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PARK CITY GROUP INC

FORM 10-K
(Annual Report)

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

FORM 10-K

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

For the fiscal year ended June 30, 2013
or

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

000-03718
(Commission file number)

PARK CITY GROUP, INC.
(Exact name of registrant as specified in its charter)

Nevada	37-1454128
State or other jurisdiction of incorporation	(IRS Employer Identification No.)
299 South Main Street, Suite 2370 Salt Lake City, Utah 84111	(435) 645-2000
(Address of principal executive offices)	(Registrant's telephone number, including area code)

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

Title of each Class	Name of each exchange on which registered
Common Stock, $0.01 Par Value	NYSE MKT

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $0.01 par value per share

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [X] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the issuer as of December 31, 2012, which is the last business day of the registrant's most recently completed second fiscal quarter, was approximately $21,203,000 (at a closing price of $3.00 per share).

As of September 23, 2013, 16,560,540 shares of the Company's $0.01 par value common stock were outstanding.

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Exhibit 31	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
Exhibit 32	Certifications pursuant to 18 U.S.C. Sec. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements." Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties, including the risk factors set forth below and elsewhere in this Report. See "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Statements made herein are as of the date of the filing of this Form 10-K with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake, and specifically disclaim any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

PART I

ITEM I. BUSINESS

Overview

Park City Group, Inc. (the " *Company* ") is a Software-as-a-Service (" *SaaS* ") provider that brings unique visibility to the consumer goods supply chain, delivering actionable information that ensures product is on the shelf when the consumer expects it. Our service increases our customers' sales and profitability while enabling lower inventory levels for both retailers and their suppliers.

Our services are delivered principally though proprietary software products designed, developed, marketed and supported by the Company. These products are designed to facilitate improved business processes among all key constituents in the supply chain, starting with the retailer and moving back to suppliers and eventually raw material providers. In addition, the Company has built a consulting practice for business process improvement that centers around the Company's proprietary software products and through establishment of a neutral and "trusted" third party relationship between retailers and suppliers. The principal markets for the Company's products are multi-store retail and convenience store chains, branded food manufacturers, suppliers and distributors and manufacturing companies.

Historically, the Company offered applications and related maintenance contracts to new customers for a one-time, non-recurring up front license fee. Although not completely abandoning the license fee and maintenance model, since the acquisition of Prescient Applied Intelligence, Inc. (" *Prescient* ") in January 2009, the Company has focused its strategic initiatives and resources to marketing and selling prospective customers a subscription for its product offerings. In support of this strategic shift toward a subscription-based model, the Company has scaled its contracting process, streamlined its customer on-boarding and implemented a financial package that integrates multiple systems in an automated fashion. As a result, subscription based revenue has grown from $203,000 for the 2008 fiscal year to $8 million in the year ended June 30, 2013. During that same period our revenue has transitioned from 6% subscription revenue and 94% license and other revenue basis to 71% subscription revenue and 29% license and other revenue basis.

The Company is incorporated in the state of Nevada. The Company's 98.76% and 100% owned subsidiaries, Park City Group, Inc. and Prescient, respectively, are incorporated in the state of Delaware. All intercompany transactions and balances have been eliminated in consolidation.

The principal executive offices of the Company are located at 299 South Main Street, Suite 2370, Salt Lake City, Utah 84111. The telephone number is (435) 645-2000. The website address is http://www.parkcitygroup.com.

Recent Developments

CVS Pharmacy, Inc.

On July 31, 2012, the Company announced a three-year service agreement to provide selected scan-based trading services to CVS Pharmacy, Inc. (" *CVS* ") through May 2015. The agreement reflects the Company's focus on increasing the number of retailers that use its software on a subscription basis, and marks the Company's progress towards contracting with major retailers outside of the grocery industry.

In addition to the agreement with CVS, the Company initiated test programs to provide services to two large national retailers with upwards of 12,000 stores combined nationwide . The Company expects the subscription revenue potential generated from these relationships to be significantly larger than any of the Company's existing client hubs within the grocery industry.

Stock Repurchase Program

On September 4, 2012, the Company announced that its Board of Directors had approved a share repurchase program (the " *Repurchase Program* ") of up to $2.0 million of the Company's common stock over the next two years, or such other date, whichever is earlier, when the Repurchase Program is revoked or varied by the Board of Directors. The Repurchase Program does not obligate the Company to acquire any particular number of shares of common stock. The Repurchase Program may be suspended, modified or discontinued at any time at the Company's discretion without prior notice.

Series A Redemption

On March 15, 2013, the Company called for the redemption of all outstanding shares of its Series A Convertible Preferred Stock (" *Series A Preferred* "), pursuant to the Certificate of Designation of the Relative Rights, Powers and Preference of the Series A Preferred (the " *Certificate of Designation* "), which allowed the Company to, upon 30 days written notice, redeem all issued and outstanding shares of Series A Preferred for $10.00 per share (the " *Series A Preferred Redemption* "). Holders of Series A Preferred could also elect to convert, rather than redeem, their shares of Series A Preferred into 3.33 shares of common stock, at $3.00 per share. The Company completed the Series A Preferred Redemption on April 15, 2013. All but one holder of Series A Preferred elected to convert their shares of Series A Preferred into shares of the Company's common stock.

Series A Private Offering

In March 2013, the Company issued an aggregate total of 756,858 shares of its common stock for $3.50 per share, and five year warrants (the " *Investor Warrant(s)* ") to purchase an aggregate total of 249,763 shares of common stock for $3.50 per share to certain accredited investors (the " *Investors* ") in a series of private transactions (the " *Private Offering* ") in order to finance the Series A Preferred Redemption. The Company also issued warrants to certain affiliates of the placement agent for three of the Investors, on substantially similar terms to those offered to the Investors (" *Placement Agent Warrant(s)* "), to purchase 18,857 shares of common stock as partial consideration for facilitating a portion of the Private Offering.

The Company also entered into a Registration Rights Agreement with certain investors, wherein the Company agreed to register the shares of common stock, Investor Warrants and Placement Agent Warrants with the Securities and Exchange Commission (the " *SEC* "). In accordance with this Registration Rights Agreement, the Company filed a registration statement on Form S-3 with the SEC on April 15, 2013. The registration statement was declared effective by the SEC on May 15, 2013.

Director Investment

Concurrently with the Private Offering, the Company sold an aggregate total of 470,281 shares of its common stock to the directors of the Company for $3.60 per share, and five year warrants to purchase an aggregate total of 155,190 shares of common stock for $3.60 per share in a series of above-market private transactions (the " *Director Investment* ").

On August 28, 2013, the Company sold an additional 232,558 shares of common stock, and five year warrants to purchase 76,744 shares of common stock, to two of the Company's directors at above-market prices on substantially the same terms as the Director Investment.

ResposiTrak Agreement

Effective June 30, 2013, the Company, ReposiTrak, Inc. (" *ReposiTrak* "), and Levitt Partners, LLC (" *Levitt* ") entered into an Omnibus Subscription, Management and Option Agreement (the " *Omnibus Agreement* "), which agreement amends and restates the Subscription Agreement and Management and Operating Agreement, each dated April 1, 2012 (together, the " *Original Agreements* "). Under the terms of the Omnibus Agreement, the Company agreed to continue providing certain management and business services to ReposiTrak, including powering ReposiTrak's subscription-based analytical service of food and drug supply chains with the Company's technologies for a three year term. In addition to certain subscription and management fees, the Company also has a nine-year option to purchase approximately 75% of the ReposiTrak's issued and outstanding securities, on a fully diluted basis, for prices ranging from $0.15 - $1.17 per share. As a result of the Omnibus Agreement, the Original Agreements terminated.

Company History

The Company's technology has its genesis in the operations of Mrs. Fields Cookies co-founded by Randall K. Fields, the Company's Chief Executive Officer. The Company began operations utilizing patented computer software and profit optimization consulting services to help its retail clients reduce their inventory and labor cost - the two largest controllable expenses in the retail industry. Because the product concepts originated in the environment of actual multi-unit retail chain ownership, the products are strongly oriented to an operation's bottom line results.

