# SECURITIES AND EXCHANGE COMMISSION

# FORM 10-K

Annual report pursuant to section 13 and 15(d)


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## FILER


**Citadel EFT, Inc.**

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

**FORM 10-K**

**[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the fiscal year ended September 30, 2012**

**[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**Commission File No. 333-164882**

**CITADEL EFT, INC.**
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Nevada** | **80-0473573** |
| (State of other jurisdiction of incorporation) | (I.R.S. Employer Identification No.) |
| **325 College Blvd., Oceanside, California** | **92057** |
| (Address of Principal Executive Office) | (Zip Code) |

Registrant' s telephone number, including area code: **(714) 730-8143**

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

Securities registered pursuant to Section 12(g) of the Act: **Common Stock $0.00001 par value**

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

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

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

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

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



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

Large accelerated filer [] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X]

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

The aggregate market value of the voting stock and non-voting common equity held by non-affiliates, computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of March 31, 2012, the last business day of our most recently completed second quarter, was approximately $0.

**ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS**

N/A

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 and 15(d) of the Securities Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes [ ]    No [ ]

**APPLICABLE ONLY TO CORPORATE REGISTRANTS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class Outstanding as of January 14, 2013   Common Stock, $0.00001 233,824,960 shares

**DOCUMENTS INCORPORATED BY REFERENCE**

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (i) any annual report to security holders; (ii) any proxy or information statement; and (iii) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 (the "Securities Act"). The listed documents should be clearly described for identification purposes (e.g. annual reports to security holders for fiscal year ended December 24, 1990).

N/A

>Transitional Small Business Disclosure Format (Check one): Yes[ ] No [X]



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## Forward-Looking Information

Unless otherwise indicated, the terms "Citadel EFT, Inc.", "Citadel", "Company," "we," "our" and "us" are used in this report to refer to Citadel EFT, Inc., a Nevada corporation.

In this Annual Report on Form 10-K ("the Report"), we may make certain forward-looking statements, including statements regarding our plans, strategies, objectives, expectations, intentions and resources that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We do not undertake to update, revise or correct any of the forward-looking information. The following discussion should also be read in conjunction with the audited consolidated financial statements and the notes thereto.

The statements contained in this Report that are not historical fact are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements contained herein are based on current expectations that involve a number of risks and uncertainties. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "intend," "plan," "could," "is likely," or "anticipates," or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. We wish to caution the reader that these forward-looking statements that are not historical facts are only predictions. No assurances can be given that the future results indicated, whether expressed or implied, will be achieved. While sometimes presented with numerical specificity, these projections and other forward-looking statements are based upon a variety of assumptions relating to the business of Citadel, which, although considered reasonable by us, may not be realized. Because of the number and range of assumptions underlying our projections and forward-looking statements, many of which are subject to significant uncertainties and contingencies that are beyond the reasonable control of us, some of the assumptions inevitably will not materialize, and unanticipated events and circumstances may occur subsequent to the date of this report. These forward-looking statements are based on current expectations and we assume no obligation to update this information. Therefore, our actual experience and the results achieved during the period covered by any particular projections or forward-looking statements may differ substantially from those projected. Consequently, the inclusion of projections and other forward-looking statements should not be regarded as a representation by us or any other person that these estimates and projections will be realized, and actual results may vary materially. There can be no assurance that any of these expectations will be realized or that any of the forward-looking statements contained herein will prove to be accurate.

## PART I

### Item 1. DESCRIPTION OF BUSINESS.

**History and Business Development**

We were incorporated under the laws of the state of Nevada as Citadel EFT, Inc., on September 1, 2009. Even though we were incorporated recently, prior to our incorporation, our predecessor company was organized as a sole proprietorship in 1989 and since 1989 has been conducting the same business operations we continue to do now. We provide credit card terminals and merchant account services to retailers. Revenues are generated by residual percentages earned from contracted merchants that we are associated with. In 2009, we changed our fiscal year end from December 31 to September 30.

Our principal executive office is located at 325 College Blvd., Oceanside, California, 92057. This is our mailing address as well. Our telephone number is (714) 730-8143. Our website is http://www.citadelbankcard.com. Our Registered agent for service of process is the National Registered Agents Inc. of NV, located at 1000 East William Street, Suite 204, Carson City, Nevada 89701. Our fiscal year end is September 30.

**Amendment to Articles of Incorporation - Series A Preferred Stock**

Effective December 19, 2011, our Board of Directors approved an amendment to the designation of 51,000,000 shares of Series A preferred stock. We previously filed a designation of Series A preferred stock designating 51,000,000 shares of the authorized 100,000,000 shares of preferred stock as Series A preferred stock (the "Amendment to Designation"). Each share Series A preferred stock is capable of being converted into one share of common stock and has certain preferences with regards to liquidation and dividends. The Series A preferred stock had voting rights of two hundred votes per share of Series A preferred stock. The Amendment to Designation merely changes the conversion price of each preferred share into one share of common stock to $0.00001. The Amendment to Designation will not affect the number of our issued and outstanding common shares. The Amendment to Designation was filed with the Nevada Secretary of State on December 30, 2011.

**Amendment to Articles of Incorporation - Series B, C and D Preferred Stock**

Effective September 26, 2012, our Board of Directors approved the designation of the following series of preferred stock: (i) 10 shares of Series B preferred stock, par value $0.00001; (ii) 30,000,000 shares of Series C preferred Stock, par value $0.00001; and (iii) 18 shares of Series D preferred stock, par value $0.00001 (the "Designation"). The Designation was filed with the Nevada Secretary of State on September 26, 2012.

**Series B Preferred Stock.** The shares of Series B preferred stock do not have any conversion rights. The shares of Series B preferred stock have voting rights. In the event at least one share of Series B preferred stock is issued and outstanding, then the total aggregate issued shares of Series B preferred stock at any given time, regardless of their number, shall have voting rights equal to two times the sum of: (i) the total number of shares of common stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of any preferred stocks which are issued and outstanding at the time of voting. Each individual share of Series B preferred stock will therefore have its proportional vote of the Series B preferred stock ass described under the subsection.



**Series C Preferred Stock.** The shares of Series C preferred stock have certain liquidation rights. Upon our liquidation, dissolution or winding up, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any stock ranking junior to the Series C preferred stock, the holders of the Series C preferred stock shall be entitled to be paid out of our assets an amount equal to $1.00 per share or, in the event of an aggregate subscription by a single subscriber for Series C preferred stock in excess of $100,000, $0.997 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) (the "Preference Value"), plus all declared but unpaid dividends, for each share of Series C preferred stock held by them. The Series C preferred stock shall have conversion rights. Each share of Series C preferred stock shall be convertible, at any time, and/

or from time to time, into the number of shares of the Company' s common stock, par value $0.00001 per share, equal to the price of the Series C preferred stock, divided by the par value of the common stock, subject to adjustment as may be determined by our Board of Directors from time to time (the "Conversion Rate"). And, the Series C preferred stock shall have voting rights. Each share of Series C preferred stock shall have ten votes for any election or other vote placed before our shareholders. Shares of Series C preferred stock may not be converted into shares of common stock for a period of: a) six (6) months after purchase, if we voluntarily or involuntarily files public reports pursuant to Section 12 or 15 of the Securities Exchange Act of 1934; or b) twelve (12) months if we do not file such public reports.

**Series D Preferred Stock.** The shares of Series D preferred stock have certain liquidation rights. Upon any liquidation, dissolution or winding up, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any stock ranking junior to the Series D preferred stock, the holders of the Series D preferred stock shall be entitled to be paid out of our assets an amount equal to $1.00 per share or, in the event of an aggregate subscription by a single subscriber for Series D preferred stock in excess of $100,000, $0.997 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) (the "Preference Value"), plus all declared but unpaid dividends, for each share of Series D preferred stock held by them. The shares of Series D preferred stock have conversion rights. Each share of Series D preferred stock shall be convertible, at any time, and/or from time to time, into the number of shares of our common stock, par value $0.00001 per share, equal to the price of the Series D preferred stock, divided by the par value of the common stock, subject to adjustment as may be determined by the Board of Directors from time to time (the "Conversion Rate"). . Each share of Series D preferred stock shall have ten votes for any election or other vote placed before our shareholders. Shares of Series D preferred stock may not be converted into shares of common stock for a period of: a) six (6) months after purchase, if we voluntarily or involuntarily files public reports pursuant to Section 12 or 15 of the Securities Exchange Act of 1934; or b) twelve (12) months if we do not file such public reports.

**Amendment to Articles of Incorporation - Series C Preferred Stock**

Effective November 6, 2012, our Board of Directors approved an amendment to the designation of Series C preferred stock to increase the number of shares from 30,000,000 to 70,000,000 shares of Series C preferred stock, par value $0.00001 (the "Amendment to Designation"). The Amendment to Designation was filed with the Nevada Secretary of State on November 7, 2012. All other rights, preferences and limitations of the Series C preferred stock remain valid and binding.

**Business Overview and Current Operations**

We have merchant-clients that use our terminals to process their credit card transaction which has allowed us to be profitable, even in our infancy. A further drop in U.S. economic activity beyond the severe slowdown since 2008, which has continued through most of 2011, will undoubtedly have an effect on our revenues, as we make our money principally on "residuals". Residuals are based off a pre-negotiated and contracted percentage rate for each transaction that our merchant-client incurs by its customers. Although we have a standard contract, the rates at which we have negotiated with each of our merchant-clients may vary slightly.

The main challenges we face are continued competition from new entrants into the industry, and limiting our exposure to any erosion of our client base as a result of any possible further deterioration of the economy.

Our other chief concern is competition. Our industry has relatively low barriers to entry. We believe this may lead, in the near-term, to a further splintering of this market industry, but in the mid- to long-term will lead to a consolidation through mergers and acquisitions within this industry. We believe that by streamlining our operations into one public vehicle, we will be in a better position to maximize our value during this foreseen splintering, and then consolidating phases.

**Services, Products and Customers**

We provide credit card merchant services to our client base. Our market consists of established and new businesses. They are composed of large companies consisting of over 100,000 Visa and MasterCard transactions per month and smaller companies with only a few thousand transactions per month. We believe the marketplace will stagnate in the short run, and by 2011 begin to grow again as new businesses start. We have approximately 1,700 merchants with approximately $7 million a month in Visa and MasterCard charges. The merchants are diverse in their geographic location and in the scope of what they do.

**Marketing and Sales**

Internet advertising has been the greatest marketing and sales-generating vehicle. We plan to continue to spend more advertising dollars on Internet advertising.

We will also use marketing experts to generate new clients for Citadel. This includes but is not limited to using blogs, chat rooms, internet promotion companies, search engine placement, opt-in email promotion, self- producing web sites, and referrals.

We “give away” the terminal. The reason for this is that most of the money we generate is through residuals. Residuals are a percentage of the customer base of credit card transactions. For example, if merchant A has $100,000 in credit card sales, Citadel will make a residual on each transaction of every customer that uses their credit card at merchant A’ s location. The amount is based on the quote given to merchant A. The typical amount earned on each account is based on many factors including the discount rate, transaction fee, and the mid- and non-qualified rates. The mid- and non-qualified rates are for business, government, and foreign card transactions. The mid-qualified are for reward cards and keyed-in transactions. Also included are the compliance fees, annual fees, monthly minimums, statement fees to name a few. Visa and MasterCard have over one hundred different categories depending on the type of card used. Terminals are not held in inventory by Citadel. The entire cost of the terminal is expensed upon delivery to the customer.

Once a merchant is contracted with Citadel EFT and the processing company, the merchant can avail himself to an 800 number, provided to Citadel’ s merchant-clients by a third-party vendor, for inquiries on statements. There is also an online statement at mymerchantdata.com where merchants can view their statements online. It is a transitional period which typically takes 1 day from submission of the application to the approval. The terminals are preprogrammed and shipped to the merchant for ease of use. They will receive a starter packet in the mail with Visa and MasterCard decals, instructions on ordering supplies and preventing fraud.

