the three-month period following such termination, (y) in the event Employee’s employment is terminated by the Company for “cause” or by Employee for any reason other than “good reason,” the six-month period following such termination.

During the Non-Compete Term:

(i) the Employee will not make any statement or perform any act intended to advance an interest of any existing or prospective competitor of the Company or any of its Affiliates in any way that will or may injure an interest of the Company or any of its Affiliates in its relationship and dealings with existing or potential customers or clients, or solicit or encourage any other employee of the Company or any of its Affiliates to do any act that is disloyal to the Company or any of its Affiliates or inconsistent with the interest of the Company or any of its Affiliate’s interests or in violation of any provision of this Agreement;

(ii) the Employee will not discuss with any existing or potential customers or clients of the Company or any of its Affiliates the present or future availability of services or products of a business, if the Employee has or expects to acquire a proprietary interest in such business or is or expects to be an employee, officer or director of such business, where such services or products are competitive with services or products which the Company or any of its Affiliates provides;

(iii) the Employee will not make any statement or do any act intended to cause any existing or potential customers or clients of the Company or any of its Affiliates to make use of the services or purchase the products of any competitive business in which the Employee has or expects to acquire a proprietary interest or in which the Employee is or expects to be made an employee, officer or director, if such services or products in any way compete with the services or products sold or provided or expected to be sold or provided by the Company or any of its Affiliates to any existing or potential customer or client; and

(iv) the Employee will not directly or indirectly (as a director, officer, employee, manager, consultant, independent contractor, advisor or otherwise) engage in competition with, or own any interest in, perform any services for, participate in or be connected with (i) any business or organization which engages in competition with the Company or any of its Affiliates in any geographical area where any business is presently carried on by the Company or any of its Affiliates, or (ii) any business or organization which engages in competition with the Company or any of its Affiliates in any geographical area where any business shall be hereafter, during the period of the Employee's employment by the Company, carried on by the Company or any of its Affiliates, if such business is then being carried on by the Company or any of its Affiliates in such geographical area; provided, however, that the provisions of this Section 8(a) shall not be deemed to prohibit the Employee's ownership of not more than one percent (1%) of the total shares of all classes of stock outstanding of any publicly held company.

(b) During the Non-Compete Term, the Employee will not directly or indirectly hire, engage, send any work to, place orders with, or in any manner be associated with any supplier, contractor, subcontractor or other person or firm which rendered manufacturing or other services, or sold any products, to the Company or any of its Affiliates if such action by Employee would have a material adverse effect on the business, assets or financial condition of the Company or any of its Affiliates.

(c) In connection with the foregoing provisions of this Section 8, the Employee represents that Employee's experience, capabilities and circumstances are such that such provisions will not prevent Employee from earning a livelihood. The Employee further agrees that the limitations set forth in this Section 8 (including, without limitation, any time or territorial limitations) are reasonable and properly required for the adequate protection of the businesses of the Company and its Affiliates. It is understood and agreed that the covenants made by the Employee in this Section 8 (and in Section 6 hereof) shall survive the expiration or termination of this Agreement.

(d) For purposes of this Section 8, proprietary interest in a business is ownership, whether through direct or indirect stock holdings or otherwise, of one percent (1%) or more of such business. The Employee shall be deemed to expect to acquire a proprietary interest in a business or to be made an officer or director of such business if such possibility has been discussed with any officer, director, employee, agent, or promoter of such business.

(e) The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of this Section 8 would be inadequate and, therefore, agrees that the Company and any of its Affiliates shall be entitled to injunctive relief in addition to any other available rights and remedies in cases of any such breach or threatened breach; provided, however, that nothing contained herein shall be construed as prohibiting the Company or any of its Affiliates from pursuing any other rights and remedies available for any such breach or threatened breach.

9. Non-Assignability. (a) Neither this Agreement nor any right or interest hereunder shall be assignable by the Employee, Employee's beneficiaries, or legal representatives without the Company's prior written consent; provided, however, that nothing in this Section 9(a) shall preclude the Employee from designating a beneficiary to receive any benefit payable hereunder upon Employee's death or incapacity.