The Company was incorporated in the State of Delaware on December 8, 1964 as Infotec, Inc. From June 20, 1999 to approximately June 12, 2001, it was known as Amerinet Group.com, Inc. In 2001, the name was changed from Amerinet Group.com to Fields Technologies, Inc. On June 13, 2001, the Company entered into a "Reorganization Agreement" with Randall K. Fields and Riverview Financial Corporation whereby it acquired substantially all of the outstanding stock of Park City Group, Inc., a Delaware corporation, which became a 98.67% owned subsidiary. Operations are conducted through this subsidiary, which was incorporated in the State of Delaware in May 1990.

On July 25, 2002, Fields Technologies, Inc. changed its name from Fields Technologies, Inc. to Park City Group, Inc., through a merger with Park City Group, Inc., a Nevada corporation, which was organized for that purpose and was also the surviving entity in the merger. Therefore, both the parent-holding company (Nevada) and its operating subsidiary (Delaware) are named Park City Group, Inc. Park City Group, Inc. (Nevada) has no other business operations other than in connection with its subsidiaries, including Prescient.

On January 13, 2009, the Company acquired 100% of Prescient Applied Intelligence, Inc. (" *Prescient* "). Prescient is a leading provider of on-demand solutions for the retail marketplace, including both retailers and suppliers. Its solutions capture information at the point of sale, provide greater visibility into real-time demand and turn data into actionable information across the entire supply chain. The Company's condensed consolidated financial statements contain the results of operations of Prescient.

Software-as-a-Service Delivery Model

Historically, the Company offered applications and related maintenance contracts to new customers for a one-time, non-recurring up front license fee and provided an option for annually renewing their maintenance agreements. As a result of the Prescient merger, Prescient's reliance on subscription based revenue and the Company's shift away from offering its solutions for a one-time licensing fee, the Company is now principally offering prospective customers monthly subscription based licensing of its products. Although not completely abandoning the license fee and maintenance model, the Company continues to focus its strategic initiatives on increasing the number of retailers, suppliers and manufacturers that use its software on a subscription basis.

Our on-demand, software-as-a-service delivery model enables our proprietary software solutions to be implemented, accessed and used by our customers remotely. Our solutions are hosted and maintained by us, thus significantly reducing costs by eliminating for our customers the time, risk and headcount associated with installing and maintaining applications within their own information technology infrastructures. As a result, we believe our solutions require significantly less capital to build and require less initial investment in third-party software, hardware and implementation services, and have lower ongoing support costs versus traditional enterprise software. The SaaS model also allows for advanced information technology infrastructure management, security, disaster recovery and other best practices. Since we manage updates and upgrades to our solution on behalf of our customers, we are able to implement improvements to our solutions in a more rapid and uniform way, enabling us to take advantage of operational efficiencies.

Target Industries Overview

The Company develops and offers its software to supermarkets, convenience stores and other retailers. As a result of the acquisition of Prescient, we have expanded our offerings to include supply chain solutions focused on large manufacturers, distributors and suppliers in the consumer products industry. The Company also provides professional consulting services targeting implementation, assessments, profit optimization and support functions for its application and related products.

Supermarkets

The supermarket industry is under increased competitive pressure from mass market retailers such as Wal-Mart, Costco, Target, and other channels, including extreme value (dollar stores), limited assortment (ALDI/Save-a-lot), and convenience (Sheetz, 7/11) stores. One of the strategies traditional supermarkets are implementing is to improve the demographic "mix" of products to match the unique needs of those consumers who shop at individual stores. Mix is most difficult to manage for those products that are delivered by Direct Store Delivery (DSD) suppliers such as carbonated beverages, bread, dairy, greeting cards, magazines and salty snacks. The Company's software provides newfound visibility to the retailer as to specific item deliveries and in-stock status with item and category productivity. In addition, supermarkets are growing sales and consumer loyalty by developing and distributing their own brand or private label for all key categories within their stores. This proliferation of new items is creating a new set of challenges for both retailers and suppliers as they battle to find space to accommodate the new private label items at the expense of the incumbent or national brand supplier. The Company's software and consulting services provide visibility tools to facilitate the decision making process by providing a shared and trusted view to information that helps the parties optimize item selection and shelf presence. Furthermore, supermarkets are under pressure to increase the quantity and quality of their perishable offerings. Perishable departments, such as bakery, meat and seafood, dairy, and deli historically are loosely managed, but now are a focus for profitability improvement. The Company's software and consulting services and change management resources are designed to address this specific business problem, increasing the profitability of perishable products at the department and store level.

Convenience Stores

For convenience stores, recent trends of contracting gasoline sales margins and declining tobacco sales further increases the need for improved cost controls, focus on product mix and better decision support. To intensify the focus on these issues, other industry segments such as value retailers and grocery stores are cutting into the convenience store stronghold by offering gasoline, a product that once was almost solely offered by convenience store retailers. In response to declining gasoline sales and profits, the C-Store industry is pushing into fresh food as an avenue of increasing sales and profitability. Only the most progressive convenience store operations have automated systems to help store managers, leaving the majority of the operators without any technology to ease their administrative and operational burdens.

Suppliers

As stated above, supermarkets and convenience stores are increasingly focused on product and margin mix, improving sales through reduced out of stocks and increasing collaboration with their suppliers. Suppliers are increasingly pressured by retailers to provide consumer insights and innovative products that differentiate both the supplier and retailer while providing economic incentives or assistance. The Company's solutions enable suppliers to work with their retail partners to align their objectives of increasing sales through expanded distribution of their product offering and the objectives of the retailer to increase sales, reduce inventory carrying risk and minimizing out of stocks. Additionally, the Company is able to share the retailer scan sales data with the supplier to assist them in improving forecasts and production planning by leveraging the most reliable demand signal in daily sales by store and item.

Specialty Retailers

Specialty retailers and their suppliers are faced with many of the same replenishment and forecasting challenges as other retailers, with the added complexity of managing an ever increasing imported versus domestic manufacturing model. The added manufacturing and transportation lead-time puts an increased premium on both accurate and timely forecasting. The Company has developed a suite of applications to facilitate collaborative analysis and forecasting. The specialty retailers are faced with strong competition for qualified managers and staff. Managers are time-constrained due to increased labor and inventory demands, margins are increasingly tight due to higher labor and lease costs and customer satisfaction demands are higher than ever before. The Company has developed a range of applications that enable managers in specialty retail to improve their labor scheduling efficiency and reduce their total paperwork and administrative workload.

Benefits of our Solutions and Services

Our Supply Chain services bring unique visibility to the consumer goods supply chain, delivering actionable information that ensures product is on the shelf when the consumer expects it. Our service increases our customers' sales and profitability while enabling lower inventory levels for both retailers and their suppliers.

Key advantages of our solution include:

- synchronizing retailers and suppliers so they can actually exchange information;
- aligning their financial interests with payment and invoicing protocols and systems;
- enlisting brain power of suppliers to help retailers manage complex businesses;
- providing information to each side to identify and fix out of stocks and overstocks;
- providing forecasting technology to improve store orders;
- providing forecasting to help suppliers replenish retailer warehouses;
- providing systems for suppliers to actually manage inventory flow to retailers; and
- helping suppliers with overall demand planning and line sequencing.

Ultimately, the Company's products and services come together to create a true partnership between retailers and suppliers.

Solutions and Services

Solutions

The Company's primary solutions are Scan Based Trading, ScoreTracker, Vendor Managed Inventory, Store Level Replenishment, Enterprise Supply Chain Planning Suite, Fresh Market Manager and ActionManager®, all of which are designed to aid the retailer and supplier with managing inventory, product mix and labor while improving sales through reduced out of stocks by improving visibility and forecasting.

Scan Based Trading (SBT). Our SBT solution eliminates supply chain inefficiencies and helps retailers and suppliers get product to the store shelves more quickly, efficiently and profitably. SBT is an advanced commerce practice where the supplier retains ownership of the inventory until it scans at the cash register. Once the retailer and supplier have agreed to begin an SBT relationship, the first step is item and price authorization. This process matches retailer and supplier product data to eliminate invoice discrepancies at the point of sale. Our SBT system receives the scan sales data and maintains it in a repository to ensure that product movement data is available to all members of the trading community. Implementation creates increased demand visibility and improved forecast accuracy. Our SBT solution is offered as a hosted service, so implementation is immediate and always available.