We plan to acquire smaller companies with their merchant base along with their residuals, for either cash, stock or a combination of both. Typically a merchant base buyout is based on the target company’ s monthly residual volume, merchant type and length of time in business. The buyout ratio is anywhere from 15 to 25 times the monthly residual. We see this as a way to grow profits as well as hire new sales associates to promote the Citadel EFT brand.

We implemented our web and advertising strategy from October - December of 2010 to increase awareness of our service offering. While we already have an operational website at http://www.citadelbankcard.com our web strategy will consist of attempts to increase the traffic to our existing site, in particular through the use of web PR firms which can provide search engine optimization services. Search engine optimization is a specialized service wherein the PR firm will re-configure the site, its html coding and its links, to "optimize" or maximize the placement order of the site in search engine results for such search engines as msn, Google, Yahoo and Bing.

**Competition**

Our other chief concern is competition. Our industry has relatively low barriers to entry. We believe this may lead, in the near-term, to a further splintering of this market industry, but in the mid- to long-term will lead to a consolidation through mergers and acquisitions within this industry. We believe that by streamlining our operations into one public vehicle, we will be in a better position to maximize our value during this foreseen splintering, and then consolidating phases. Our main competitors are companies in our field of operations who advertise on the Internet. Currently our competitors are North American Bankcard, United Bankcard, Bank of America, Card Services International and Merchant Warehouse.

**Contractual Relations**

Effective September 27, 2012, we entered into a preliminary asset purchase agreement (the "September 2012 Agreement") with Art to Go, Inc., a New York corporation ("ATG"). ATG sold various memorabilia to us in consideration for the issuance by us to ATG of 1,200,000 shares of Series C preferred stock. Effective September 27, 2012, our Board of Directors authorized the issuance of an aggregate 1,200,000 shares of Series C preferred stock to ATG in accordance with the terms and provisions of the September 2012 Agreement.

On October 24, 2012, we entered into a further asset purchase agreement (the "October 2012 Agreement") with ATG. In accordance with the terms and provisions of the October 2012 Agreement: (i) ATG sold all of its right, title and interest in a various sports memorabilia collection (the "Asset"); and (ii) we shall issue to ATG 2,800,000 shares of our Series C preferred stock to ATG. See "Item Market for Registrant' s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities." A total of 4,000,000 shares of Preferred Series C stock were issued in October as total consideration.

**Government Regulation**

We are not currently subject to direct federal, state or local regulation other than regulations applicable to businesses generally or directly applicable to electronic commerce. However, the Internet is increasingly popular. As a result, it is possible that a number of laws and regulations may be adopted with respect to the Internet. These laws may cover issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights and information security. Furthermore, the growth of electronic commerce may prompt calls for more stringent consumer protection laws. Several states have proposed legislation to limit the uses of personal user information gathered online or require online services to establish privacy policies. The Federal Trade Commission has also initiated action against at least one online service regarding the manner in which personal information is collected from users and provided to third parties. We will not provide personal information regarding our users to third parties. However, the adoption of such consumer protection laws could create uncertainty in Web usage and reduce the demand for our products.



We are not certain how business may be affected by the application of existing laws governing issues such as property ownership, copyrights, encryption and other intellectual property issues, and import and export matters. The vast majority of such laws were adopted prior to the advent of the Internet. As a result, they do not contemplate or address the unique issues of the Internet and related technologies. Changes in laws intended to address such issues could create uncertainty in the Internet market place. Such uncertainty could reduce demand for services or increase the cost of doing business as a result of litigation costs or increased service delivery costs. In addition, because our services are available over the Internet in multiple states, other jurisdictions may claim that we are required toqualify to do business in each such state. We are qualified to do business in all 50 states. Our failure to qualify in a jurisdiction where it is required to do so could subject it to taxes and penalties. It could also hamper our ability to enforce contracts in such jurisdictions. The application of laws or regulations from jurisdictions whose laws currently apply to our business could have a material adverse effect on our business, results of operations and financial condition.

Other than the foregoing, no governmental approval is needed for our electronic merchant services and our business conducted via our website.

We are at a competitive disadvantage in relation to many of these larger competitors, for the following reasons:

- Since our industry runs on very low margins, a larger firm with more clients is better able to use economies of scale in reducing their cost of services, such as the purchasing of terminals and fees paid to processors.
- Larger firms are able to use their size as a marketing point with prospective merchant-clients, equating their size with stability and other attractive traits.
- Larger firms are able to withstand a greater number of their clients' defections than we are, as each client represents a larger percentage of our client base than it does for a larger operator, forcing us to be more responsive to our merchant-clients respective demands, which puts pressure on our ability to increase prices.
- Most, though not all, larger firms have other businesses besides credit card processing, and are therefore not as singularly dependent on the success of their credit card processing business as we are on ours.
- Some large firms, such as Bank of America, can "bundle" various financial services for their clients, including banking, lending, and payroll and tax preparation, together with credit card processing. We cannot.

We intend to attempt to overcome these challenges and competitive disadvantages by:

- Acquiring smaller companies with their merchant base along with their residuals, although nothing has been contemplated through 2012.
  - Increasing advertising in markets that we don' t currently pursue: we will advertise in trade magazines as well as business publications such as Entrepreneur magazine and Inc. magazine, and newspaper publications such as the Wall Street Journal.
    - Continuing to "give away" the terminal to approved merchants. The reason for this is that most of the money we generate is through residuals. Residuals are a percentage of the customer base of credit card transactions.
      - Using marketing experts to generate new clients. This includes but is not limited to using blogs, chat rooms, social networks such as Facebook and Twitter, internet promotion companies such as Media760, search engine placement, opt-in email promotion, self- producing web sites, and referrals.
        - Offering our clients low transaction fees and pricing.
          - Contracting outbound telemarketers.
            - Hiring stock promotion companies and announcement services.
              - Joining professional associations such as the Chamber of Commerce.
                - Forming Internet partnerships by exchanging website promotions.

With these marketing plans in place, we feel that we will increase our merchant base and therefore increase our profits.

**Employees**

We had 1 employee, the principal owner of Citadel, as of January 14, 2013. Our employee is not covered by collective bargaining agreements and we consider our employee relations to be good.

**Patents, Trademarks and Copyrights**

We currently hold no patents covering our business.

**Item 1A. RISK FACTORS**

Not applicable

**Item 1B. UNRESOLV STAFF COMMENT**

None

**Item 2. DESCRIPTI OF PROPERTY**

Our principal corporate offices were relocated at 325 College Blvd., Oceanside, California, 92057. We believe that our current space is suitable, adequate and of sufficient capacity to support our current operation

**Item 3. LEGAL PROCEED**

Periodica we may be involved in legal proceedings arising in the normal course of business. As of the date of this Report, we are currently not involved in any pending, material legal proceedings.

**Item 4. MINE SAFETY RULES**

This item is not applicable.

**PART II**

**Item 5. MARKET F THE REGISTRA COMMON EQUITY, RELATED STOCKHO MATTERS A ISSUER PURCHASE EQUITY SECURITIE**

**Market for Common Stock**

Prior to the effective date of our Registration Statement on Form

S-1, on September 29, 2010, no public market in our common stock existed. Effective in June of 2011, our common stock is quoted on the OTC Markets' OTCQB stock quotation service under the symbol CDFT.

Set forth below are the close prices for each quarter for the Common Stock as reported by the CDFT.OB for the year ended September 30, 2012:

| QUARTER ENDED | CLO |
|---|---|
| December 31, 2011 | |
| March 31, 2012 | |
| June 30, 2012 | |
| September 30, 2012 | |

The source of these close prices was the OTC Bulletin Board. These quotations reflect inter-dealer prices, without retail mark-up, markdown or commissions and may not represent actual transactions. The high and low prices listed have been rounded up to the next highest two decimal places.

It is anticipated that the market price of our common stock will be subject to significant fluctuations in response to variations in our quarterly operating results, general trends in the market for the products we distribute, and other factors, over many of which we have little or no control. In addition, broad market fluctuations, as well as general economic, business and political conditions, may adversely affect the market for our common stock, regardless of our actual or projected performance. On January 11, 2013, the closing price of our common stock as reported by the OTC Bulletin Board was $0.0024 per share. Trading on our Common Stock is extremely limited and sporadic. Therefo prices are not an accurate indication of the market value of our Common Stock.

**Holders**

As of January 14, 2012, there were approximately 50 holders of record of our common stock.

**Dividend Policy**

As of the date of this prospectus, we have not paid any cash dividends to stockholders. The declaration of any future cash dividend will be at the discretion of our board of directors and will depend upon our earnings, if any, our capital requirements and financial position, our general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

**Equity Compensation Plan Information**

Effecti on September 30, 2012, the Board of Directors authorized and approved an amendment to our 2011 Non-Qualified Stock Incentive Plan (the Stock Option Plan), under which an aggregate of 100,000,000 of our shares of common stock may be issued. During fiscal year ended September 30, 2012, the Board of Directors did not authorize the grant of any stock options.

On September 19, 2012, we filed

an S-8 registration statement with the Securities and Exchange Commission registering an aggregate of 100,000,000 stock options under the Stock Option Plan.

The purpose of the Stock Option Plan is to enhance our long-term stockholder value by offering opportunities to our directors, officers, employees and eligible consultants to acquire and maintain stock ownership in order to give these persons the opportunity to participate in our growth and success, and to encourage them to remain in

our
service.

The Stock Option Plan is to be administered by our Board of Directors or a committee appointed by and consisting of one or more members of the Board of Directors, which shall determine (i) the persons to be granted stock options under the 2012 Stock Option Plan; (ii) the number of shares subject to each option, the exercise price of each stock option; and (iii) whether the stock option shall be exercisable at any time during the option period or whether the stock option shall be exercisable in installments or by vesting only. The Stock Option Plan provides authorization to the Board of Directors to grant stock options to purchase a total number of shares of our common stock not to exceed 100,000,000 shares as at the date of adoption by the Board of Directors of the Stock Option Plan. At the time a stock option is granted under the Stock Option Plan, the Board of

Directors shall fix and determine the exercise price at which shares of our common stock may be acquired.

**Recent Sales of Unregistered Securities**

**Consultant Agreements**

In October, 2011, we issued 1,000,000 shares of common stock to a consultant for services rendered. We recorded stock based compensation of $50,000 related to the closing price on the date of issuance of $0.05.

In November, 2011, we issued 2,050,000 shares of common stock to two consultants for services rendered. We recorded stock based compensation of $84,000 based on the respective closing prices on the dates of issuance of $0.04 and $0.08.

In December, 2011, we issued an additional 2,000,000 shares a consultant that was issued shares in October 2011 for services rendered. We recorded stock based compensation of $300,000 based on the respective closing price on the date of issuance of $0.15.

In February, 2012, we issued 6,000,000 shares to a consultant for services rendered. We recorded the stock based compensation of $960,000 based on the respective closing price on the date of issuance of $0.16.

In May 2012, we issued 450,000 shares to a consultant for services rendered. We recorded the stock based compensation of $14,850 based on the respective closing price on the date of issuance of $0.03.

During the year ended September 30, 2012, we issued a further 27,500,000 common shares to various consultants for services. We recorded compensation expense of $495,000 based on the closing price of $0.018 per share on the issuance dates of the shares.

The shares of common stock were issued to the consultants as United States residents in reliance on Section 4(2) and Regulation D promulgated under the United States Securities Act of 1933, as amended (the "Securities Act"). The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the

United States Securities and Exchange Commission or an applicable exemption from the registration requirements. The consultants acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from the Corporation’ s management concerning any and all matters related to acquisition of the securities.