(b) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to exclusion, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

10. Binding Effect. Without limiting or diminishing the effect of Section 9 hereof, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and assigns.

11. Notice. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and either delivered in person or sent by first class certified or registered mail, postage prepaid, if to the Company, at the Company's principal place of business, and if to the Employee, at Employee's home address, or, in the case of either party, to such other address or addresses as such party shall have designated in writing to the other party hereto.

12. Severability. The Employee agrees that in the event that any court of competent jurisdiction shall finally hold that any provision of Section 6 or 8 hereof is void or constitutes an unreasonable restriction against the Employee, such provision shall not be rendered void but shall apply with respect to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances. If any part of this Agreement other than Section 6 or 8 is held by a court of competent jurisdiction to be invalid, illegible or incapable of being enforced in whole or in part by reason of any rule of law or public policy, such part shall be deemed to be severed from the remainder of this Agreement for the purpose only of the particular legal proceedings in question and all other covenants and provisions of this Agreement shall in every other respect continue in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision.

13. Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

14. Entire Agreement; Modifications. This Agreement constitutes the entire and final expression of the agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral and written, between the parties hereto with respect to the subject matter hereof. This Agreement may be modified or amended only by an instrument in writing signed by both parties hereto.

15. Relevant Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Massachusetts without regard to the conflicts of law principles thereof.

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

17. Survival. The termination of Employee's employment hereunder shall not affect the enforceability of Sections 6 or 8.

18. Further Assurances. The parties agree to execute and deliver all such further instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement.

19. Headings. The Section headings appearing in this Agreement are for purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

IN WITNESS WHEREOF, the Company and the Employee have duly executed and delivered this Agreement as of the day and year first above written.

VALUESETTERS, INC.

By: /s/ Coreen Kraysler
Name: Coreen Kraysler
Title: CFO

/s/ Cecilia Lenk
Name: CECILIA LENK

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of September 9, 2019, by and between VALUESETTERS, INC., a Utah corporation (the "Company"), and COREEN KRAYSLEER, an individual (the "Employee").

WITNESSETH:

WHEREAS, the Company desires to employ the Employee as Chief Financial Officer of the Company and wishes to acquire and be assured of Employee's services on the terms and conditions hereinafter set forth; and

WHEREAS, the Employee desires to be employed by the Company and to perform and to serve the Company on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual terms, covenants, agreements and conditions hereinafter set forth, the Company and the Employee hereby agree as follows:

1. Employment. (a) The Company hereby employs the Employee to serve as a full-time employee of the Company, and the Employee hereby accepts such employment with the Company, for the period set forth in Section 2 hereof. The Employee's principal place of employment shall be at the offices at 745 Atlantic Avenue, Boston MA, 02111, or such other location as determined by the Company, provided however, that the Employee's principal place of employment shall not be relocated more than 25 miles from its current location without the prior written consent of the Employee.

(b) The Employee affirms and represents that (i) the Employee is under no obligation to any former employer or other party that is in any way inconsistent with, or that imposes any restriction upon, the Employee's acceptance of employment hereunder with the Company, the employment of the Employee by the Company, or the Employee's undertakings under this Agreement and (ii) her performance of all the terms of this Agreement and her employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by her in confidence or in trust prior to her employment by the Company.

2. Term. Unless earlier terminated as provided in this Agreement, the term of the Employee's employment under this Agreement shall be for a period beginning on the date hereof and ending on July 31, 2021 or, if the Employee's employment hereunder is earlier terminated, such shorter period, being hereinafter called the "Employment Term").

3. Duties.

(a) The Employee shall be employed as Chief Financial Officer. The Employee shall faithfully and competently perform such duties at such times and places and in such manner as the Company may from time to time reasonably direct or such other duties appropriate to a senior executive managerial position as the Board of Directors of the Company shall from time to time determine.

(b) Except as may otherwise be approved in writing by the Board of Directors of the Company, and except during vacation periods and reasonable periods of absence due to sickness, personal injury or other disability, the Employee shall devote a minimum of 35 hours per week of time throughout the Employment Term to the services required of Employee hereunder. The Employee shall use her best efforts, judgment and energy to improve and advance the business and interests of the Company and its Affiliates in a manner consistent with the duties of Employee's position.