ScoreTracker. Our ScoreTracker solution gives retailers and suppliers a clear view into critical aspects of their supply chain operations so that they can better serve the consumer. This visibility solution provides analysis of scan sales data by store, by day and by category. Retailers and suppliers better understand what is selling, the velocity at which a product is moving and how profitable it is. In addition, our solution helps analyze shrink and how to use that information to prevent out of stocks. This tool is provided to retailers and suppliers who provide additional data inputs valuable to operating their business such as routes, returns and credits. The ScoreTracker solution enables a true collaborative view to the Key Performance Indicators (KPI's) for both retailers and suppliers. The Company is a neutral third party between the trading partners and the retailer and ScoreTracker delivers a trusted view to performance and actionable insights with respect to improving sales and item performance and reducing operational and shrink costs.

Vendor-Managed Inventory (VMI). VMI programs are gaining in popularity because suppliers have come to realize that VMI offers the opportunity to better align themselves with their trading partners and add value to those relationships. Our VMI solution provides collaborative tools that increase supply chain efficiencies, lower inventory and enhance trading partner relationships. The solution is pre-mapped to the specific requirements of each trading partner for the transfer of electronic data directly into our system. This enables suppliers to analyze retailer-supplied demand information, automatically generate orders for each customer, set inventory policy at the retailer's distribution center and monitor on-going inventory levels, determine which items need to be replenished, and how to ship them most cost-effectively. Our VMI suite has the flexibility and functionality to scale to accommodate new trading partners. Our solution delivers real value for suppliers through fewer out-of-stocks, increased inventory turns, and increased customer satisfaction and loyalty.

Store Level Replenishment (SLR). Many retailers are shifting the responsibility of replenishing product at the store shelf onto the suppliers who bring that product into the store. Avoiding overstocks and understocks, particularly with highly promoted products such as ice cream or bread, has been a challenge for direct store delivery (DSD) suppliers. Our on-demand SLR solution provides these suppliers visibility into store level movement and activity, and generates replenishment orders based on point of sale data. Suppliers using this solution are able to optimize store-level demand forecasting and replenishment, resulting in fewer out of stocks and lost sales. Retailers benefit by having product on the shelf.

Enterprise Supply Chain Planning Suite (ESCP). Our ESCP suite includes a solution to help users analyze POS data and other demand signals to gain insight into customer demand. Suppliers have visibility into historical data – seasonal events, promotions and buying trends – to facilitate accurate forecasting. Our software assesses how inventory will be impacted, then calculates recommended stocking levels, considers service level goals and develops a time-phased replenishment plan. The solution brings demand data into one place where users can easily manage the complex sets of data and parameters that impact their businesses, including seasonal builds, desired service levels, and manufacturing constraints. ESCP considers consumption rates and inventory levels and automatically calculates time-phase safety stocks and replenishment quantities while being extremely flexible and can be configured to meet the needs of any company's supply chain processes.

The Company also offers a variety of other solutions that address the unique needs of its customers.

Fresh Market Manager. Addressing the inventory issues that plague today's retailers, Fresh Market Manager is a suite of software product applications designed to help manage perishable food departments including bakery, deli, seafood, produce, meat, home meal replacement, dairy, frozen food, and floral. Fresh Market Manager helps identify true cost of goods and provides accurate and actionable profitability data on a corporate, regional, store-by-store and/or item-by-item basis. Fresh Market Manager also produces hour-by-hour forecasts, production plans, perpetual inventory and placed/received orders. Fresh Market Manager automates the majority of the planning, forecasting, ordering and administrative functions associated with fresh merchandise or products.

ActionManager®. The second most important cost element typically facing today's retailers is labor. ActionManager® addresses labor needs by providing a suite of solutions that forecast labor demand, schedules staff resources and provides store managers with the necessary tools to keep labor costs under control while improving customer service, satisfaction, and sales. ActionManager applications provide an automated method for managers to plan, schedule and administer many administrative tasks including new hire, time and attendance paperwork. In addition to automating most administrative processes, ActionManager provides the local manager with a "dashboard" view of the business. ActionManager also has extensive reporting capabilities for corporate, field and store-level management to enable improved decision support.

ReposiTrak ™ . On February 14, 2012, the Company announced a venture with Levitt Partners, an internationally known health care and food safety-consulting firm, which formed ReposiTrak, formerly, Global Supply Chain Systems, Inc. ReposiTrak provides a targeted solution for improving supply chain visibility for food and drug safety. ResposiTrak's solution, similarly called ResposiTrak ™ , is powered by the Company's technology and was developed in response to the passage of the Food Safety and Modernization Act in January of 2012. ResposiTrak ™ enables grocery, supermarkets, packaged goods manufacturers, food processing facilities, drug stores and drug manufacturers, as well as logistics partners, to track and trace products and components to products throughout the food, drug and dietary supplement supply chains. In the event of a product recall, the solution quickly identifies the supply chain path taken by the recalled product or product component, and allows for the removal of affected products in a matter of minutes, rather than weeks. Additionally, ResposiTrak ™ reduces risk of further contamination in the supply chain by identifying backward chaining sources and forward chaining recipients of affected products in near real time.

Services

Business Analytics . Park City Group's Business Analytics Group offers business-consulting services to suppliers and retailers in the grocery, convenience store and specialty retail industries. The Business Analytics Group mines store-level scan data to develop item-specific recommendations to improve customer satisfaction and profitability.

Professional Services. Our Professional Services Group provides consulting services to ensure that our solutions are seamlessly integrated into our customers' business processes as quickly and efficiently as possible. In addition to implementation of our solutions, we have developed a portfolio of service offerings designed to deliver unparalleled performance throughout the lifecycle of the customer's solution. Specific services are tailored to each customer and include the following: implementation, business optimization, technical services, education, business process outsourcing and advisory services. The intent of such services is to support our clients' business operations by enabling them to maximize the speed, effectiveness and overall value of our offerings. We believe the ability to create value for our customers is critical to our long-term success.

Technology, Development and Operations

Product Development

The products sold by the Company are subject to rapid and continual technological change. Products available from the Company, as well as from its competitors, increasingly offer a wider range of features and capabilities. The Company believes that in order to compete effectively in its selected markets, it must provide compatible systems incorporating new technologies at competitive prices. In order to achieve this, the Company has made a substantial commitment to on-going development.

Our product development strategy is focused on creating common technology elements that can be leveraged in applications across our core markets. Except for its supply chain application, which is based on a proprietary architecture, the Company's software architecture is based on open platforms and is modular, thereby allowing it to be phased into a customer's operations. In order to remain competitive, we are currently designing, coding and testing a number of new products and developing expanded functionality of our current products.

Operations

We currently serve our customers from a third-party data center hosting facility. Along with the Company's Statement on Standards for Attestation Engagements (SSAE) No. 16 certification Service Organization Control (SOC2 – formerly SAS 70), the third-party facility is also a SSAE No. 16 – SOC2 certified location and is secured by around-the-clock guards, biometric screening and escort-controlled access, and is supported by on- site backup generators in the event of a power failure. As part of our current disaster recovery arrangements, all of our customers' data is currently backed-up in near real-time. This strategy is designed to protect our customers' data and ensure service continuity in the event of a major disaster. Even with the disaster recovery arrangements, our service could be interrupted.

Customers

We sell to business of all sizes. Our customers primarily include food related consumer goods retailers, suppliers and manufacturers. However, the Company is opportunistic and will offer its supply chain solutions to non-food consumer goods related companies as well. None of our retailing or supplier customers accounted for more than ten percent of our revenue in fiscal 2013 or 2012. ReposiTrak, Inc., in which the Company has a contractual relationship whereby ReposiTrak has a subscription agreement to track and trace products and components and sells this services throughout the food, drug and dietary supplement supply chains derived $1,300,000 in subscription fees during 2013, which amount constituted 11% of the Company's total revenue in 2013.

Sales, Marketing and Customer Support

Sales and Marketing

Through a focused and dedicated sales effort designed to address the requirements of each of its software and service solutions, we believe our sales force is positioned to understand our customers' businesses, trends in the marketplace, competitive products and opportunities for new product development. Our deep industry knowledge enables the Company to take a consultative approach in working with our prospects and customers. Our sales personnel focus on selling our technology solutions to major customers, both domestically and internationally.