**Series B Preferred Stock**

Effective September

27, 2012, our Board of Directors authorized the future issuance of an aggregate one (1) share of Series B preferred stock to DeRoos for control purposes. The one share of Series B preferred stock was issued at a per share price of $0.00001 in November 2012. The share of Series B preferred stock was issued to Mr. DeRoos as a United States resident in reliance on Section 4(2) promulgated under the Securities Act. The share of Series B preferred stock has not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. DeRoos acknowledged that the securities to be issued have not been registered under the Securities Act, that he understood the economic risk of an investment in the securities, and that he had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

**Series C Preferred Stock**

**Issuance to Mr. DeRoos.** In September 2012, the Board of Directors further authorized future issuance of the 40,000,000 shares to Series C preferred stock to Mr. DeRoos based for future rendering of the outstanding services, leadership and innovative business operational strategies provided by DeRoos and his continuous dedication and loyalty to us. The 40,000,000 shares of Series C preferred stock were issued at a per share price of $0.00001 in November 2012. The shares of Series C preferred stock was issued to DeRoos as a United States resident in reliance on Section 4(2) promulgated under the Securities Act. Neither the shares of Series C preferred stock nor the underlying common stock have been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. DeRoos acknowledged that the securities to be issued have not been registered under the Securities Act, that he understood the economic risk of an investment in the securities, and that he had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

**Issuance to ATG.** Effective September 12, 2012, the Board of Directors of the Company authorized the issuance of an aggregate 1,200,000 shares of Series C preferred stock to ATG in accordance with the terms and provisions of the September

2012 Agreement. The 1,200,000 shares of Series C preferred stock were issued to ATG at a per share price of $0.00001 after the finalization of the asset purchase agreement in October 2012. The shares of Series C preferred stock were issued to ATG as a United States resident in reliance on Section 4(2) promulgated under the Securities Act. Neither the shares of Series C preferred stock nor the underlying common stock have been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. ATG acknowledged that the securities to be issued have not been registered under the Securities Act, that it understood the economic risk of an investment in the securities, and that it had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

**Issuan to ATG.** Effective October 24, 2012, our Board of

Directors authorized the further issuance of an aggregate 2,800,000 shares of Series C preferred stock to ATG in accordance with the terms and provisions of the October 2012 Agreement. The 2,800,000 shares of Series C preferred stock were issued to ATG at a per share price of $0.00001. The shares of Series C preferred stock were issued to ATG as a United States resident in reliance on Section 4(2) promulgated under the Securities Act. Neither the shares of Series C preferred stock nor the underlying common stock have been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration with the United States Securities and Exchange Commission or an applicable exemption from the registration requirements. ATG acknowledged that the securities to be issued have not been registered under the Securities Act, that it understood the economic risk of an investment in the securities, and that it had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

**PENNY STOCK RULES**

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

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



The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document, which: (i) contains a description of the nature and level of risk in the market for penny stock in both public offerings and secondary trading; (ii) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the Securities Act of 1934, as amended; (iii) contains a brief, clear, narrative description of a dealer market, including "bid" and "ask" price for the penny stock and the significance of the spread between the bid and ask price; (iv) contains a toll-free telephone number for inquiries on disciplinary actions; (v) defines significant terms in the disclosure document or in the conduct of trading penny stocks; and (vi) contains such other information and is in such form (including language, type, size and format) as the Securities and Exchange Commission shall require by rule or regulation;

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, to the customer: (i) the bid and offer quotations for the penny stock; (ii) the compensation of the broker-dealer and its salesperson in the transaction; (iii) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (iv) monthly account statements showing the market value of each penny stock held in the customer's account.

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

**Item 6. SELECTED FINANCIAL DATA**

This item is not applicable for smaller reporting companies.

**Item 7. MANAGEM DISCUSSIO ANALYSIS FINANCIAL CONDITIO RESULTS O OPERATIO**

*The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes to those financial statements appearing elsewhere in this Form 10-K. This discussion* *contains forward-looking statements that involve significant risks and uncertainties. As a result of many factors, our actual results may differ materially from those anticipated in our forward-looking statements. . Factors that could cause or contribute to such differences include, but are not limited to those discussed below and elsewhere in this Annual Report. Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.*

**GENERAL**

We have merchant-clients that use our terminals to process their credit card transaction which has allowed us to be profitable, even in our infancy. A further drop in U.S. economic activity beyond the severe slowdown since 2008 that has continued into much of 2012 will undoubtedly have an effect on our revenues, as we make our money principally on "residuals". Residuals are based off a pre-negotiated and contracted percentage rate for each transaction that our merchant-client incurs by its customers. Although we have a standard contract, the rates at which we have negotiated with each of our merchant-clients may vary slightly.

The main challenges we face are continued competition from new entrants into the industry, and limiting our exposure to any erosion of our client base as a result of any possible further deterioration of the economy.

Our other chief concern is competition. Our industry has relatively low barriers to entry. We believe this may lead, in the near-term, to a further splintering of this market industry, but in the mid- to long-term will lead to a consolidation through mergers and acquisitions within this industry. We believe that by streamlining our operations into one public vehicle, we will be in a better position to maximize our value during this foreseen splintering, and then consolidating phases.

**EXECUTIVE OVERVIEW**

Our specific goal is to continue the expansion of our business by increasing our customer base of merchant-clients and continue to be on the lookout for acquisition targets in the form of assets and businesses that would add to our business objectives.

**RESULTS OF OPERATION**

*Revenues*

| | Year Ended September 30, 2012 |
|---|---|
| Revenues | $ 493, |

Revenues increased by $33,672, or 7.3 percent to $493,442 for the year ended September 30, 2012 from $459,770 for the previous year ended September 30, 2011. The revenue rate increased due to the number of clients and the Visa/ MasterCard volume for our high volume customers. Revenues are reported net of amounts paid to sponsor banks, as well as interchange and assessments paid to credit card associations (MasterCard and Visa) under revenue sharing agreements pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

*Operating Expenses*

| | Year E[illegible] Septem[illegible] 20[illegible] |
|---|---|
| Operating expenses | $ 2,3[illegible] |

Our operating expenses decreased from $24,913,836 for the year ended September 30, 2011 to $2,387,682 for the year ended September 30, 2012. Our largest expenditure for both periods was executive compensation which consisted primarily of stock based compensation to our sole officer, Mr. Gary DeRoos of $24,445,000 during 2011 and other consultants of $1,903,850 during 2012.

Thus our net loss for fiscal year ended September 30, 2012 was ($1, 894,240) compared to a net loss of ($24,456,706) during fiscal year ended September 30, 2011.

**CAPITAL RESOURCES AND LIQUIDITY**

As of September 30, 2012, our current assets were $80,279 and our current liabilities were $147,675, which resulted in a working capital deficit of $67,396. As of September 30, 2012, current assets were comprised of:

(i) $42,871 in cash and cash equivalents; (ii) $34,205 in accounts receivable; and (iii) $3,203 in tax receivable. As of September 30, 2012, our current liabilities were comprised of $147,675 in accounts payable and accrued liabilities.

As of September 30, 2012, our total assets were $80,279 comprised of current assets. The decrease in total assets during fiscal year ended September 30, 2012 from fiscal year ended September 30, 2011 was primarily due to a decrease in cash.

As of September 30, 2012, our total liabilities were $147,675 comprised entirely of current liabilities. The increase in liabilities during fiscal year ended September 30, 2012 from fiscal year ended September 30, 2011 was primarily due to the increase in accounts payable and accrued liabilities relating to obligations under consulting agreements.

Stockhol deficit increased from $82,994 as of September 30, 2011 to ($67, 396) as of September 30, 2012.

***Cash Flows from***

***Operating Activities***

For fiscal year ended September 30, 2012, cash provided by operating activities was approximately $148,539 as compared to cash used in operating activities of $58,276 for fiscal year ended September 30, 2011. Our working capital deficit was $67,396 at September 30, 2012 as compared to working capital of $82,994 at September 30, 2011; due to larger accruals for consulting agreements entered into at September 30, 2012. We recorded the following non-cash charges during 2012 and 2011: share-based compensation of approximately $1, 903,850 as compared to $24, and 460,600 for 2011.

***Cash Flows from Financing Activities***

For the year ended September 30, 2012, cash used in financing activities was $160,000 for dividends paid to Mr. DeRoos on the preferred series A stock, as compared to $0 for the year ended September 30, 2011.

**PLAN OF OPERATION**

Over the course of the past three years of operations, including the operations of our predecessor company, we have not seen large, sudden shifts in revenues, although because our business model is reliant on the size of consumer transactions, we have seen, over the past three years, a slight, general increase in revenues likely owing to gradual inflation. We have made no attempt to quantify the amount of increase in our revenue that is due to inflation, although we suspect that it tracks the U.S. Bureau of Labor Statistics Consumer Price Index of approximately 5% over the past three years, owing to the breadth of goods and services in which credit cards are used.

Our primary source of liquidity is cash from operations. Were our residuals from credit card processing transactions to drop steeply, we would not be able to quickly or automatically make up the liquidity through other sources. However, through the economic downtrend, our cash flow has remained steady and has had a slight uptrend.



While on of the

strong current trends in the consumer credit markets is for the paying down of personal debt and the increase of personal savings among consumers, our management believes, based only upon our own activity and revenue data which it has observed, that this trend is most likely occurring in the form of paying off a larger portion of each respective consumers' monthly credit card bills, and not through a reduced use of the card itself. Our management's belief is that consumers still use their credit cards for purchases in a slow economic climate; even increasing the amount they spend on a credit card, as a way to manage their own contracted or uncertain cash flows. Our only debt relates to advances from our president and we have no loans or leases on property or equipment. We do not own any real estate. Revenues are generated by residuals from banks that we have contracts with. We generate our income as the third-party agent for point-of-sale credit card payment processing providers such as Best

Payment Solutions, Moneris and National Processing Center. We have no financing debt associated with the business. Unlike banks and credit card issuers, we have no exposure to loss due to nonpayment and bad debt. The processing company and merchants are liable for such debt.

**CRITICAL ACCOUNTING POLICIES**

The discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements in accordance with US GAAP requires us to make estimates and judgments that may affect assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to revenue recognition and related allowances, costs and estimated earnings incurred in excess of billings on uncompleted contracts, inventory, impairments of long-lived assets, including intangible assets, impairments of goodwill, income taxes including the valuation allowance for deferred tax assets, billings in excess of costs and estimated earnings on uncompleted contracts; contingencies and litigation, and share-based payments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following accounting policies are critical to our business operations and the understanding of our operations and include the more significant judgments and estimates used in the preparation of our consolidated financial statements. The consolidated financial statements include the accounts of Deep Down, Inc. and its wholly-owned subsidiaries.

***Revenue Recognition***

We derive revenues primarily from the electronic processing of credit, charge and debit card transactions that are authorized and captured through third-party networks. Typically, merchants are charged for these processing services based on a percentage of the dollar amount of each transaction and in some instances, additional fees are charged for each transaction. Certain merchant customers are charged a flat fee per transaction and may also be charged miscellaneous fees, including fees for handling charge backs, monthly minimums, equipment rentals, sales or leasing and other miscellaneous services.

Revenues are reported net of amounts paid to sponsor banks, as well as interchange and assessments paid to credit card associations (MasterCard and Visa) under revenue sharing agreements pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

We follow the requirements of ASC 605-45, "Revenue Recognition, Principal Agent Considerations," in determining our revenue reporting. Generally, we report revenues at the time of sale on a net basis where we are not the primary obligor in the arrangement, have minimal latitude in establishing the price of the services, do not change the product and perform part of the service, do not have discretion in supplier selection, do not have latitude in determining the product and service specifications to meet our client' s needs and do not assume credit risk. This amount includes interchange paid to card issuing banks and assessments paid to credit card associations pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

**Recent Accounting Pronouncements**

Recent Accounting Pronouncements are included in “Part II, Item 8. Financial Statements” Note 1 to the consolidated financial statements, “Summary of Significant Accounting Policies.”

**OFF-BALANCE SHEET ARRANGEMEN**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**Inflation and Seasonality**

We do not believe that our operations are significantly impacted by inflation. Our business is not seasonal in nature.

**Item 7A. QUANTITAT AND QUALITAT DISCLOSU ABOUT MARKET R**

This item is not applicable for smaller reporting companies.

**Item 8. FINANCIAL STATEMEN**

The financial statements and schedules are included herewith commencing on page F-1.

| | |
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**Item 9. CHANGES I DISAGREE WITH ACCOUNTA ON ACCOU AND FINAN DISCLOSU**

None

**Item 9A. CONTROLS AND PROCEDUR**

**EVALUATION OF DISCLOSURE CONTROLS AND PROCEUDRES**

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective due to the material weakness described below to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

**Management' s Report on Internal Control over Financial Reporting.**

Managem is responsible for the fair presentation of the consolidated financial statements of Citadel EFT. Managemen is also responsible for establishing and maintaining a system of internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is designed 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. Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Citadel;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Citadel are being made only in accordance with authorizations of our management and directors; and

(iii) reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Managem conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control–Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Bas on this evaluation, our management concluded our internal control over financial reporting was not effective as of September 30, 2012.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weakness.