4. Salary and Bonus.

(a) Base Salary. In consideration for the services of the Employee rendered hereunder, the Company shall pay the Employee a base salary (the "Base Salary") at an annual rate of \$1.00 during the Employment Term, plus twenty-five million shares of common stock, par value \$0.001 of the Company to be issued immediately as a prepaid compensation (the "Prepaid Compensation").

(b) Bonus. Employee shall be eligible for periodic bonuses throughout the year, or for additional salary in excess of the Base Salary.

(c) Withholding, Etc. The payment of any salary or bonus hereunder shall be subject to income tax, social security and other applicable withholdings, as well as such deductions as may be required under the Company's employee benefit plans.

5. Benefits. (a) During the Employment Term, the Employee shall be:

(i) eligible to participate in all employee fringe benefits and any pension and/or profit sharing plans that may be provided by the Company for its key executive employees in accordance with the provisions of any such plans, as the same may be in effect on and after the date hereof;

(ii) eligible to participate in any medical and health plans or other employee welfare benefit plans that may be provided by the Company for its key executive employees in accordance with the provisions of any such plans, as the same may be in effect on and after the date hereof;

(iii) entitled to up to eight (8) weeks of paid time off ("PTO") each year, which shall be taken at such time or times as will not unreasonably hinder or interfere with the Company's business or operations; provided, however, that unused PTO in any 12-month period shall be forfeited and the Employee hereby waives any rights under applicable law or otherwise to be compensated in respect thereof;

(iv) entitled to sick leave, sick pay and disability benefits in accordance with any Company policy that may be applicable on and after the date hereof to key executive employees; and

(v) entitled to reimbursement for all reasonable and necessary out-of-pocket business expenses incurred by the Employee in the performance of the Employee's duties hereunder in accordance with the Company's policies applicable (on and after the date hereof) thereto.

(b) Employee shall cooperate with the Company in the event the Company wishes to obtain key-woman insurance on the Employee. Such cooperation shall include, but not be limited to taking any physical examinations that may be requested by the insurance company.

6. Inventions and Confidential Information. The Employee hereby covenants, agrees and acknowledges as follows:

(a) The Company is engaged in a continuous program of research, design, development, production, marketing and servicing with respect to its businesses.

(b) The Employee's employment hereunder creates a relationship of confidence and trust between the Employee and the Company with respect to certain information pertaining to the business of the Company and its Affiliates (as hereinafter defined) or pertaining to the business of any client or customer of the Company or its Affiliates which may be made known to the Employee by the Company or any of its Affiliates or by any client or customer of the Company or any of its Affiliates or learned by the Employee during the period of Employee's employment by the Company.

(c) The Company possesses and will continue to possess information that has been created, discovered or developed by, or otherwise become known to it (including, without limitation, information created, discovered or developed by, or made known to, the Employee during the period of Employee's employment or arising out of Employee's employment) or in which property rights have been or may be assigned or otherwise conveyed to the Company, which information has commercial value in the business in which the Company is engaged and is treated by the Company as confidential.

(d) Any and all inventions, products, discoveries, improvements, processes, manufacturing, marketing and services methods or techniques, formulae, designs, styles, specifications, data bases, computer programs (whether in source code or object code), know-how, strategies and data, whether or not patentable or registrable under copyright or similar statutes, made, developed or created by the Employee (whether at the request or suggestion of the Company, any of its Affiliates, or otherwise, whether alone or in conjunction with others, and whether during regular hours of work or otherwise) during the period of Employee's employment by the Company which may pertain to the business, products, or processes of the Company or any of its Affiliates (collectively hereinafter referred to as "Inventions"), will be promptly and fully disclosed by the Employee to an appropriate executive officer of the Company (other than the Employee) without any additional compensation therefor, all papers, drawings, models, data, documents and other material pertaining to or in any way relating to any Inventions made, developed or created by Employee as aforesaid. For the purposes of this Agreement, the term "Affiliate" or "Affiliates" shall mean any person, corporation or other entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For the purposes of this definition, "control" when used with respect to any person, corporation or other entity means the power to direct the management and policies of such person or entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(e) The Employee will keep confidential and will hold for the Company's sole benefit any Invention which is to be the exclusive property of the Company under this Section 6 for which no patent, copyright, trademark or other right or protection is issued.