To date, our primary marketing objectives have been to increase awareness of our technology solutions, generate sales leads and develop new customer relationships. In addition, the sales effort has been directed toward developing existing customers by cross-selling Prescient solutions to legacy Park City Group accounts as well as introducing Park City Group solutions to legacy Prescient customers. To this end, we attend industry trade shows, conduct direct marketing programs, publish industry trade articles and white papers, participate in interviews and selectively advertise in industry publications.

Customer Support

Our global customer support group responds to both business and technical inquiries from our customers relating to how to use our products and is available to customers by telephone and email. Basic customer support during business hours is available at no charge to customers who purchase certain Company solutions. Premier customer support includes extended availability and additional services, such as an assigned support representative and/or administrator. Premier customer support is available for an additional fee. Additional support services include developer support and partner support.

Competition

The market for the Company's products and services is very competitive. We believe the principal competitive factors include product quality, reliability, performance, price, vendor and product reputation, financial stability, features and functions, ease of use, quality of support and degree of integration effort required with other systems. While our competitors are often considerably larger companies in size with larger sales forces and marketing budgets, we believe that our deep industry knowledge and the breadth and depth of our offerings give us a competitive advantage. Our ability to continually improve our products, processes and services, as well as our ability to develop new products, enables the Company to meet evolving customer requirements. We compete with large enterprise-wide software vendors, developers and integrators, B2B exchanges, consulting firms, focused solution providers, and business intelligence technology platforms. Our supply chain solution competitors include supply chain vendors, major enterprise resource planning (ERP) software vendors, mid-market ERP vendors and niche players for VMI and SLR.

Patents and Proprietary Rights

The Company relies on a combination of trademark, copyright, trade secret and patent laws in the United States and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our proprietary technology and our name. We also enter into confidentiality agreements with our employees, consultants and other third parties and control access to software, documentation and other proprietary information.

The Company has been awarded nine U.S. patents, eight U.S. registered trademarks and has 37 U.S. copyrights relating to its software technology and solutions. The Company's patent portfolio has been transferred to an unrelated third party, although the Company retains the right to use the licensed patents in connection with its business. However, Company policy is to continue to seek patent protection for all developments, inventions and improvements that are patentable and have potential value to the Company and to protect its trade secrets and other confidential and proprietary information. The Company intends to vigorously defend its intellectual property rights to the extent its resources permit

The Company is not aware of any patent infringement claims against it; however, there are no assurances that litigation to enforce patents issued to the Company to protect proprietary information, or to defend against the Company's alleged infringement of the rights of others will not occur. Should any such litigation occur, the Company may incur significant litigation costs, Company resources may be diverted from other planned activities, and while the outcome of any litigation is inherently uncertain, any litigation result may cause a materially adverse effect on the Company's operations and financial condition. Any intellectual property claims, with or without merit, could be time-consuming and expensive to resolve, could divert management attention from executing our business plan and could require us to alter our technology, change our business methods and/or pay monetary damages or enter into licensing agreements.

Employees

As of June 30, 2013, the Company employed a total of 48 employees, including 11 software developers and programmers, 12 sales, marketing and account management employees, 15 software service and support employees, 3 network operations employees and 7 accounting and administrative employees. During 2013, the Company contracted with 7 programmers and 2 business analysts overseas. The Company plans to continue expanding its offshore workforce to augment its analytics services offerings, expand its professional services and to provide additional programming resources. The employees are not represented by any labor union.

Reports to Security Holders

The Company is subject to the informational requirements of the Securities Exchange Act of 1934. Accordingly, it files annual, quarterly and other reports and information with the Securities and Exchange Commission. You may read and copy these reports and other information at the Securities and Exchange Commission's public reference rooms in Washington, D.C. and Chicago, Illinois. The Company's filings are also available to the public from commercial document retrieval services and the website maintained by the Securities and Exchange Commission at www.sec.gov.

Government Regulation and Approval

Like all businesses, the Company is subject to numerous federal, state and local laws and regulations, including regulations relating to patent, copyright, and trademark law matters.

Cost of Compliance with Environmental Laws

The Company currently has no costs associated with compliance with environmental regulations, and does not anticipate any future costs associated with environmental compliance; however, there can be no assurance that it will not incur such costs in the future.

ITEM 1A. RISK FACTORS

An investment in our common stock is subject to many risks. You should carefully consider the risks described below, together with all of the other information included in this Annual Report on Form 10-K, including the financial statements and the related notes, before you decide whether to invest in our common stock. Our business, operating results and financial condition could be harmed by any of the following risks. The trading price of our common stock could decline due to any of these risks, and you could lose all or part of your investment.

Risks Related to the Company

The Company has incurred losses in the past and there can be no assurance that the Company will continue to operate profitably in the future.

T he Company's marketing strategy emphasizes sales to clients acquired as a result of the Company's acquisition of Prescient Applied Intelligence, Inc. (" *Prescient* "). Sales of subscription based services, instead of annual licenses, and contracting with suppliers (" *spokes* ") to connect to former Prescient clients (" *hubs* ") has built a base of hubs for which to "connect" suppliers, thereby accelerating future growth. If, however, this marketing strategy fails, revenue and operations will be negatively affected.

Although the Company achieved net income of $257,487 for the year ended June 30, 2013 compared to a net loss of $858,667 for the fiscal year ended June 30, 2012, there can be no assurance that the Company will reliably or consistently operate profitably in the future. If the Company does not operate profitably in the future, the Company's current cash resources will be used to fund the Company's operating losses. Continued losses would have an adverse effect on the long-term value of the Company's common stock and any investment in the Company. The Company cannot give any assurance that the Company will continue to generate revenue or have sustainable profits.

Although the Company's cash resources are currently sufficient, the Company's long-term liquidity and capital requirements may be difficult to predict, which may adversely affect the Company's long-term cash position.

Historically, the Company has been successful in raising capital when necessary, including stock issuances and securing loans from its officers and directors– including its Chief Executive Officer and majority stockholder– in order to pay its indebtedness and fund its operations, in addition to cash flow from operations. The Company anticipates that it will have adequate cash resources to fund its operations and satisfy its debt obligations for at least the next 12 months, if not longer.

If the Company is required to seek additional financing in the future in order to fund its operations, retire its indebtedness and otherwise carry out its business plan, there can be no assurance that such financing will be available on acceptable terms, or at all, and there can be no assurance that any such arrangement, if required or otherwise sought, would be available on terms deemed to be commercially acceptable and in the Company's best interests.

Quarterly and annual operating results may fluctuate, which makes it difficult to predict future performance.

Management expects a significant portion of the Company's revenue stream to come from the sale of subscriptions, and to a lesser extent, license sales, maintenance and services charged to new customers. These amounts will fluctuate because predicting future sales is difficult and involves speculation. In addition, the Company may potentially experience significant fluctuations in future operating results caused by a variety of factors, many of which are outside of its control, including:

- our ability to retain and increase sales to existing customers, attract new customers and satisfy our customers' requirements;
- the renewal rates for our service;
- the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business;
- changes in our pricing policies whether initiated by us or as a result of competition;
- the cost, timing and management effort for the introduction of new features to our service;
- the rate of expansion and productivity of our sales force;
- new product and service introductions by our competitors;
- variations in the revenue mix of editions or versions of our service;
- technical difficulties or interruptions in our service;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional subscriptions or upgrade their service, or delay a prospective customers' purchasing decision, or reduce the value of new subscription contracts or affect renewal rates;
- timing of additional investments in our enterprise cloud computing application and platform services and in our consulting service;
- regulatory compliance costs;
- the timing of customer payments and payment defaults by customers;
- extraordinary expenses such as litigation or other dispute-related settlement payments;
- the impact of new accounting pronouncements; and
- the timing of stock awards to employees and the related financial statement impact.

Future operating results may fluctuate because of the foregoing factors, making it difficult to predict operating results. Period-to-period comparisons of operating results are not necessarily meaningful and should not be relied upon as an indicator of future performance. In addition, a relatively large portion of the Company's expenses will be fixed in the short-term, particularly with respect to facilities and personnel. Therefore, future operating results will be particularly sensitive to fluctuations in revenue because of these and other short-term fixed costs.