As of September 30, 2012, we did not maintain effective controls over the control environment. The Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert. We did not maintain the following controls: sufficient policies and procedures over the administration of our accounting and fraud risk policies, and a sufficient segregation of duties to decrease the risk of inappropriate accounting since there is only 1 employee. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness. Additionally, this control deficiency could result in another material weakness that could result in a material misstatement of the consolidated financial statements that would not be prevented or detected.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Manag

report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only the management's report in this annual report.

**Changes in Internal Control Over Financial Reporting.**

There have been no changes to our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the fiscal quarter ended

September 30, 2012 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. OTHER INFORMAT**

None.

## PART III

### Item 10. DIRECTOR[S], EXECUTIV[E] OFFICERS AND CORPORAT[E] GOVERNAN[CE]

The following table sets forth the names, ages and positions of our directors and executive officers.

| Name | Age | Po[sition] He[ld] ... |
|---|---|---|
| Gary DeRoos* | 51 | Pr... Ch... Ex... Of... Se... Ch... Fi... Of... Pr... Ac... Of... Di... |
| Maria Teresa DeRoos | 47 | Di... |

*Gary and Maria DeRoos are married to each other.

Biograph[ical] information regarding each of our directors is as follows. The following paragraphs also include specific information about each director' s experience, qualifications, attributes or skills that led the Board of Directors to the conclusion that the individual should serve on the Board as of the time of this filing, in light of our business and structure:

*Gary DeRoos, President, Chief Executive Officer, Secretary, Chief Financial Officer, Principal Accounting Officer and Director*. Mr. DeRoos (husband of Maria Teresa DeRoos) has been our President, Chief Executive

Officer, Secretary/ Treasurer, Chief Financial Officer, Principal Accounting Officer and a member of the Board of Directors. From 1989 to the present, Mr. DeRoos has been the owner of Citadel E.F.T., a sole proprietorship engaged in the business of providing credit card terminals and merchant account services in Oceanside, California.

*Maria Teresa DeRoos.* _ Mrs. DeRoos (wife of Gary DeRoos) has been a member of the Board of Directors. From 1994 to the present, Mrs. DeRoos has served as a financial and management information advisor for Citadel E.F.T, a sole proprietorship engaged in the business of providing credit card terminals and merchant account services in Oceanside, California.

During the past ten years, neither Mr. nor Mrs. DeRoos have been the subject of any of the following events:

- Any bankruptcy petition filed by or against any business of which Mr. and/or Mrs. DeRoos were a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.

2. Any conviction in a criminal proceeding or being subject to a pending criminal proceeding.

3. An order, judgment, or decree, not subsequently reversed, suspended or vacated, or any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting Mr. or Mrs. DeRoos' involvement in any type of business, securities or banking activities.

4. Found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Future Trading Commission to have violated a federal or state securities or commodities

law, and the judgment has not been reversed, suspended or vacated.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 1 of the Exchange Act requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of securities ownership and changes in such ownership with the SEC. Officers, directors and greater than ten percent shareholders also are required by rules promulgated by the SEC to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to us or written representations of our officers and directors, we believe that all Section 16(a) filing requirements were filed on a timely basis.

**Item 11. EXECUTIV COMPENSA**

The following table sets forth information concerning the total compensation earned in the fiscal years ended September 30, 2012 and 2011 by our Chief Executive Officer and Secretary.

**Summary Compensation Table**

| Name and Principal Position | Year | |
|---|---|---|

| | | |
|---|---|---|
| Gary DeRoos President, Chief Executive Officer , Chief Financial Officer and Director | 2012<br>2011 | $<br>$ |
| Maria DeRoos, Secretary | 2012<br>2011 | |

(1) The amount in the “Bonus” column for 2012 and 2011 was paid at the sole discretion of the board of directors.

(2)The amounts in the “All Other Compensation” column for 2012 and 2011 respectively were attributed to the following: dividends on preferred Series A of $160,000 and $0 for 2012 and 2011, respectively; a vehicle allowance of $1,744 and $0 in 2012 and 2011, respectively; and healthcare expenses paid by the company on Mr. DeRoos' behalf in the amount of $10,895 and $10,240 in 2012 and 2011, respectively.

(3) Compensation related to stock awards is comprised of the following:

In May, 2011, we issued 71,000,000 shares of common stock to our sole officer Gary DeRoos for services rendered. We recorded compensation expense in an amount equal to the fair market value of $3,550,000 according to the latest private placement per share amount of $0.05 given the common stock was not traded on an exchange, therefore the trading price could not be determined.

In September, 2011, we issued 100,000,000 shares of common stock to our sole officer Gary DeRoos for services rendered. We recorded compensation expense in an amount equal to the fair market value of $13,500,000 according to the closing price of $0.135 per share on the date of issuance.

In September, 2011, we issued 51,000,000 shares of Series A preferred stock to our sole officer, Mr. Gary DeRoos for services rendered. We recorded compensation expense in an amount equal to the fair value of the company's common stock as the preferred shares are convertible at a one-to-one ratio into shares of common stock. The fair market value of our common stock was $7,395,000 according to the closing price of $0.145 on the date of issuance.

**Outstanding Equity Awards at September 30, 2012**

There are no outstanding equity awards at September 30, 2012.

**Compensation of Directors**

Each of our directors who also serve as our executive officers do not receive any additional compensation for their performance of services as directors. We may agree to provide compensation to these directors in the future.

**Item 12. SECURITY OWNERSHI OF CERTAI BENEFICIA OWNERS A MANAGEM AND RELAT STOCKHOL MATTERS**

The following table sets forth certain information, as of January 14, 2013 concerning the beneficial ownership of shares of stock by (i) each person known by us to beneficially own more than 5 percent of the outstanding shares of our common stock; (ii) each Director; (iii) our “Named Executive Officers” (as determined under Item 402(m) of Regulation S-K); and (iv) all directors and executive officers of

Citadel as a group. To our knowledge, all persons listed in the table have sole voting and investment power with respect to their shares, except to the extent that authority is shared with their respective spouse under applicable law. In addition, all persons named below can be reached at Citadel EFT, Inc. at 325 College Blvd., Oceanside, California 92057.

| **Name of Be** |
| --- |
| Gary DeRoos (2) |

| |
|---|
| Maria Teresa DeR |
| All directors and o persons) |

- Less than 1%

(1) A person is deemed to be the beneficial owner of securities that can be acquired within 60 days from the date set forth above through the exercise of any option, warrant or right. Shares of common stock subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the percentage of the person holding such options, warrants or rights, but are not deemed outstanding for computing the percentage

of any other person. The amounts and percentages are based upon 233,824,960 shares of common stock outstanding as of January 14, 2013.

(2) Mr. and Mrs. DeRoos are husband and wife.

(3) In addition, Mr. DeRoos owns 51,000,000 of Series A Preferred Stock which is convertible into common shares on a one-to-one ratio. Mr. DeRoos owns 40, 000,000 shares of Series C preferred stock which are converted into common shares at a 1 to 100,000 ratio.

Disclosur regarding our equity compensation plans as required by this item is incorporated by reference to the information set forth under Item 5 "Market for the Registrant' s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in Part II of this report.



**Item 13. CERTAIN RELATION AND RELAT TRANSACT AND DIREC INDEPEND**

**REVIEW AND APPROVAL OF RELATED PERSON TRANSACTION**

Our Board of Directors and Management recognize that related person transactions present a heightened risk of conflicts of interest, and therefore we review all relationships and transactions in which we and our directors, director nominees and executive officers or their immediate family members, as well as holders of more than 5% of any class of our voting securities and their family members, have a direct or indirect material interest. As required under SEC rules, transactions that are determined to be directly or indirectly material to us or a related person are disclosed in our annual Form 10-K statement. Gary DeRoos and Maria

Teresa DeRoos are deemed “promoters” of our company, within the meaning of such term under the Securities Act of 1933, since they co-founded and organized our company. Mr. and Ms. DeRoos are our only “promoters”. In September 2009, we issued 12,000,000 shares of common stock as restricted securities to Gary DeRoos, our sole officer and a director, in consideration of $0.00001 per share or a total of $120. In May, we issued 71,000,000 shares of common stock to our sole officer Gary

DeRoss for services rendered. We recorded compensation expense in an amount equal to $3,500.000 according to the latest private placement per share or $0.05 given the common stock was not on a public exchange, therefore the trading price could not be determined. In September 2011, we issued 100,000,000 shares of common stock to our sole director Gary DeRoos for services rendered. We recorded compensation expense equal to the fair market value of $13,500,000 according to the closing price of $0.135 per share the date of issuance. In September 2011, we issued shares of Series A Preferred stock to Mr. DeRoos for services rendered. We recorded compensation expense in an amount equal of the fair market value of the company's common stock at the preferred shares are convertible at a one-to-one ratio into shares of common stock. The fair market value of an equivalent amount of our common stock was $7,395,000 according to the closing price of $0.145 on the date of issuance.

Neither Mr. nor Ms. DeRoos has received, nor are either entitled to receive any additional consideration for their services as our promoters.

**Item 14. PRINCIPAL ACCOUNTA FEES AND SERVICES**

| | Septemb 30, 201 |
|---|---|
| (i) Audit Fees | $ 15,2 |
| (ii) Audit Related Fees | |
| (iii) Tax Fees | |
| (iv) All Other Fees | |

*Audit Fees*: Consists of fees billed for professional services rendered for the audit of Citadel' s financial statements, the review of interim condensed consolidated financial statements included in quarterly reports, registration statements and other offering documentation, services that are normally provided in connection with statutory and regulatory filings or engagements and attest services, except those not required by statute or regulation.

*Audit-Related Fees*: Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit and review of Citadel’ s consolidated financial statements and are not reported under "Audit Fees."

*Tax Fees*: Consists of tax compliance, tax preparation and other tax services. Tax compliance and tax preparation consists of fees billed for professional services related to assistance with tax returns. Other tax services consist of fees billed for other miscellaneous tax consulting.

*All Other Fees*: None.

**Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors**

The Board of Directors pre-approves all audit and permissible non-audit services provided by

Citadel' s principal accountant. These services may include audit services, audit-related services, tax services and other services. The Board of Directors may also pre-approve particular services on a case-by-case basis and may delegate pre-approval authority to one or more directors. If so delegated, the director must report any pre-approval decision to the Board of Directors at its first meeting after the pre-approval was obtained.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

(a) Financial Statements and Schedules. See the financial statements and related schedules commencing on page F-1 of this report.

(b) Exhibits

3.1 Articles of Incorporation
3.1.1 of Citadel EFT(1)
3.1.2
Articles of Amendment
3.1.3 and Designation for Series A
3.1.4 Preferred Stock filed with the Nevada
3.2 Secretary of State on
10.1 September 6, 2011 (2)
10.2
Articles of
31.1 Amendment regarding Series A
31.2 Preferred Stock filed with the
32.1 Nevada Secretary of State on
32.2 December 30, 2011 (3)

Articles of Amendment and Designation for Series B, C and D Preferred

Stock filed with the Nevada Secretary of State on September 26, 2012 (4)

Articles of Amendment regarding Series C Preferred Stock filed with the Nevada Secretary of State on November 7, 2012 (5)

Bylaws of Citadel EFT (6)

Asset Purchase Agreement dated September 27, 2012 between Citadel EFT and Art to Go (7)

Asset Purchase Agreement dated October 24, 2012 between Citadel EFT and Art to Go (8)

Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act.

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act.

Certification of Chief Executive Officer and Chief Financial Officer Under Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act.

Certification of Chief Executive Officer and Chief Financial Officer Under Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act.