(f) The Employee also agrees that the Employee will not without the prior written consent of the Board of Directors of the Company (i) use for Employee's benefit or disclose at any time during Employee's employment by the Company, or thereafter, except to the extent required by the performance by the Employee of the Employee's duties as an employee of the Company, any information obtained or developed by Employee while in the employ of the Company with respect to any Inventions or with respect to any customers, clients, suppliers, products, employees, financial affairs, or methods of design, distribution, marketing, service, procurement or manufacture of the Company or any of its Affiliates, or any confidential matter, except information which at the time is generally known to the public other than as a result of disclosure by the Employee not permitted hereunder, or (ii) take with the Employee upon leaving the employ of the Company any document or paper relating to any of the foregoing or any physical property of the Company or any of its Affiliates.

(g) The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of this Section 6 would be inadequate and, therefore, agrees that the Company and its Affiliates shall be entitled to injunctive relief in addition to any other available rights and remedies in case of any such breach or threatened breach; provided, however, that nothing contained herein shall be construed as prohibiting the Company or any of its Affiliates from pursuing any other rights and remedies available for any such breach or threatened breach.

(h) The Employee agrees that upon termination of Employee's employment by the Company for any reason, the Employee shall immediately return to the Company all documents, records and other property in Employee's possession belonging to the Company or any of its Affiliates.

(i) Without limiting the generality of Section 9 hereof, the Employee hereby expressly agrees that the foregoing provisions of this Section 6 shall be binding upon the Employee's heirs, successors and legal representatives.

7. Termination. (a) The Employee's employment hereunder shall be terminated upon the occurrence of any of the following:

- (i) death of the Employee;
- (ii) termination of the Employee's employment hereunder by the Employee at any time for any reason whatsoever (including, without limitation, resignation or retirement) other than for "good reason" as contemplated by clause (v)(B) below;
- (iii) termination of the Employee's employment hereunder by the Company because of the Employee's inability to perform Employee's duties on account of disability or incapacity for a period of ninety (90) or more days, whether or not consecutive, occurring within any period of twelve (12) consecutive months;
- (iv) termination of the Employee's employment hereunder by the Company at any time for "cause" (as hereinafter defined), such termination to take effect immediately upon written notice from the Company to the Employee; and
- (v) termination of the Employee's employment hereunder (A) by the Company at any time, other than termination by reason of disability or incapacity as contemplated by clause (iii) above or termination by the Company for "cause" as contemplated by clause (iv) above and (B) by the Employee for "good reason" (as hereinafter defined).

The following actions, failures or events shall constitute "cause" for termination within the meaning of clause (iv) above: (1) the Employee's conviction of, admission of guilt to or plea of *nolo contendere* or similar plea (which, through lapse of time or otherwise, is not subject to appeal) with respect to any crime or offense that constitutes a felony in the jurisdiction involved; (2) acts of dishonesty or moral turpitude which are materially detrimental to the Company and/or its Affiliates; (3) failure by the Employee to obey the reasonable and lawful orders of the Board of Directors of the Company following written notice of such failure from the Board of Directors of the Company; (4) any act by the Employee in violation of Section 8 hereof, any statement or disclosure by the Employee in violation of Section 6 hereof, or any material breach by the Employee of a representation or warranty contained in Section 1(b) hereof; (5) following written notice from the Board of Directors of the Company of prior similar actions by Employee, excessive absenteeism (other than by reason of disability); (6) following written notice from the Board or Directors of the Company of prior similar actions by Employee, excessive alcoholism or addiction to drugs not prescribed by a qualified physician or (7) gross negligence by the Employee in the performance of, or willful disregard by the Employee of, the Employee's obligations hereunder.

The following actions, failures or events shall constitute "good reason" within the meaning of clause (V)(B) above: a material breach by the Company of its obligations under this Agreement or a change in majority control of the Company.