The Company will need to effectively manage its growth in order to achieve and sustain profitability. The Company's failure to manage growth effectively could reduce its sales growth and result in continued net losses.

To achieve continual and consistent profitable operations on a fiscal year on-going basis, the Company must have significant growth in its revenue from its products and services, specifically subscription-based services. If the Company is able to achieve significant growth in future subscription sales, and expands the scope of its operations, the Company's management, financial condition, operational capabilities, and procedures and controls could be strained. The Company cannot be certain that its existing or any additional capabilities, procedures, systems, or controls will be adequate to support the Company's operations. The Company may not be able to design, implement or improve its capabilities, procedures, systems or controls in a timely and cost-effective manner. Failure to implement, improve and expand the Company's capabilities, procedures, systems or controls in an efficient and timely manner could reduce the Company's sales growth and result in a reduction of profitability or increase of net losses.

The Company's officers and directors have significant control over it, which may lead to conflicts with other stockholders over corporate governance.

The Company's officers and directors, including the Chief Executive Officer, control approximately 37.5% of the Company's common stock. The Company's Chief Executive Officer, Randall K. Fields, individually, controls 33.1% of the Company's common stock. Consequently, Mr. Fields individually, and the Company's officers and directors, as stockholders acting together, are able to significantly influence all matters requiring approval by the Company's stockholders, including the election of directors and significant corporate transactions, such as mergers or other business combination transactions.

The Company's corporate charter contains authorized, unissued "blank check" preferred stock issuable without stockholder approval with the effect of diluting then current stockholder interests.

The Company's certificate of incorporation currently authorizes the issuance of up to 30,000,000 shares of 'blank check' preferred stock with designations, rights, and preferences as may be determined from time to time by the Company's Board of Directors. As of June 30, 2013, a total of 411,927 shares of Series B Convertible Preferred Stock (" *Series B Preferred* ") were issued and outstanding. The Company's board of directors is empowered, without stockholder approval, to issue one or more additional series of preferred stock with dividend, liquidation, conversion, voting, or other rights that could dilute the interest of, or impair the voting power of, the Company's common stockholders. The issuance of an additional series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control.

Because the Company has never paid dividends on its common stock, investors should exercise caution before making an investment in the Company.

The Company has never paid dividends on its common stock and does not anticipate the declaration of any dividends pertaining to its common stock in the foreseeable future. The Company intends to retain earnings, if any, to finance the development and expansion of the Company's business. The Company's board of directors will determine future dividend policy at their sole discretion and future dividends will be contingent upon future earnings, if any, obligations of the stock issued, the Company's financial condition, capital requirements, general business conditions and other factors. Future dividends may also be affected by covenants contained in loan or other financing documents, which may be executed by the Company in the future. Therefore, there can be no assurance that dividends will ever be paid on its common stock.

The Company's business is dependent upon the continued services of the Company's founder and Chief Executive Officer, Randall K. Fields; should the Company lose the services of Mr. Fields, the Company's operations will be negatively impacted.

The Company's business is dependent upon the expertise of its founder and Chief Executive Officer, Randall K. Fields. Mr. Fields is essential to the Company's operations. Accordingly, an investor must rely on Mr. Fields' management decisions that will continue to control the Company's business affairs. The Company currently maintains key man insurance on Mr. Fields' life in the amount of $5,000,000; however, that coverage would be inadequate to compensate for the loss of his services. The loss of the services of Mr. Fields would have a materially adverse effect upon the Company's business.

If the Company is unable to attract and retain qualified personnel, the Company may be unable to develop, retain or expand the staff necessary to support its operational business needs.

The Company's current and future success depends on its ability to identify, attract, hire, train, retain and motivate various employees, including skilled software development, technical, managerial, sales, marketing and customer service personnel. Competition for such employees is intense and the Company may be unable to attract or retain such professionals. If the Company fails to attract and retain these professionals, the Company's revenue and expansion plans may be negatively impacted.

The Company's officers and directors have limited liability and indemnification rights under the Company's organizational documents, which may impact its results.

The Company's officers and directors are required to exercise good faith and high integrity in the management of the Company's affairs. The Company's certificate of incorporation and bylaws, however, provide, that the officers and directors shall have no liability to the stockholders for losses sustained or liabilities incurred which arise from any transaction in their respective managerial capacities unless they violated their duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend or stock repurchase or derived an improper benefit from the transaction. As a result, an investor may have a more limited right to action than he would have had if such a provision were not present. The Company's certificate of incorporation and bylaws also require it to indemnify the Company's officers and directors against any losses or liabilities they may incur as a result of the manner in which they operate the Company's business or conduct the Company's internal affairs, provided that the officers and directors reasonably believe such actions to be in, or not opposed to, the Company's best interests, and their conduct does not constitute gross negligence, misconduct or breach of fiduciary obligations.

Business Operations Risks

If the Company's marketing strategy fails, its revenue and operations will be negatively affected.

The Company plans to concentrate its future sales efforts towards marketing the Company's applications and services, and specifically to contract with suppliers (" *spokes* ") to connect to our existing retail customers (" *hubs* ") previously signed up by the Company. These applications and services are designed to be highly flexible so that they can work in multiple retail and supplier environments such as grocery stores, convenience stores, specialty retail and route-based delivery environments. There is no assurance that the public will accept the Company's applications and services in proportion to the Company's increased marketing of this product line, or that the Company will be able to successfully leverage its hubs to increase revenue by connecting suppliers. The Company may face significant competition that may negatively affect demand for its applications and services, including the public's preference for the Company's competitors' new product releases or updates over the Company's releases or updates. If the Company's applications and services marketing strategies fail, the Company will need to refocus its marketing strategy toward other product offerings, which could lead to increased development and marketing costs, delayed revenue streams, and otherwise negatively affect the Company's operations.

Because the Company's emphasis is on the sale of subscription based services, rather than annual license fees, the Company's revenue may be negatively affected.

Historically, the Company offered applications and related maintenance contracts to new customers for a one-time, non-recurring up front license fee and provided an option for annually renewing their maintenance agreements. The Company is now principally offering prospective customers monthly subscription based licensing of its products. The Company's customers may now choose to acquire a license to use the software on an Application Solution Provider basis (also referred to as ASP) resulting in monthly charges for use of the Company's software products and maintenance fees. The Company's conversion from a strategy of one-time, non-recurring licensing based model to a monthly recurring fees based approach is subject to the following risks:

- the Company's customers may prefer one-time fees rather than monthly fees; and
- there may be a threshold level (number of locations) at which the monthly based fee structure may not be economical to the customer, and a request to convert from monthly fees to an annual fee could occur.

The Company faces threats from competing and emerging technologies that may affect its profitability .

Markets for the Company's type of software products and that of its competitors are characterized by:

- development of new software, software solutions or enhancements that are subject to constant change;
- rapidly evolving technological change; and
- unanticipated changes in customer needs.

Because these markets are subject to such rapid change, the life cycle of the Company's products is difficult to predict. As a result, the Company is subject to the following risks:

- whether or how the Company will respond to technological changes in a timely or cost-effective manner;
- whether the products or technologies developed by the Company's competitors will render the Company's products and services obsolete or shorten the life cycle of the Company's products and services; and
- whether the Company's products and services will achieve market acceptance.

Interruptions or delays in service from our third-party data center hosting facility could impair the delivery of our service and harm our business.

We currently serve our customers from a third-party data center hosting facility located in the United States. Any damage to, or failure of, our systems generally could result in interruptions in our service. As we continue to add capacity, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our service. Further, any damage to, or failure of, our systems generally could result in interruptions in our service. Interruptions in our service may reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect our renewal rates and our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our service is unreliable.

As part of our current disaster recovery arrangements, our production environment and all of our customers' data is currently replicated in near real-time in a separate facility physically located in a different geographic region of the United States. Companies and products added through acquisition may be temporarily served through an alternate facility. We do not control the operation of these facilities, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our service. Even with the disaster recovery arrangements, our service could be interrupted.

If our security measures are breached and unauthorized access is obtained to a customer's data, our data or our information technology systems, our service may be perceived as not being secure, customers may curtail or stop using our service and we may incur significant legal and financial exposure and liabilities.