(1) Incorporated by reference from our Registration Statement on Form S-1 filed with the Securities and Exchange Commission on

February 12, 2010
(2) Incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on September 19, 2011.
(3) Incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2012.
(4) Incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on October 1, 2011.
(5) Incorporated by reference from our Current

Report on Form 8-K filed with the Securities and Exchange Commission on November 13, 2011

(6) Incorporated by reference from our Registration Statement on Form S-1 filed with the Securities and Exchange Commission on February 12, 2010.

(7) Incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission on October 1, 2012.

(8) Incorporated by reference from our Current Report on Form 8-K filed with the Securities and Exchange Commission

on October 21, 2012



**SIGNATURES**

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

CITADEL EFT, INC.
(Registrant)

/s/ GARY DEROOS
Gary DeRoos, President and Chief Executive Officer
Dated: January 14, 2013

/s/ GARY DEROOS
Gary DeRoos
Chief Financial Officer
Dated: January 14, 2013

**POWER OF ATTORNEY**

KNOWN ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints GARY DEROOS, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signatures

/s/ GARY DEROOS

Gary DeRoos

/s/ GARY DEROOS

Gary DeRoos



**INDEX TO FINANCIAL STATEMENTS**


| | |
|---|---|
| Report of Independent Registered Public Accounting Firm | F-2 |
| Balance Sheets | F-4 |
| Income Statements | F-5 |
| Statements of Changes in Stockholders' Equity | F-6 |
| Statements of Cash Flows | F-7 |
| Notes to the Financial Statements | F-8 |




**REPORT OF INDEPENDENT REGISTERED PUBLIC**

**ACCOUNTING FIRM**

To the Board of Directors
Citadel EFT, Inc.
Oceanside, California

We have audited the accompanying balance sheets of Citadel EFT, Inc. ("Citadel")as of September 30, 2012 and 2011, and the related income statements, statements of stockholders' equity, and statement of cash flows for the years then ended. These financial statements are the responsibility of Citadel' s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. Cit is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Citadel's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citadel EFT, Inc. as of September 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ MALONEBAILE
LLP

www.malonebaile
Houston, Texas
January 11, 2013

**Citadel EFT, Inc.**
**Balance Sheets**

**ASSETS**

Current assets:

Cash and cash equivalents

Accounts receivable

Tax receivabl

Total current assets

Total assets

**LIABILITIES A STOCKHOLDE EQUITY**

Current liabilities:

Accounts payable and accru liabilities

Total current liabilities

Total liabilities

Commitments and contingencies

Stockholders' (deficit) equity:

Series A Converti Preferred Stock, 100,000,000 share authorized, $0.000 par value; 51,000,000 and - shares issued and outstanding

Series B Preferred Stock, 10 shares authorized, $0.00001par value shares outstanding respectively

Series C Converti Preferred Stock, 70,000,000 shares authorized, $0.00001par value

shares outstanding
respectively
Series D Converti
Preferred Stock, 1
shares authorized,
$0.00001 par valu
shares outstanding
respectively
Common stock,
$0.00001 par valu
1,000,000,000 sha
authorized,
223,324,960 and
184,324,960 issue
and outstanding,
respectively
Additional paid-in
capital
Accumulated defi
Total stockholders' (deficit) equity
Total liabilities and stockholders' equi

The accompanying notes are an integral part of the audited financial statements.



**Citadel EFT, Inc. Income Statements**

**Y**
**Sep**

REVENUE

| | |
|---|---|
| OPERATING EXPENSES | |
| OPERATING LOSS BEFORE TAXES | |
| Income tax expense | |
| NET LOSS | |
| NET LOSS PER COMMON SHARE, BASIC AND DILUTED | |
| Weighted Average Shares Outstanding-Basic | |

The accompanying notes are an integral part of the audited financial statements.

**Citadel EFT, Inc.**
**Statements of Changes in Stockholders' Equity**

| | Preferred Stock | |
|---|---|---|
| | Shares | Amount ($0.00001 |
| **Balance, September 30, 2010** | **-** | |
| Stock issued for services | - | |
| Shares issued for services at $0.145 per share | 51,000,000 | 51 |
| Net loss | | |
| **Balance, September 30, 2011** | **51,000,000** | **$ 51** |
| Stock issued for services | - | |
| Dividends | - | |
| Net Loss | - | |
| **Balance, September 30, 2012** | **51,000,000** | **$ 51** |

The accompanying notes are an integral part of the audited financial statements



**Citadel EFT, Inc.**
**Statements of Cash Flows**

**Year Ended** **Ye**

| | September 30, 2012 | Sep |
|---|---|---|
| Cash flows from operating activities: | | |
| Net (loss) income | $(1,894,240) | $( |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Share-based compensation | 1,903,850 | |
| Changes in assets and liabilities: | | |
| Accounts receivable | 4,244 | |
| Prepaid expenses | - | |
| Income tax receivable | 4,510 | |
| Income tax liability | - | |
| Accounts payable and accrued liabilities | 130,175 | |
| Net cash provided by (used in) operating activities | 148,539 | |
| Cash flows from financing activities: | | |
| Dividend payment on preferred stock | (160,000) | |
| Net cash used in financing activities | (160,000) | |
| Change in cash and equivalents | (11,461) | |

| | | | | |
|---|---|---|---|---|
| Cash and cash equivalents, beginning of period | | 54,332 | | |
| Cash and cash equivalents, end of period | $ | 42,871 | $ | |
| | | | | |
| Supplemental Disclosures: | | | | |
| Cash paid for interest | $ | - | $ | |
| Cash paid for taxes | $ | - | $ | |

The accompanying notes are an integral part of the audited financial statements.

**Citadel EFT, Inc.
Notes to Financial Statements
For the Years Ended September 30, 2012 and 2011**

**NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Business.*** Citadel EFT, Inc. ("we", "our" or "Citadel") was incorporated in the state of Nevada on September 1, 2009. Prior to its formation, Citadel was a sole proprietorship formed in 1989 for the purpose of offering credit card transaction processing and merchant account services to businesses located in North America. Today, Citadel provides the retail industry with the tools and services for credit transactions.

***Basis of Presentation.*** Citadel prepared its financial statements in accordance with accounting principles generally accepted in the United States of America.

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

***Recently Issued Accounting Pronouncements.*** Citadel does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations.

***Cash and Cash Equivalents.*** Citadel considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

***Income Taxes***. Deferred tax assets and liabilities are recorded to reflect the future tax consequences attributable to the effects of differences between the carrying amounts of existing assets and liabilities for financial reporting and for income tax purposes. Deferred taxes are calculated by applying enacted statutory tax rates and tax laws to future years in which temporary differences are expected to reverse. The impact on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted.

A deferred tax valuation reserve is established if it is more likely than not that a deferred tax asset will not be realized.

Citadel recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

***Revenue Recognition and Accounts Receivable.*** Citadel derives revenues primarily from the electronic processing of credit, charge and debit card transactions that are authorized and captured through third-party networks. Typically, merchants are charged for these processing services based on a percentage of the dollar amount of each transaction and in some instances, additional fees are charged for each transaction. Certain merchant customers are charged a flat fee per transaction and may also be charged miscellaneous fees, including fees for handling charge backs, monthly minimums, equipment rentals, sales or leasing and other miscellaneous services.

Revenues are reported net of amounts paid to sponsor banks, as well as interchange and assessments paid to credit card associations (MasterCard and Visa) under revenue sharing agreements pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

We follow the requirements of ASC 605-45, “Revenue Recognition, Principal Agent Considerations,” in determining our revenue reporting. Generally, we report revenues at the time of sale on a net basis where we are not the primary obligor in the arrangement, have minimal latitude in establishing the price of the services, do not change the product and perform part of the service, do not have discretion in supplier selection, do not have latitude in determining the product and service specifications to meet our client’ s needs and do not assume credit risk. This amount includes interchange paid to card issuing banks and assessments paid to credit card associations pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

Accounts receivable are primarily comprised of amounts due from our clearing and settlement banks from revenues earned, net of related interchange and bank processing fees, on transactions processed during the month ending on the balance sheet date. Such balances are typically received from the clearing and settlement banks within 30 days following the end of each month. Bad debt expense is recognized based on management’ s estimate of likely losses per year, based on the nature of the revenues and subsequent month receipt. As of September 30, 2011 and 2010 respectively, no allowance for doubtful accounts was deemed necessary

***Advertising Costs.*** Citadel' s policy regarding advertising is to expense advertising when incurred. For the years ended September 30, 2012and 2011 Citadel incurred advertising expenses of approximately $73,090 and $66,952, respectively.

***Financial Instruments.*** Citadel believes the carrying amounts of financial instruments As of September 30, 2012 and 2011, including cash and accounts receivable approximate fair value. Due to the short maturities of the cash and cash equivalents and accounts receivable, carrying amounts approximate the respective fair values

***Basic and diluted net income (loss) per share.*** Basic income (loss) per share is computed using the weighted average number of shares of common stock outstanding during each period. Diluted income (loss) per share includes the dilutive effects of common stock equivalents on an "as if converted" basis. For the years ended September 30, 2012 and 2011, the Company had

51,000,000 of Series A Convertible preferred shares outstanding which are convertible into one common share which are potentially dilutive securities if considered on a "as if converted" method.

**NOTE 2. STOCKHOLDER' S EQUITY**

*Series A Convertible Redeemable Preferred Stock*

In September 2011, Citadel issued 51,000,000 shares of Series A Convertible Preferred Stock to its sole officer, Gary DeRoos for services rendered. The Company recorded compensation expense at the fair market value of $7,395,000 which was equal to its common stock conversion share price of $0.145 on the date of issuance. Each share of Series A Convertible Preferred Stock shall be convertible at any time at the option of the holder into one common share. Any amount of accrued and unpaid dividends is convertible into common shares at its trading price on the OTC Market. The holders of the Series A Convertible preferred Stock will have two hundred voting rights for each share of Series A Convertible Preferred Stock held of record. The Company may redeem the Series A Convertible Preferred Stock at $0.0001 per share.

*Series B Preferred Stock*

On September 26, 2012, Citadel amended its articles of incorporation to approve the designation of 10 shares of Series B preferred stock, at a par value of $0.00001. The Series B stock does not have any conversion rights associated with them. The Series B stock have voting rights equal to two times the sum of (i) the total number of shares of common stock which are issued and outstanding at the time of voting plus (ii) the total number of shares of any preferred stocks which are issued and outstanding.

*Series C Convertible Preferred Stock*

On September 26, 2012, Citadel amended its articles of incorporation to approve the designation of 30,000,000 shares of Series B convertible preferred stock, ("Series C stock") at a par value of $0.00001. The Series C stock has liquidation rights upon any liquidation, dissolution or winding up of the Company whether voluntary or involuntary and shall be paid out of the assets of the Company equal to $1.00 per share or in the event of an aggregate subscription by a single subscriber for Series C stock in excess of $100,000, $0.997 per share, plus all declared but unpaid dividends. The Series C stock is convertible at any time, but not before six months or twelve months depending on the Company' s filing of certain public reports, into the number of shares of common stock equal to the price of the Series C stock divided by the par value of the common stock. The Series C stock has voting rights equal to ten votes for any election or other vote placed before the shareholders of the company.

On November 7, 2012 Citadel amended the designation of Series C preferred stock to increase the number of shares from 30,000,000 to 70,000,000 shares of Series C preferred stock, par value $0.00001. All other rights, preferences and limitations of the Series C preferred stock remain in force.

*Series D Convertible Preferred Stock*

On September 26, 2012, Citadel amended its articles of incorporation to approve the designation of 18 shares of Series D convertible preferred stock, ("Series D stock") at a par value of $0.00001. The Series C stock has liquidation rights upon any liquidation, dissolution or winding up of the Company whether voluntary or involuntary and shall be paid out of the assets of the Company equal to $1.00 per share or in the event of an aggregate subscription by a single subscriber for Series D stock in excess of $100,000, $0.997 per share, plus all declared but unpaid dividends. The Series D stock is convertible at any time, but not before six months or twelve months depending on the Company' s filing of certain public reports, into the number of shares of common stock equal to the price of the Series C stock divided by the par value of the common stock. The Series D stock has voting rights equal to ten votes for any election or other vote placed before the shareholders of the company.