- (a) In the event that the Employee's employment is terminated by the Company prior to July 31, 2021 for any reason other than "cause" or by Employee for "good reason," then the Company shall have no claims to the 25 million shares of common stock issued to the Employee and the Company agrees to not hinder and to cooperate with the Employee in depositing those shares in a brokerage account, or selling those shares to a third party.
- (b) In the event Employee resigns, without "good reason," or retires before the end of the Employment Term, the Prepaid Compensation shall be prorated based on the number of months the Employee was employed, divided by the 24-month term of this Employment Agreement. Employee agrees to return the 25 million share certificate to the Company's transfer agent with instructions to reissue a new certificate to the Employee equal to 25,000,000 shares times x divided by 24, where x is the number of months worked from September 1, 2019 until Employee's resignation, and to further instruct the transfer agent to return the remaining shares from the original 25 million share certificate to the Company.
- (c) No interest shall accrue on or be paid with respect to any portion of any payments hereunder.

8. Non-Competition. (a) The term "Non-Compete Term" shall mean the period during which Employee is employed hereunder and (x) in the event Employee's employment is terminated by the Company for any reason other than "cause" or by Employee for "good reason," the three-month period following such termination, (y) in the event Employee's employment is terminated by the Company for "cause" or by Employee for any reason other than "good reason," the six-month period following such termination.

During the Non-Compete Term:

- (i) the Employee will not make any statement or perform any act intended to advance an interest of any existing or prospective competitor of the Company or any of its Affiliates in any way that will or may injure an interest of the Company or any of its Affiliates in its relationship and dealings with existing or potential customers or clients, or solicit or encourage any other employee of the Company or any of its Affiliates to do any act that is disloyal to the Company or any of its Affiliates or inconsistent with the interest of the Company or any of its Affiliate's interests or in violation of any provision of this Agreement;

(ii) the Employee will not discuss with any existing or potential customers or clients of the Company or any of its Affiliates the present or future availability of services or products of a business, if the Employee has or expects to acquire a proprietary interest in such business or is or expects to be an employee, officer or director of such business, where such services or products are competitive with services or products which the Company or any of its Affiliates provides;

(iii) the Employee will not make any statement or do any act intended to cause any existing or potential customers or clients of the Company or any of its Affiliates to make use of the services or purchase the products of any competitive business in which the Employee has or expects to acquire a proprietary interest or in which the Employee is or expects to be made an employee, officer or director, if such services or products in any way compete with the services or products sold or provided or expected to be sold or provided by the Company or any of its Affiliates to any existing or potential customer or client; and

(iv) the Employee will not directly or indirectly (as a director, officer, employee, manager, consultant, independent contractor, advisor or otherwise) engage in competition with, or own any interest in, perform any services for, participate in or be connected with (i) any business or organization which engages in competition with the Company or any of its Affiliates in any geographical area where any business is presently carried on by the Company or any of its Affiliates, or (ii) any business or organization which engages in competition with the Company or any of its Affiliates in any geographical area where any business shall be hereafter, during the period of the Employee's employment by the Company, carried on by the Company or any of its Affiliates, if such business is then being carried on by the Company or any of its Affiliates in such geographical area; provided, however, that the provisions of this Section 8(a) shall not be deemed to prohibit the Employee's ownership of not more than one percent (1%) of the total shares of all classes of stock outstanding of any publicly held company.

(b) During the Non-Compete Term, the Employee will not directly or indirectly hire, engage, send any work to, place orders with, or in any manner be associated with any supplier, contractor, subcontractor or other person or firm which rendered manufacturing or other services, or sold any products, to the Company or any of its Affiliates if such action by Employee would have a material adverse effect on the business, assets or financial condition of the Company or any of its Affiliates.

(c) In connection with the foregoing provisions of this Section 8, the Employee represents that Employee's experience, capabilities and circumstances are such that such provisions will not prevent Employee from earning a livelihood. The Employee further agrees that the limitations set forth in this Section 8 (including, without limitation, any time or territorial limitations) are reasonable and properly required for the adequate protection of the businesses of the Company and its Affiliates. It is understood and agreed that the covenants made by the Employee in this Section 8 (and in Section 6 hereof) shall survive the expiration or termination of this Agreement.