Our service involves the storage and transmission of customers' proprietary information, and security breaches could expose us to a risk of loss of this information, litigation and possible liability. These security measures may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise during transfer of data to additional data centers or at any time, and result in someone obtaining unauthorized access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any security breach could result in a loss of confidence in the security of our service, damage our reputation, disrupt our business, lead to legal liability and negatively impact our future sales.

We cannot accurately predict subscription renewal or upgrade rates and the impact these rates may have on our future revenue and operating results.

Our customers have no obligation to renew their subscriptions for our service after the expiration of their initial subscription period. Our renewal rates may decline or fluctuate as a result of a number of factors, including customer dissatisfaction with our service, customers' ability to continue their operations and spending levels, and deteriorating general economic conditions. If our customers do not renew their subscriptions for our service or reduce the level of service at the time of renewal, our revenue will decline and our business will suffer.

Our future success also depends in part on our ability to sell additional features and services, more subscriptions or enhanced editions of our service to our current customers. This may also require increasingly sophisticated and costly sales efforts that are targeted at senior management. Similarly, the rate at which our customers purchase new or enhanced services depends on a number of factors, including general economic conditions. If our efforts to upsell to our customers are not successful, our business may suffer.

Weakened global economic conditions may adversely affect our industry, business and results of operations.

Our overall performance depends in part on worldwide economic conditions. The United States and other key international economies have experienced in the past a downturn in which economic activity was impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty with respect to the economy. These conditions affect the rate of information technology spending and could adversely affect our customers' ability or willingness to purchase our enterprise cloud computing services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscription contracts or affect renewal rates, all of which could adversely affect our operating results.

If the Company is unable to adapt to constantly changing markets and to continue to develop new products and technologies to meet the customers' needs, the Company's revenue and profitability will be negatively affected.

The Company's future revenue is dependent upon the successful and timely development and licensing of new and enhanced versions of its products and potential product offerings suitable to the customer's needs. If the Company fails to successfully upgrade existing products and develop new products, and those new products do not achieve market acceptance, the Company's revenue will be negatively impacted.

The Company faces risks associated with the loss of maintenance and other revenue.

The Company has historically experienced the loss of long-term maintenance customers as a result of the reliability of some of its products. Some customers may not see the value in continuing to pay for maintenance that they do not need or use, and in some cases, customers have decided to replace the Company's applications or maintain the system on their own. The Company continues to focus on these maintenance clients by providing new functionality and enhancements to meet their business needs. The Company also may lose some maintenance revenue due to consolidation of industries, macroeconomic conditions or customer operational difficulties that lead to their reduction of size. In addition, future revenue will be negatively impacted if the Company fails to add new maintenance customers that will make additional purchases of the Company's products and services.

The Company faces risks associated with new product introductions, including ReposiTrak™.

The first installations of ReposiTrak™ began in August 2012 and market and product data related to these implementations is still being analyzed. The Company also continually receives and analyzes market and product data on other products, and the Company may endeavor to develop and commercialize new product offerings based on this data. The following risks apply to ReposiTrak™ and other potential new product offerings:

- it may be difficult for the Company to predict the amount of service and technological resources that will be needed by customers of ReposiTrak™ or other new offerings, and if the Company underestimates the necessary resources, the quality of its service will be negatively impacted thereby undermining the value of the product to the customer;

- the Company lacks experience with ReposiTrak™ and the market acceptance to accurately predict if it will be a profitable product;

- technological issues between the Company and the customer may be experienced in capturing data, and these technological issues may result in unforeseen conflicts or technological setbacks when implementing additional installations of RespoiTrak™. This may result in material delays and even result in a termination of the engagement with the customer;

- the customer's experience with ReposiTrak™ and other new offerings, if negative, may prevent the Company from having an opportunity to sell additional products and services to that customer;

- if the customer does not use ReposiTrak™ as the Company recommends and fails to implement any needed corrective action(s), it is unlikely that the customer will experience the business benefits from the software and may therefore be hesitant to continue the engagement as well as acquire any additional software products from the Company; and

- delays in proceeding with the implementation of ReposiTrak™ or other new products for a new customer will negatively affect the Company's cash flow and its ability to predict cash flow.

ReposiTrak owes certain fees to the Company under its agreements with ReposiTrak, resulting in ReposiTrak issuing the Company a promissory note in order to make required payments.

Effective June 30, 2013, ReposiTrak issued to the Company a promissory note in the principal amount of $1.62 million, representing annual fees due and owing the Company under the terms of the Original Agreements. In addition, under the terms of the Omnibus Agreement, ReposiTrak may make future payments to the Company for annual and other fees due the Company under the terms of the Omnibus Agreement in the form of additional promissory notes. In the event of a default under such notes, the Company's financial results, including its financial condition, may be materially and adversely affected.

The Company faces risks associated with proprietary protection of the Company's software.

The Company's success depends on the Company's ability to develop and protect existing and new proprietary technology and intellectual property rights. The Company seeks to protect its software, documentation and other written materials primarily through a combination of patents, trademarks, and copyright laws, trade secret laws, confidentiality procedures and contractual provisions. While the Company has attempted to safeguard and maintain the Company's proprietary rights, there are no assurances that the Company will be successful in doing so. The Company's competitors may independently develop or patent technologies that are substantially equivalent or superior to the Company's.

Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's products or obtain and use information that the Company regards as proprietary. In some types of situations, the Company may rely in part on 'shrink wrap' or 'point and click' licenses that are not signed by the end user and, therefore, may be unenforceable under the laws of certain jurisdictions. Policing unauthorized use of the Company's products is difficult. While the Company is unable to determine the extent to which piracy of the Company's software exists, software piracy can be expected to be a persistent problem, particularly in foreign countries where the laws may not protect proprietary rights as fully as the United States. The Company can offer no assurance that the Company's means of protecting its proprietary rights will be adequate or that the Company's competitors will not reverse engineer or independently develop similar technology.

The Company may discover software errors in its products that may result in a loss of revenue, injury to the Company's reputation or subject us to substantial liability.

Non-conformities or bugs (" *errors* ") may be found from time to time in the Company's existing, new or enhanced products after commencement of commercial shipments, resulting in loss of revenue or injury to the Company's reputation. In the past, the Company has discovered errors in its products and as a result, has experienced delays in the shipment of products. Errors in the Company's products may be caused by defects in third-party software incorporated into the Company's products. If so, the Company may not be able to fix these defects without the cooperation of these software providers. Since these defects may not be as significant to the software provider as they are to us, the Company may not receive the rapid cooperation that may be required. The Company may not have the contractual right to access the source code of third-party software, and even if the Company does have access to the code, the Company may not be able to fix the defect. In addition, our customers may use our service in unanticipated ways that may cause a disruption in service for other customers attempting to access their data. Since the Company's customers use the Company's products for critical business applications, any errors, defects or other performance problems could hurt the Company's reputation and may result in damage to the Company's customers' business. If that occurs, customers could elect not to renew, delay or withhold payment to us, we could lose future sales or customers may make warranty or other claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation. These potential scenarios, successful or otherwise, would likely be time consuming and costly.

Some competitors are larger and have greater financial and operational resources that may give them an advantage in the market.

Many of the Company's competitors are larger and have greater financial and operational resources. This may allow them to offer better pricing terms to customers in the industry, which could result in a loss of potential or current customers or could force us to lower prices. Any of these actions could have a significant effect on revenue. In addition, the competitors may have the ability to devote more financial and operational resources to the development of new technologies that provide improved operating functionality and features to their product and service offerings. If successful, their development efforts could render the Company's product and service offerings less desirable to customers, again resulting in the loss of customers or a reduction in the price the Company can demand for the Company's offerings.

Risks Relating to the Company's Common Stock

The limited public market for the Company's securities may adversely affect an investor's ability to liquidate an investment in the Company.

Although the Company's common stock is currently quoted on the NYSE MKT Exchange, there is limited trading activity. The Company can give no assurance that an active market will develop, or if developed, that it will be sustained. If an investor acquires shares of the Company's common stock, the investor may not be able to liquidate the Company's shares should there be a need or desire to do so.

Future issuances of the Company's shares may lead to future dilution in the value of the Company's common stock, will lead to a reduction in shareholder voting power and may prevent a change in Company control.