*Dividends*

During the year ended September 30, 2012, Citadel declared and paid dividends totaling $160,000 on the shares of Series A Preferred Stock. The CEO, Mr. Gary DeRoos is the owner of all the outstanding preferred shares of the company.

*Common Stock*

During the year ended September 30, 2012, Citadel issued 11,500,000 common shares to various consultants for services. Citadel recorded compensation expense of $1,408,850 based on the closing prices ranging from $0.03 to $0.16 per share on the issuance dates.

During the year ended September 30, 2012, Citadel further issued 27,500,000 common shares to various consultants for services. Citadel recorded compensation expense of $495,000 based on the closing price of $0.018 per share on the issuance dates of the shares.

During the year ended September 30, 2011, Citadel issued 71,000,000 common shares to our sole officer Gary DeRoos for services rendered. Citadel recorded compensation expense of $3,550,000 according to the latest private placement per share amount of $0.05 given the common stock was not traded on an exchange.

During the year ended September 30, 2011, Citadel issued 11,000 common shares to a third party for consulting services. Citadel recorded consulting expense in an amount equal to the fair market value of $1,100 according to the closing price on the date of issuance of $0.10 per share.

During the year ended September 30, 2011, Citadel issued 100,000,000 shares of common stock to our sole officer Gary DeRoos for services rendered. Citadel recorded compensation expense in an amount equal to the fair market value of $13,500,000 according to the closing price of $0.135 per share on the date of issuance.

During the year ended September 30, 2011, Citadel issued 100,000 shares of common stock to a third party for consulting services. Citadel recorded consulting expense in the amount equal to the fair market value of $14,500 according to the closing price of $0.145 per share on the date of issuance.

**NOTE 3. INCOME TAXES**

Income tax expense for the years ended September 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Current: | | |
| Current - Federal | $ - | $ 1,661 |

| | | |
|---|---|---|
| Current - State | - | 979 |
| Deferred | - | - |
| | $- | $2,640 |

A reconciliation of the actual taxes to the statutory U.S. taxes for the period ended September 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Income tax expense (benefit) at the statutory federal rate (15%) | - | $ (3,669,689) |
| Increase (decrease) resulting from: | | |
| Permanent differences | - | 3,671,350 |
| State tax expense | - | 979 |
| Income tax expense | - | $ 2,640 |

As of September 30, 2012 and 2011 Citadel has a current tax receivable of $0 and $7,713, respectively.

**NOTE 4. SUBSEQUENT EVENTS**

On September 27, 2012, Citadel entered into an initial asset purchase agreement with Art to Go, Inc., a New York Corporation for the purchase of various sports memorabilia. In exchange for the assets, Citadel agreed to issue 1,200,000 Series C preferred stock. On October 24, 2012, Citadel entered into a final asset purchase agreement with Art to Go, Inc. for the same assets and which was finalized on October 24, 2012. Additional consideration of 2,800,000 Series C preferred stock. A total of 4,000,000 Series C stock was issued in November 2012 as consideration. Citadel is obtaining an independent valuation of the assets purchased.

In November 2012, Citadel issued 1 share of Series B preferred stock to Mr. Gary DeRoos.

In November 2012, Citadel issued 40000,000 shares of Series C preferred stock to Mr. Gary DeRoos.

In November 2012, Citadel issued 400,000 shares of Series C preferred stock to various consultants.

In November 2012, Citadel issued an additional 10,500,000 shares of comons stock to Mr. Kenneth Radliffe under his consulting agreement.

**EXHIBIT 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a)**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Gary DeRoos, Chief Executive Officer of Citadel EFT, Inc. (the "Company"), certify that:

(1) I have reviewed this Annual Report on Form 10-K for the fiscal year ended September 30, 2010;

(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 in order 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 the report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods represented in this report;

(4) The Company' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company 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 Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the 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 Company' 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 Company' s internal control over financial reporting that occurred during the Company' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company' s internal control over financial reporting; and

(5) The Company' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company' s auditors and to the audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) 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 Company' s ability to record, process, summarize and report financial information; and

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

January 13, 2011

By: /s/ GARY DEROOS
____________________
Garry DeRoos
Chief Executive Officer

**EXHIBIT 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Gary DeRoos, Chief Financial Officer of Citadel EFT, Inc. (the "Company"), certify that:

(1) I have reviewed this Annual Report on Form 10-K for the fiscal year ended September 30, 2010;

(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 in order to make the sta 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 the report, fairly present in all material respects the financial co results of operations and cash flows of the Company as of, and for, the periods represented in this report;

(4) The Company' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Ac 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensur material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the in which the 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 supervisio provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accepted accounting principles;

(c) evaluated the effectiveness of the Company' s disclosure controls and procedures and presented in this report our conclusions about the effectivene 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 Company' s internal control over financial reporting that occurred during the Company' s most recent fisc quarter that has materially affected, or is reasonably likely to materially affect, the Company' s internal control over financial reporting; and

(5) The Company' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Compan auditors and to the audit committee of the board of directors (or persons fulfilling the equivalent function):

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

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company' s internal control ov financial reporting.

January 13, 2011

By: /s/ GARY DEROOS

Gary DeRoos
Chief Financial Officer

**EXHIBIT 32.1**

**OCTUS, 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 the Annual Report on Form 10-K of Citadel EFT, Inc. (the “Company”) for the year ended September 30, 2010, as filed with the Securities a Exchange Commission on the date hereof (the “Report”), the undersigned, Gary DeRoos, Chief Executive Officer of the Company hereby certifies, pursuant to U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ GARY DEROOS

Gary DeRoos
Chief Executive Officer
January 13, 2011

**EXHIBIT 32.2**

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

In connection with the Annual Report on Form 10-K of Gary DeRoos, Inc. (the "Company") for the year ended September 30, 2010, as filed with the Securities Exchange Commission on the date hereof (the "Report"), the undersigned, Gary DeRoos, Chief Financial Officer of the Company hereby certifies, pursuant to 1 ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Gary DeRoos

Gary DeRoos
Chief Financial Officer
January 13, 2011

| STOCKHOLDER'S EQUITY | 12 Months Ended Sep. 30, 2012 |
|---|---|
| **STOCKHOLDER'S EQUITY [Abstract]** | |
| STOCKHOLDER'S EQUITY | **NOTE 2. STOCKHOLDER'S EQUITY**<br><br>*Series A Convertible Redeemable Preferred Stock*<br>In September 2011, Citadel issued 51,000,000 shares of Series A Convertible Preferred Stock to its sole officer, Gary DeRoos for services rendered. The Company recorded compensation expense at the fair market value of $7,395,000 which was equal to its common stock conversion share price of $0.145 on the date of issuance. Each share of Series A Convertible Preferred Stock shall be convertible at any time at the option of the holder into one common share. Any amount of accrued and unpaid dividends is convertible into common shares at its trading price on the OTC Market. The holders of the Series A Convertible preferred Stock will have two hundred voting rights for each share of Series A Convertible Preferred Stock held of record. The Company may redeem the Series A Convertible Preferred Stock at $0.0001 per share.<br><br>*Series B Preferred Stock*<br>On September 26, 2012, Citadel amended its articles of incorporation to approve the designation of 10 shares of Series B preferred stock, at a par value of $0.00001. The Series B stock does not have any conversion rights associated with them. The Series B stock have voting rights equal to two times the sum of (i) the total number of shares of common stock which are issued and outstanding at the time of voting plus (ii) the total number of shares of any preferred stocks which are issued and outstanding. |

*Series C Convertible Preferred Stock*

On September 26, 2012, Citadel amended its articles of incorporation to approve the designation of 30,000,000 shares of Series B convertible preferred stock, ("Series C stock") at a par value of $0.00001. The Series C stock has liquidation rights upon any liquidation, dissolution or winding up of the Company whether voluntary or involuntary and shall be paid out of the assets of the Company equal to $1.00 per share or in the event of an aggregate subscription by a single subscriber for Series C stock in excess of $100,000, $0.997 per share, plus all declared but unpaid dividends. The Series C stock is convertible at any time, but not before six months or twelve months depending on the Company's filing of certain public reports, into the number of shares of common stock equal to the price of the Series C stock divided by the par value of the common stock. The Series C stock has voting rights equal to ten votes for any election or other vote placed before the shareholders of the company.

On November 7, 2012 Citadel amended the designation of Series C preferred stock to increase the number of shares from 30,000,000 to 70,000,000 shares of Series C preferred stock, par value $0.00001. All other rights, preferences and limitations of the Series C preferred stock remain in force.

*Series D Convertible Preferred Stock*

On September 26, 2012, Citadel amended its articles of incorporation to approve the designation of 18 shares of Series D convertible preferred stock, ("Series D stock") at a par value of $0.00001. The Series C stock has liquidation rights upon any liquidation, dissolution or winding up of the Company whether voluntary or involuntary and shall be paid out of the assets of the Company equal to $1.00 per share or in the event of an aggregate subscription by a single subscriber for Series D stock in excess of $100,000, $0.997 per share, plus all declared but unpaid dividends. The Series D stock is convertible at any time, but not before six months or twelve months depending on the Company's filing of certain public reports, into the number of shares of common stock equal to the price of the Series C stock divided by the par value of the common stock. The Series D stock has voting rights equal to ten votes for any election or other vote placed before the shareholders of the company.

*Dividends*

During the year ended September 30, 2012, Citadel declared and paid dividends totaling $160,000 on the shares of Series A Preferred Stock. The CEO, Mr. Gary DeRoos is the owner of all the outstanding preferred shares of the company.

*Common Stock*

During the year ended September 30, 2012, Citadel issued 11,500,000 common shares to various consultants for services. Citadel recorded compensation expense of $1,408,850 based on the closing prices ranging from $0.03 to $0.16 per share on the issuance dates.

During the year ended September 30, 2012, Citadel further issued 27,500,000 common shares to various consultants for services. Citadel recorded compensation expense of $495,000 based on the closing price of $0.018 per share on the issuance dates of the shares.

During the year ended September 30, 2011, Citadel issued 71,000,000 common shares to our sole officer Gary DeRoos for services rendered. Citadel recorded compensation expense of $3,550,000 according to the latest private placement per share amount of $0.05 given the common stock was not traded on an exchange.

During the year ended September 30, 2011, Citadel issued 11,000 common shares to a third party for consulting services. Citadel recorded consulting expense in an amount equal to the fair market value of $1,100 according to the closing price on the date of issuance of $0.10 per share.

During the year ended September 30, 2011, Citadel issued 100,000,000 shares of common stock to our sole officer Gary DeRoos for services rendered. Citadel recorded compensation expense in an amount equal to the fair market value of $13,500,000 according to the closing price of $0.135 per share on the date of issuance.

During the year ended September 30, 2011, Citadel issued 100,000 shares of common stock to a third party for consulting services. Citadel recorded consulting expense in the amount equal to the fair market value of $14,500 according to the closing price of $0.145 per share on the date of issuance.

| NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 12 Months Ended |
|---|---|
| | Sep. 30, 2012 |
| **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Abstract]** | |
| NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | **NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** |

**NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Business.*** Citadel EFT, Inc. ("we", "our" or "Citadel") was incorporated in the state of Nevada on September 1, 2009. Prior to its formation, Citadel was a sole proprietorship formed in 1989 for the purpose of offering credit card transaction processing and merchant account services to businesses located in North America. Today, Citadel provides the retail industry with the tools and services for credit transactions.

***Basis of Presentation.*** Citadel prepared its financial statements in accordance with accounting principles generally accepted in the United States of America.

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

***Recently Issued Accounting Pronouncements.*** Citadel does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations.

***Cash and Cash Equivalents.*** Citadel considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

***Income Taxes***. Deferred tax assets and liabilities are recorded to reflect the future tax consequences attributable to the effects of differences between the carrying amounts of existing assets and liabilities for financial reporting and for income tax purposes. Deferred taxes are calculated by applying enacted statutory tax rates and tax laws to future years in which temporary differences are expected to reverse. The impact on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted.

A deferred tax valuation reserve is established if it is more likely than not that a deferred tax asset will not be realized.