(d) For purposes of this Section 8, proprietary interest in a business is ownership, whether through direct or indirect stock holdings or otherwise, of one percent (1%) or more of such business. The Employee shall be deemed to expect to acquire a proprietary interest in a business or to be made an officer or director of such business if such possibility has been discussed with any officer, director, employee, agent, or promoter of such business.

(e) The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of this Section 8 would be inadequate and, therefore, agrees that the Company and any of its Affiliates shall be entitled to injunctive relief in addition to any other available rights and remedies in cases of any such breach or threatened breach; provided, however, that nothing contained herein shall be construed as prohibiting the Company or any of its Affiliates from pursuing any other rights and remedies available for any such breach or threatened breach.

9. Non-Assignability. (a) Neither this Agreement nor any right or interest hereunder shall be assignable by the Employee, Employee's beneficiaries, or legal representatives without the Company's prior written consent; provided, however, that nothing in this Section 9(a) shall preclude the Employee from designating a beneficiary to receive any benefit payable hereunder upon Employee's death or incapacity.

(b) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to exclusion, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

10. Binding Effect. Without limiting or diminishing the effect of Section 9 hereof, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and assigns.

11. Notice. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and either delivered in person or sent by first class certified or registered mail, postage prepaid, if to the Company, at the Company's principal place of business, and if to the Employee, at Employee's home address, or, in the case of either party, to such other address or addresses as such party shall have designated in writing to the other party hereto.

12. Severability. The Employee agrees that in the event that any court of competent jurisdiction shall finally hold that any provision of Section 6 or 8 hereof is void or constitutes an unreasonable restriction against the Employee, such provision shall not be rendered void but shall apply with respect to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances. If any part of this Agreement other than Section 6 or 8 is held by a court of competent jurisdiction to be invalid, illegible or incapable of being enforced in whole or in part by reason of any rule of law or public policy, such part shall be deemed to be severed from the remainder of this Agreement for the purpose only of the particular legal proceedings in question and all other covenants and provisions of this Agreement shall in every other respect continue in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision.

13. Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

14. Entire Agreement; Modifications. This Agreement constitutes the entire and final expression of the agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral and written, between the parties hereto with respect to the subject matter hereof. This Agreement may be modified or amended only by an instrument in writing signed by both parties hereto.

15. Relevant Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Massachusetts without regard to the conflicts of law principles thereof.

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

17. Survival. The termination of Employee's employment hereunder shall not affect the enforceability of Sections 6 or 8.

18. Further Assurances. The parties agree to execute and deliver all such further instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement.

19. Headings. The Section headings appearing in this Agreement are for purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

IN WITNESS WHEREOF, the Company and the Employee have duly executed and delivered this Agreement as of the day and year first above written.

VALUESETTERS, INC.

By: /s/ Cecilia Lenk
Name: CECILIA LENK
Title: CEO

/s/ Coreen Kraysler
COREEN KRAYSLER

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Cecilia Lenk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueSetters, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-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 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. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 13, 2019

By: /s/ Cecilia Lenk

Cecilia Lenk
Principal Executive Officer,
ValueSetters, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Coreen Kraysler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueSetters, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-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 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. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 13, 2019

By: /s/ Coreen Kraysler

Coreen Kraysler
Principal Financial Officer
ValueSetters, Inc.

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

In connection with this Quarterly Report of ValueSetters Inc. (the "Company"), on Form 10-Q for the quarter ended July 31, 2019, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Cecilia Lenk, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended July 31, 2019, 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 such Quarterly Report on Form 10-Q for the quarter ended July 31, 2019, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 13, 2019

By: */s/ Cecilia Lenk*

Cecilia Lenk
Principal Executive Officer,
ValueSetters, Inc.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with this Quarterly Report of ValueSetters Inc. (the "Company"), on Form 10-Q for the quarter ended July 31, 2019, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Coreen Kraysler, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (3) Such Quarterly Report on Form 10-Q for the quarter ended July 31, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (4) The information contained in such Quarterly Report on Form 10-Q for the quarter ended July 31, 2019, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 13, 2019

By: */s/ Coreen Kraysler*

Coreen Kraysler
Principal Financial Officer
ValueSetters, Inc.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.