The shares may be substantially diluted due to the following:

- issuance of common stock in connection with funding agreements with third parties and future issuances of common and preferred stock by the Board of Directors; and

- the Board of Directors has the power to issue additional shares of common stock and preferred stock and the right to determine the voting, dividend, conversion, liquidation, preferences and other conditions of the shares without shareholder approval.

Stock issuances may result in reduction of the book value or market price of outstanding shares of common stock. If the Company issues any additional shares of common or preferred stock, proportionate ownership of common stock and voting power will be reduced. Further, any new issuance of common or preferred stock may prevent a change in control or management.

ITEM 2. PROPERTIES

The Company's principal place of business operations is located at 299 South Main Street, Suite 2370, Salt Lake City, UT 84111. The Company leases approximately 5,300 square feet at this corporate office location, consisting primarily of office space, conference rooms and storage areas. The telephone number is (435) 645-2000. The website address is http://www.parkcitygroup.com.

ITEM 3. LEGAL PROCEEDINGS

We are, from time to time, involved in various legal proceedings incidental to the conduct of our business. Historically, the outcome of all such legal proceedings has not, in the aggregate, had a material adverse effect on our business, financial condition, results of operations or liquidity. There are no pending or threatened legal proceedings at this time.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Share Price History

Our common stock is traded on the NYSE MKT Exchange under the trading symbol "PCYG." The following table sets forth the high and low closing sales prices of our common stock for the periods indicated. The price information contained in the table was obtained from Internet sources considered reliable. Note that such over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and the quotations may not necessarily represent actual transactions in the common stock.

	Quarterly Common Stock Price Ranges			
	2013		2012	
Fiscal Quarter Ended	High	Low	High	Low
September 30	$ 4.01	$ 3.30	$ 5.29	$ 4.02
December 31	$ 3.30	$ 2.79	$ 4.11	$ 3.00
March 31	$ 4.12	$ 2.98	$ 3.34	$ 2.80
June 30	$ 7.58	$ 3.60	$ 4.28	$ 3.10

Dividend Policy

To date, the Company has not paid dividends on its common stock. Our present policy is to retain future earnings (if any) for use in our operations and the expansion of our business.

The Series A Convertible Preferred Stock (" *Series A Preferred* "), issued in June 2007 and fully redeemed by the Company on April 15, 2013, was entitled to receive, out of funds legally available therefore, dividends at a rate of 5%. Prior to June 1, 2010, preferred dividends payable on the Series A Preferred were paid in additional shares of Series A Preferred. After June 1, 2010, the holders of the Series A Preferred could have elected to have future dividends paid in cash in the event that during any sixty (60) trading day period commencing on or after June 1, 2010 the average closing price of the Company's common stock was less than or equal to the Series A Preferred conversion price. The dividend rate increased to 10.00% per annum as a result of the average closing price of the Company's common stock during the last thirty (30) trading days of the quarter ending December 31, 2012 being less than $3.00 per share (the " *Dividend Adjustment* ").

The Series B Preferred issued in July 2010 is entitled to receive, out of funds legally available therefore, dividends at a rate of 12%. Three years following the date of issuance, dividends payable on the Series B Preferred are paid at the rate of 15% per annum and 18% per annum beginning five years from the date of issuance. Dividends are payable quarterly in cash.

Holders of Record

At September 23, 2013 there were 657 holders of record of our common stock, and 16,560,540 shares were issued and outstanding. The number of holders of record and shares issued and outstanding was calculated by reference to the books and records of the Company's transfer agent.

Issuance of Securities

We issued shares of our common and preferred stock in unregistered transactions during fiscal year 2013. All of the shares of common and preferred stock issued in non-registered transactions were issued in reliance on Section 3(a)(9) and/or Section 4(2) of the Securities Act of 1933, as amended (the " *Securities Act* "), and were reported in our Quarterly Reports on Form 10-Q and in our Current Reports on Form 8-K filed with the Commission during the fiscal year ended June 30, 2013; provided, however , during the year ended June 30, 2013, the Company issued (i) 51,932 shares of common stock to directors in lieu of board compensation otherwise payable to such directors; (ii) 67,427 shares of common stock to Randall Fields, the Company's Chief Executive Officer, and Fields Management, in consideration for certain amounts otherwise payable to Mr. Fields or Fields Management, as the case may be; and (iii) 33,644 shares of Series A Convertible Preferred to certain holders of such securities in lieu of dividends otherwise payable on the Series A Preferred. No shares of common or preferred stock were issued subsequent to June 30, 2013, that have not been previously reported.

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

The following Management's Discussion and Analysis is intended to assist the reader in understanding our results of operations and financial condition. Management's Discussion and Analysis is provided as a supplement to, and should be read in conjunction with, our audited consolidated financial statements beginning on page F-1 of this Annual Report. This Form 10-K includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act. All statements, other than statements of historical fact, included in this Form 10-K that address activities, events or developments that we expect, project, believe, or anticipate will or may occur in the future, including matters having to do with expected and future revenue, our ability to fund our operations and repay debt, business strategies, expansion and growth of operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by our management in light of its experience and its perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. These statements are subject to a number of assumptions, risks and uncertainties, including general economic and business conditions, the business opportunities (or lack thereof) that may be presented to and pursued by us, our performance on our current contracts and our success in obtaining new contracts, our ability to attract and retain qualified employees, and other factors, many of which are beyond our control. You are cautioned that these forward-looking statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in such statements.

Overview

Park City Group, Inc. (the " *Company* ") is a Software-as-a-Service (" *SaaS* ") provider that brings unique visibility to the consumer goods supply chain, delivering actionable information that ensures product is on the shelf when the consumer expects it. Our service increases our customers' sales and profitability while enabling lower inventory levels for both retailers and their suppliers.

Our services are delivered principally though proprietary software products designed, developed, marketed and supported by the Company. These products are designed to facilitate improved business processes among all key constituents in the supply chain, starting with the retailer and moving back to suppliers and eventually raw material providers. In addition, the Company has built a consulting practice for business process improvement that centers around the Company's proprietary software products and through establishment of a neutral and "trusted" third party relationship between retailers and suppliers. The principal markets for the Company's products are multi-store retail and convenience store chains, branded food manufacturers, suppliers and distributors and manufacturing companies.

Historically, the Company offered applications and related maintenance contracts to new customers for a one-time, non-recurring up front license fee. Although not completely abandoning the license fee and maintenance model, since the acquisition of Prescient Applied Intelligence, Inc. (" *Prescient* ") in January 2009, the Company has focused its strategic initiatives and resources to marketing and selling prospective customers a subscription for its product offerings. In support of this strategic shift toward a subscription-based model, the Company has scaled its contracting process, streamlined its customer on-boarding and implemented a financial package that integrates multiple systems in an automated fashion. As a result, subscription based revenue has grown from $203,000 for the 2008 fiscal year to $8 million this year. During that same period our revenue has transitioned from 6% subscription revenue and 94% license and other revenue basis to 71% subscription revenue and 29% license and other revenue basis.

Recent Developments

CVS Pharmacy, Inc.

On July 31, 2012, the Company announced a three-year service agreement to provide selected scan-based trading services to CVS Pharmacy, Inc. (" *CVS* ") through May 2015. The agreement reflects the Company's focus on increasing the number of retailers that use its software on a subscription basis, and marks the Company's progress towards contracting with major retailers outside of the grocery industry.

In addition to the agreement with CVS, the Company initiated test programs to provide services to two large national retailers with upwards of 12,000 stores combined nationwide . The Company expects the subscription revenue potential generated from these relationships to be significantly larger than any of the Company's existing client hubs within the grocery industry.

Stock Repurchase Program

On September 4, 2012, the Company announced that its Board of Directors had approved a share repurchase program (the " *Repurchase Program* ") of up to $2.0 million of the Company's common stock over the next two years, or such other date, whichever is earlier, when the Repurchase Program is revoked or varied by the Board of Directors. The Repurchase Program does not obligate the Company to acquire any particular number of shares of common stock. The Repurchase Program may be suspended, modified or discontinued at any time at the Company's discretion without prior notice.