Citadel recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

***Revenue Recognition and Accounts Receivable.*** Citadel derives revenues primarily from the electronic processing of credit, charge and debit card transactions that are authorized and captured through third-party networks. Typically, merchants are charged for these processing services based on a percentage of the dollar amount of each transaction and in some instances, additional fees are charged for each transaction. Certain merchant customers are charged a flat fee per transaction and may also be charged miscellaneous fees, including fees for handling charge backs, monthly minimums, equipment rentals, sales or leasing and other miscellaneous services.

Revenues are reported net of amounts paid to sponsor banks, as well as interchange and assessments paid to credit card associations (MasterCard and Visa) under revenue sharing agreements pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

We follow the requirements of ASC 605-45, "Revenue Recognition, Principal Agent Considerations," in determining our revenue reporting. Generally, we report revenues at the time of sale on a net basis where we are not the primary obligor in the arrangement, have minimal latitude in establishing the price of the services, do not change the product and perform part of the service, do not have discretion in supplier selection, do not have latitude in determining the product and service specifications to meet our client's needs and do not assume credit risk. This amount includes interchange paid to card issuing banks and assessments paid to credit card associations pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

Accounts receivable are primarily comprised of amounts due from our clearing and settlement banks from revenues earned, net of related interchange and bank processing fees, on transactions processed during the month ending on the balance sheet date. Such balances are typically received from the clearing and settlement banks within 30 days following the end of each month. Bad debt expense is recognized based on management's estimate of likely losses per year, based on the nature of the revenues and subsequent month receipt. As of September 30, 2011 and 2010 respectively, no allowance for doubtful accounts was deemed necessary

***Advertising Costs.*** Citadel's policy regarding advertising is to expense advertising when incurred. For the years ended September 30, 2012and 2011 Citadel incurred advertising expenses of approximately $73,090 and $66,952, respectively.

***Financial Instruments.*** Citadel believes the carrying amounts of financial instruments As of September 30, 2012 and 2011, including cash and accounts receivable approximate fair value. Due to the short maturities of the cash and cash equivalents and accounts receivable, carrying amounts approximate the respective fair values

***Basic and diluted net income (loss) per share.*** Basic income (loss) per share is computed using the weighted average number of shares of common stock outstanding during each period. Diluted income (loss) per share includes the dilutive effects of common stock equivalents on an "as if converted" basis. For the years ended September 30, 2012 and 2011, the Company had 51,000,000 of Series A Convertible preferred shares outstanding which are convertible into one common share which are potentially dilutive securities if considered on a "as if converted" method.

| Balance Sheets (USD $) | Sep. 30, 2012 | Sep. 30, 2011 |
|---|---|---|
| **Current assets:** | | |
| Cash and cash equivalents | $ 42,871 | $ 54,332 |
| Accounts receivable | 34,205 | 38,449 |
| Tax receivable | 3,203 | 7,713 |
| Total current assets | 80,279 | 100,494 |
| Total assets | 80,279 | 100,494 |
| **Current liabilities:** | | |
| Accounts payable and accrued liabilities | 147,675 | 17,500 |
| Total current liabilities | 147,675 | 17,500 |
| Total liabilities | 147,675 | 17,500 |
| Commitments and contingencies | | |
| **Stockholders' (deficit) equity:** | | |
| Preferred Stock | 510 | 510 |
| Common stock, $0.00001 par value, 1,000,000,000 shares authorized, 223,324,960 and 184,324,960 issued and outstanding, respectively | 2,235 | 1,844 |
| Additional paid-in capital | 26,262,523 | 24,519,064 |
| Accumulated deficit | (26,332,664) | (24,438,424) |
| Total stockholders' (deficit) equity | (67,396) | 82,994 |
| Total liabilities and stockholders' equity | 80,279 | 100,494 |
| Series A Convertible Preferred Stock [Member] | | |
| **Stockholders' (deficit) equity:** | | |
| Preferred Stock | 510 | 510 |
| Series B Preferred Stock [Member] | | |
| **Stockholders' (deficit) equity:** | | |
| Preferred Stock | | |
| Series C Convertible Preferred Stock [Member] | | |
| **Stockholders' (deficit) equity:** | | |
| Preferred Stock | | |
| Series D Convertible Preferred Stock [Member] | | |
| **Stockholders' (deficit) equity:** | | |
| Preferred Stock | | |

| Statements of Changes in Stockholders' Equity (Parentheticals) (USD $) | 1 Months Ended | | 12 Months Ended |
| --- | --- | --- | --- |
| | Sep. 30, 2011 | May 31, 2011 | Sep. 30, 2011 |
| **Statements of Changes in Stockholders' Equity [Abstract]** | | | |
| Private placement, price per unit | $ 0.135 | $ 0.05 | $ 0.145 |

| Statements of Cash Flows (USD $) | 12 Months Ended Sep. 30, 2012 | Sep. 30, 2011 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net (loss) income | $ (1,894,240) | $ (24,456,706) |
| **Adjustments to reconcile net loss to net cash provided by operating activities:** | | |
| Share-based compensation | 1,903,850 | 24,460,600 |
| **Changes in assets and liabilities:** | | |
| Accounts receivable | 4,244 | (6,352) |
| Prepaid expenses | | |
| Income tax receivable | 4,510 | (7,713) |
| Income tax liability | | (62,230) |
| Accounts payable and accrued liabilities | 130,175 | 14,125 |
| Net cash provided by (used in) operating activities | 148,539 | (58,276) |
| **Cash flows from financing activities:** | | |
| Dividend payment on preferred stock | (160,000) | |
| Net cash used in financing activities | (160,000) | |
| Change in cash and equivalents | (11,461) | (58,276) |
| Cash and cash equivalents, beginning of period | 54,332 | 112,608 |
| Cash and cash equivalents, end of period | 42,871 | 54,332 |
| **Supplemental Disclosures:** | | |
| Cash paid for interest | | |
| Cash paid for taxes | | $ 72,933 |

| Balance Sheets (Parenthetical) (USD $) | Sep. 30, 2012 | Sep. 30, 2011 |
|---|---|---|
| Common stock, par value per share | $ 0.00001 | $ 0.00001 |
| Common stock, shares authorized | 1,000,000,000 | 1,000,000,000 |
| Common stock, shares issued | 223,324,960 | 184,324,960 |
| Common stock, shares outstanding | 223,324,960 | 184,324,960 |
| Series A Convertible Preferred Stock [Member] | | |
| Preferred stock, par or stated value per share | $ 0.00001 | $ 0.00001 |
| Preferred stock, shares authorized | 100,000,000 | 100,000,000 |
| Preferred Stock, shares issued | 51,000,000 | 51,000,000 |
| Preferred stock, shares outstanding | 51,000,000 | 51,000,000 |
| Series B Preferred Stock [Member] | | |
| Preferred stock, par or stated value per share | $ 0.00001 | $ 0.00001 |
| Preferred stock, shares authorized | 10 | 10 |
| Preferred Stock, shares issued | 0 | 0 |
| Preferred stock, shares outstanding | 0 | 0 |
| Series C Convertible Preferred Stock [Member] | | |
| Preferred stock, par or stated value per share | $ 0.00001 | $ 0.00001 |
| Preferred stock, shares authorized | 70,000,000 | 70,000,000 |
| Preferred Stock, shares issued | 0 | 0 |
| Preferred stock, shares outstanding | 0 | 0 |
| Series D Convertible Preferred Stock [Member] | | |
| Preferred stock, par or stated value per share | $ 0.00001 | $ 0.00001 |
| Preferred stock, shares authorized | 18 | 18 |
| Preferred Stock, shares issued | 0 | 0 |
| Preferred stock, shares outstanding | 0 | 0 |

| SUBSEQUENT EVENTS (Details) | 12 Months Ended | | 0 Months Ended | | 1 Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | Sep. 30, 2012 Various Consultants One [Member] | Sep. 30, 2011 Various Consultants One [Member] | Oct. 24, 2012 Subsequent Event [Member] Series C Convertible Preferred Stock [Member] | Sep. 27, 2012 Subsequent Event [Member] Series C Convertible Preferred Stock [Member] | Nov. 30, 2012 Subsequent Event [Member] Series C Convertible Preferred Stock [Member] | Nov. 30, 2012 Subsequent Event [Member] Series C Convertible Preferred Stock [Member] Various Consultants One [Member] | Nov. 30, 2012 Subsequent Event [Member] Series B Preferred Stock [Member] | Nov. 30, 2012 Subsequent Event [Member] Common Stock [Member] Kenneth Radliffe [Member] |
| **Subsequent Event [Line Items]** | | | | | | | | |
| Shares issuable in business acquisition | | | 2,800,000 | 1,200,000 | 4,000,000 | | | |
| Shares issued | | | | | 40,000,000 | | 1 | |
| Shares issued for third party services | 11,500,000 | 11,000 | | | | 400,000 | | 10,500,000 |

| Document and Entity Information (USD $) | 12 Months Ended Sep. 30, 2012 | Jan. 14, 2013 | Mar. 31, 2012 |
|---|---|---|---|
| **Document and Entity Information [Abstract]** | | | |
| Document Type | 10-K | | |
| Amendment Flag | false | | |
| Document Period End Date | Sep. 30, 2012 | | |
| Entity Registrant Name | Citadel EFT, Inc. | | |
| Entity Central Index Key | 0001473971 | | |
| Current Fiscal Year End Date | --09-30 | | |
| Document Fiscal Year Focus | 2012 | | |
| Document Fiscal Period Focus | FY | | |
| Entity Filer Category | Smaller Reporting Company | | |
| Entity Common Stock, Shares Outstanding | | 233,824,960 | |
| Entity Public Float | | | $ 0 |
| Entity Well-known Seasoned Issuer | No | | |
| Entity Voluntary Filers | No | | |
| Entity Current Reporting Status | Yes | | |

| Income Statements (USD $) | 12 Months Ended | |
|---|---|---|
| | Sep. 30, 2012 | Sep. 30, 2011 |
| **Income Statements [Abstract]** | | |
| REVENUE | $ 493,442 | $ 459,770 |
| OPERATING EXPENSES | 2,387,682 | 24,913,836 |
| OPERATING LOSS BEFORE TAXES | (1,894,240) | (24,454,066) |
| Income tax expense | | (2,640) |
| NET LOSS | $ (1,894,240) | $ (24,456,706) |
| NET LOSS PER COMMON SHARE, BASIC AND DILUTED | $ (0.01) | $ (0.49) |
| Weighted Average Shares Outstanding-Basic | 193,193,539 | 50,026,083 |

| NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies) | 12 Months Ended |
|---|---|
| | Sep. 30, 2012 |
| **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Abstract]** | |
| Nature of Business | ***Nature of Business.*** Citadel EFT, Inc. ("we", "our" or "Citadel") was incorporated in the state of Nevada on September 1, 2009. Prior to its formation, Citadel was a sole proprietorship formed in 1989 for the purpose of offering credit card transaction processing and merchant account services to businesses located in North America. Today, Citadel provides the retail industry with the tools and services for credit transactions. |
| Basis of Presentation | ***Basis of Presentation.*** Citadel prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. |
| Use of Estimates | ***Use of Estimates.*** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. |
| Recently Issued Accounting Pronouncements | ***Recently Issued Accounting Pronouncements.*** Citadel does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations. |
| Cash and Cash Equivalents | ***Cash and Cash Equivalents.*** Citadel considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. |
| Income Taxes | ***Income Taxes***. Deferred tax assets and liabilities are recorded to reflect the future tax consequences attributable to the effects of differences between the carrying amounts of existing assets and liabilities for financial reporting and for income tax purposes. Deferred taxes are calculated by applying enacted statutory tax rates and tax laws to future years in which temporary differences are expected to reverse. The impact on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted.<br><br>A deferred tax valuation reserve is established if it is more likely than not that a deferred tax asset will not be realized.<br><br>Citadel recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits |

recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

Revenue Recognition and Accounts Receivable

***Revenue Recognition and Accounts Receivable.*** Citadel derives revenues primarily from the electronic processing of credit, charge and debit card transactions that are authorized and captured through third-party networks. Typically, merchants are charged for these processing services based on a percentage of the dollar amount of each transaction and in some instances, additional fees are charged for each transaction. Certain merchant customers are charged a flat fee per transaction and may also be charged miscellaneous fees, including fees for handling charge backs, monthly minimums, equipment rentals, sales or leasing and other miscellaneous services.

Revenues are reported net of amounts paid to sponsor banks, as well as interchange and assessments paid to credit card associations (MasterCard and Visa) under revenue sharing agreements pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

We follow the requirements of ASC 605-45, "Revenue Recognition, Principal Agent Considerations," in determining our revenue reporting. Generally, we report revenues at the time of sale on a net basis where we are not the primary obligor in the arrangement, have minimal latitude in establishing the price of the services, do not change the product and perform part of the service, do not have discretion in supplier selection, do not have latitude in determining the product and service specifications to meet our client's needs and do not assume credit risk. This amount includes interchange paid to card issuing banks and assessments paid to credit card associations pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

Accounts receivable are primarily comprised of amounts due from our clearing and settlement banks from revenues earned, net of related interchange and bank processing fees, on transactions processed during the month ending on the balance sheet date. Such balances are typically received from the clearing and settlement banks within 30 days following the end of each month. Bad debt expense is recognized based on management's estimate of likely losses per year, based on the nature of the revenues and subsequent month receipt. As of September 30, 2011 and 2010 respectively, no allowance for doubtful accounts was deemed necessary

Advertising Costs

***Advertising Costs.*** Citadel's policy regarding advertising is to expense advertising when incurred. For the years ended September 30, 2012and 2011 Citadel incurred advertising expenses of approximately $73,090 and $66,952, respectively.

Financial Instruments

***Financial Instruments.*** Citadel believes the carrying amounts of financial instruments As of September 30, 2012 and 2011, including cash and accounts receivable approximate fair value. Due to the short maturities of the cash and cash equivalents and accounts receivable, carrying amounts approximate the respective fair values

Basic and diluted net income (loss) per share

***Basic and diluted net income (loss) per share.*** Basic income (loss) per share is computed using the weighted average number of shares of common stock outstanding during each period. Diluted income (loss) per share includes the dilutive effects of common stock equivalents on an "as if converted" basis. For the years ended September 30, 2012 and 2011, the Company had 51,000,000 of Series A Convertible preferred shares outstanding which are convertible into one common share which are potentially dilutive securities if considered on a "as if converted" method.

| SUBSEQUENT EVENTS | 12 Months Ended Sep. 30, 2012 |
| --- | --- |
| **SUBSEQUENT EVENTS [Abstract]** | |
| SUBSEQUENT EVENTS | **NOTE 4. SUBSEQUENT EVENTS**<br><br>On September 27, 2012, Citadel entered into an initial asset purchase agreement with Art to Go, Inc., a New York Corporation for the purchase of various sports memorabilia. In exchange for the assets, Citadel agreed to issue 1,200,000 Series C preferred stock. On October 24, 2012, Citadel entered into a final asset purchase agreement with Art to Go, Inc. for the same assets and which was finalized on October 24, 2012. Additional consideration of 2,800,000 Series C preferred stock. A total of 4,000,000 Series C stock was issued in November 2012 as consideration. Citadel is obtaining an independent valuation of the assets purchased.<br><br>In November 2012, Citadel issued 1 share of Series B preferred stock to Mr. Gary DeRoos.<br><br>In November 2012, Citadel issued 40,000,000 shares of Series C preferred stock to Mr. Gary DeRoos.<br><br>In November 2012, Citadel issued 400,000 shares of Series C preferred stock to various consultants.<br><br>In November 2012, Citadel issued an additional 10,500,000 shares of comons stock to Mr. Kenneth Radliffe under his consulting agreement. |

| STOCKHOLDER'S EQUITY (Details) (USD $) | 1 Months Ended | | 12 Months Ended | | | | | | | | 1 Months Ended | | | | | | | | | | | | | | 1 Months Ended | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep. 30, 2011 | May 31, 2011 | Sep. 30, 2012 | Sep. 30, 2011 | Sep. 30, 2012 Various Consultants One [Member] | Sep. 30, 2011 Various Consultants One [Member] | Sep. 30, 2012 Various Consultants One [Member] Minimum [Member] | Sep. 30, 2012 Various Consultants One [Member] Maximum [Member] | Sep. 30, 2012 Various Consultants Two [Member] | Sep. 30, 2011 Various Consultants Two [Member] | Sep. 30, 2011 Series A Convertible Preferred Stock [Member] | Sep. 30, 2012 Series A Convertible Preferred Stock [Member] | Sep. 30, 2012 Series B Preferred Stock [Member] | Sep. 26, 2012 Series B Preferred Stock [Member] | Sep. 30, 2011 Series B Preferred Stock [Member] | Nov. 07, 2012 Series C Convertible Preferred Stock [Member] | Sep. 30, 2012 Series C Convertible Preferred Stock [Member] | Sep. 26, 2012 Series C Convertible Preferred Stock [Member] | Sep. 30, 2011 Series C Convertible Preferred Stock [Member] | Sep. 30, 2012 Series C Convertible Preferred Stock [Member] Scenario - Single Subscriber in Excess of $100,000 [Member] | Sep. 30, 2012 Series D Convertible Preferred Stock [Member] | Sep. 26, 2012 Series D Convertible Preferred Stock [Member] | Sep. 30, 2011 Series D Convertible Preferred Stock [Member] | Sep. 30, 2012 Series D Convertible Preferred Stock [Member] Scenario - Single Subscriber in Excess of $100,000 [Member] | Sep. 30, 2011 Common Stock [Member] | May 31, 2011 Common Stock [Member] |
| **Class of Stock [Line Items]** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stock issued for services, shares | | | | | | | | | | | 51,000,000 | | | | | | | | | | | | | | 100,000,000 | 71,000,000 |
| Stock issued for services | | | $ 1,903,850 | $ 17,065,600 | | | | | | | $ 7,395,000 | | | | | | | | | | | | | | $ 13,500,000 | $ 3,550,000 |
| Conversion price | | | | | | | | | | | $ 0.145 | | | | | | | | | | | | | | | |
| Preferred stock, shares authorized | | | | | | | | | | | 100,000,000 | 100,000,000 | 10 | 10 | 10 | 70,000,000 | 70,000,000 | 30,000,000 | 70,000,000 | | 18 | 18 | 18 | | | |
| Preferred stock, par or stated value per share | | | | | | | | | | | $ 0.00001 | $ 0.00001 | $ 0.00001 | $ 0.00001 | $ 0.00001 | $ 0.00001 | $ 0.00001 | $ 0.00001 | $ 0.00001 | | $ 0.00001 | $ 0.00001 | $ 0.00001 | | | |
| Liquidation rights, per share | | | | | | | | | | | | | | | | | $ 1.0 | | | $ 0.997 | $ 1.0 | | | $ 0.997 | | |
| Redemption price, per share | | | | | | | | | | | | $ 0.0001 | | | | | | | | | | | | | | |
| Preferred stock dividend | | | 160,000 | | | | | | | | | | | | | | | | | | | | | | | |
| **Share-based Goods and Nonemployee Services Transaction [Line Items]** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shares issued for third party services | | | | | 11,500,000 | 11,000 | | | 27,500,000 | 100,000 | | | | | | | | | | | | | | | | |
| Compensation expense to third party | | | | | $ 1,408,850 | $ 1,100 | | | $ 495,000 | $ 14,500 | | | | | | | | | | | | | | | | |
| Stock issued for services, price per share | $ 0.135 | $ 0.05 | | $ 0.145 | | $ 0.1 | $ 0.03 | $ 0.16 | $ 0.018 | $ 0.145 | | | | | | | | | | | | | | | | |

## INCOME TAXES (Tables)

| INCOME TAXES (Tables) | 12 Months Ended Sep. 30, 2012 |
|---|---|

**INCOME TAXES [Abstract]**

Schedule of Income Tax Expense

| | 2012 | 2011 |
|---|---|---|
| Current: | | |
| Current - Federal | $ - | $ 1,661 |
| Current - State | - | 979 |
| Deferred | - | - |
| | $- | $2,640 |

Reconciliation of Actual Taxes to Statutory U.S. Taxes

| | 2012 | 2011 |
|---|---|---|
| Income tax expense (benefit) at the statutory federal rate (15%) | - | $ (3,669,689) |
| Increase (decrease) resulting from: | | |
| Permanent differences | - | 3,671,350 |
| State tax expense | - | 979 |
| Income tax expense | - | $ 2,640 |

| NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details) (USD $) | 12 Months Ended | |
| --- | --- | --- |
| | Sep. 30, 2012 | Sep. 30, 2011 |
| **Advertising Costs** | | |
| Advertising expenses | $ 73,090 | $ 66,952 |
| **Basic and diluted net income (loss) per share** | | |
| Potentially dilutive securities | 51,000,000 | 51,000,000 |

| INCOME TAXES (Details) (USD $) | 12 Months Ended | |
|---|---|---|
| | Sep. 30, 2012 | Sep. 30, 2011 |
| **Current:** | | |
| Current - Federal | | $ 1,661 |
| Current - State | | 979 |
| Deferred | | |
| Income tax expense | | 2,640 |
| **Reconciliation of the actual taxes to the statutory U.S. taxes:** | | |
| Income tax expense (benefit) at the statutory federal rate (15%) | | (3,669,689) |
| Permanent differences | | 3,671,350 |
| State tax expense | | 979 |
| Income tax expense | | 2,640 |
| Statutory federal rate | 15.00% | 15.00% |
| Tax receivable | $ 3,203 | $ 7,713 |

| Statements of Changes in Stockholders' Equity (USD $) | Total | Preferred Stock [Member] | Common Stock [Member] | Additional Paid-in Capital [Member] | Retained Earnings (Accumulated Deficit) [Member] |
|---|---|---|---|---|---|
| Balance, value at Sep. 30, 2010 | $ 79,100 | | $ 132 | $ 60,686 | $ 18,282 |
| Balance, shares at Sep. 30, 2010 | | | 13,213,960 | | |
| Stock issued for services | 17,065,600 | | 1,712 | 17,063,888 | |
| Stock issued for services, shares | | | 171,111,000 | | |
| Shares issued for services at $0.145 per share, value | 7,395,000 | 510 | | 7,394,490 | |
| Shares issued for services at $0.145 per share, shares | | 51,000,000 | | | |
| Net loss | (24,456,706) | | | | (24,456,706) |
| Balance, value at Sep. 30, 2011 | 82,994 | 510 | 1,844 | 24,519,064 | (24,438,424) |
| Balance, shares at Sep. 30, 2011 | | 51,000,000 | 184,324,960 | | |
| Stock issued for services | 1,903,850 | | 391 | 1,903,459 | |
| Stock issued for services, shares | | | 39,000,000 | | |
| Dividends | (160,000) | | | (160,000) | |
| Net loss | (1,894,240) | | | | (1,894,240) |
| Balance, value at Sep. 30, 2012 | $ (67,396) | $ 510 | $ 2,235 | $ 26,262,523 | $ (26,332,664) |
| Balance, shares at Sep. 30, 2012 | | 51,000,000 | 223,324,960 | | |

| INCOME TAXES | 12 Months Ended Sep. 30, 2012 |
|---|---|
| **INCOME TAXES [Abstract]** | |
| INCOME TAXES | **NOTE 3. INCOME TAXES** |

Income tax expense for the years ended September 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Current: | | |
| Current - Federal | $ - | $ 1,661 |
| Current - State | - | 979 |
| Deferred | - | - |
| | $- | $2,640 |

A reconciliation of the actual taxes to the statutory U.S. taxes for the period ended September 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Income tax expense (benefit) at the statutory federal rate (15%) | - | $ (3,669,689) |
| Increase (decrease) resulting from: | | |
| Permanent differences | - | 3,671,350 |
| State tax expense | - | 979 |
| Income tax expense | - | $ 2,640 |

As of September 30, 2012 and 2011 Citadel has a current tax receivable of $3,203 and $7,713, respectively.