Series A Redemption

On March 15, 2013, the Company called for the redemption of all outstanding shares of its Series A Convertible Preferred Stock (" *Series A Preferred* "), pursuant to the Certificate of Designation of the Relative Rights, Powers and Preference of the Series A Preferred (the " *Certificate of Designation* "), which allowed the Company to, upon 30 days written notice, redeem all issued and outstanding shares of Series A Preferred for $10.00 per share (the " *Series A Preferred Redemption* "). Holders of Series A Preferred could also elect to convert, rather than redeem, their shares of Series A Preferred into 3.33 shares of common stock, at $3.00 per share. The Company completed the Series A Preferred Redemption on April 15, 2013. All but one holder of Series A Preferred elected to convert their shares of Series A Preferred into shares of the Company's common stock.

Series A Private Offering

In March 2013, the Company issued an aggregate total of 756,858 shares of its common stock for $3.50 per share, and five year warrants (the " *Investor Warrant(s)* ") to purchase an aggregate total of 249,763 shares of common stock for $3.50 per share to certain accredited investors (the " *Investors* ") in a series of private transactions (the " *Private Offering* ") in order to finance the Series A Preferred Redemption. The Company also issued warrants to certain affiliates of the placement agent for three of the Investors, on substantially similar terms to those offered to the Investors (" *Placement Agent Warrant(s)* "), to purchase 18,857 shares of common stock as partial consideration for facilitating a portion of the Private Offering.

The Company also entered into a Registration Rights Agreement with certain investors, wherein the Company agreed to register the shares of common stock, Investor Warrants and Placement Agent Warrants with the Securities and Exchange Commission (the " *SEC* "). In accordance with this Registration Rights Agreement, the Company filed a registration statement on Form S-3 with the SEC on April 15, 2013. The registration statement was declared effective by the SEC on May 15, 2013.

Director Investment

Concurrently with the Private Offering, the Company sold an aggregate total of 470,281 shares of its common stock to the directors of the Company for $3.60 per share, and five year warrants to purchase an aggregate total of 155,190 shares of common stock for $3.60 per share in a series of above-market private transactions (the " *Director Investment* ").

On August 28, 2013, the Company sold an additional 232,558 shares of common stock, and five year warrants to purchase 76,744 shares of common stock to two of the Company's directors at above-market prices on substantially the same terms as the Director Investment.

ResposiTrak Agreement

Effective June 30, 2013, the Company, ReposiTrak, Inc. (" *ReposiTrak* "), and Levitt Partners, LLC (" *Levitt* ") entered into an Omnibus Subscription, Management and Option Agreement (the " *Omnibus Agreement* "), which agreement amends and restates the Subscription Agreement and Management and Operating Agreement, each dated April 1, 2012 (together, the " *Original Agreements* "). Under the terms of the Omnibus Agreement, the Company agreed to continue providing certain management and business services to ReposiTrak, including powering ReposiTrak's subscription-based analytical service of food and drug supply chains with the Company's technologies for a three year term. In addition to certain subscription and management fees, the Company also has a nine-year option to purchase approximately 75% of the ReposiTrak's issued and outstanding securities, on a fully diluted basis, for prices ranging from $0.15 - $1.17 per share. As a result of the Omnibus Agreement, the Original Agreements terminated.

Fiscal Year

Our fiscal year ends on June 30. References to fiscal 2013 refer to the fiscal year ended June 30, 2013.

Sources of Revenue

The Company derives revenue from four sources: (1) subscription fees, (2) hosting, premium support and maintenance service fees beyond the standard services offered, (3) license fees, and (4) professional services consisting of development services, consulting, training and education.

Subscription revenue is driven primarily by the number of connections between suppliers and retailers, the number of stores and SKU's. Subscription revenue contains arrangements with customers accessing our applications, which includes the use of the application, application and data hosting, subscription-based maintenance of the application and standard support included with the subscription.

Our hosting services provide remote management and maintenance of our software and customers' data, which is physically located in third party facilities. Customers access 'hosted' software and data through a secure internet connection. Premium support services include technical assistance for our software products and unspecified product upgrades and enhancements on a when and if available basis beyond what is offered with our basic subscription package.

License arrangements are a perpetual license. Software license maintenance agreements are typically annual contracts with customers that are paid in advance or according to terms specified in the contract. This provides the customer access to new software enhancements, maintenance releases, patches, updates and technical support personnel.

Professional services revenue is comprised of revenue from development, consulting, education and training. Development services include customizations and integrations for a client's specific business application. Consulting, education and training include implementation and best practices consulting. Our professional services fees are more frequently billed on a fixed price/fixed scope, but may also be billed on a time and materials basis. We have determined that the professional services element of our software and subscription arrangements is not essential to the functionality of the software.

Critical Accounting Policies

This Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles.

We commenced operations in the software development and professional services business during 1990. The preparation of our financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and assumptions. Management bases its estimates and judgments on historical experience of operations and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies, among others, will affect its more significant judgments and estimates used in the preparation of our consolidated financial statements.

Income Taxes

In determining the carrying value of the Company's net deferred income tax assets, the Company must assess the likelihood of sufficient future taxable income in certain tax jurisdictions, based on estimates and assumptions, to realize the benefit of these assets. If these estimates and assumptions change in the future, the Company may record a reduction in the valuation allowance, resulting in an income tax benefit in the Company's statements of operations. Management evaluates whether or not to realize the deferred income tax assets and assesses the valuation allowance quarterly.

Goodwill and Other Long-Lived Asset Valuations

Goodwill is assigned to specific reporting units and is reviewed for possible impairment at least annually or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value. Management reviews the long-lived tangible and intangible assets for impairment when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Management evaluates, at each balance sheet date, whether events and circumstances have occurred which indicate possible impairment. The carrying value of a long-lived asset is considered impaired when the anticipated cumulative undiscounted cash flows of the related asset or group of assets is less than the carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the estimated fair market value of the long-lived asset. Economic useful lives of long-lived assets are assessed and adjusted as circumstances dictate.

Revenue Recognition

We recognize revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement, (2) the service has been provided to the customer, (3) the collection of our fees is probable and (4) the amount of fees to be paid by the customer is fixed or determinable.

We recognize subscription revenue ratably over the length of the agreement beginning on the commencement dates of each agreement or when revenue recognition conditions are satisfied. For a fee, subscriptions provide the customer with access to the software and data over the Internet, or on demand, and provide technical support services and software upgrades when and if available. Under subscriptions, customers do not have the right to take possession of the software and such arrangements are considered service contracts. Accordingly, we recognize subscription revenue ratably over the length of the agreement and professional services are recognized as incurred based on their relative fair values. In situations where we have contractually committed to an individual customer specific technology, we defer all of the revenue for that customer until the technology is delivered and accepted. Once delivery occurs, we then recognize the revenue ratably over the remaining contract term. When subscription service is paid in advance, deferred revenue is recognized and revenue is recorded ratably over the term as services are consumed.

Set up fees paid by customers in connection with subscription services are deferred and recognized ratably over the life of the applicable agreement.

Hosting, premium support and maintenance service revenue is derived from services beyond the basic services provided in standard arrangements. We recognize hosting, premium service and maintenance revenue ratably over the contract terms beginning on the commencement dates of each contact or when revenue recognition conditions are satisfied. Instances where hosting, premium support or maintenance service is paid in advance, deferred revenue is recognized and revenue is recording ratably over the term as services are consumed.

Professional services revenue consists primarily of fees associated with application and data integration, data cleansing, business process re-engineering, change management and education and training services. Fees charged for professional services are recognized when delivered. We believe the fees for professional services qualify for separate accounting because: (i) the services have value to the customer on a stand-alone basis, (ii) objective and reliable evidence of fair value exists for these services and (iii) performance of the services is considered probable and does not involve unique customer acceptance criteria.

We also sell software licenses. For software license sales, we recognize revenue when all of the following conditions are satisfied: (i) there is persuasive evidence of an arrangement, (ii) the service has been provided to the customer, (iii) the collection of our fees is probable and (iv) the amount of fees to be paid by the customer is fixed or determinable. Licenses generally include multiple elements that are delivered up front or over time. Vendor specific objective evidence of fair value of the hosting and support elements is based on the price charged at renewal when sold separately, and the license element is recognized into revenue upon delivery. The hosting and support elements are recognized ratably over the contractual term.

Stock-Based Compensation

The Company recognizes the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of those awards. The Company records compensation expense on a straight-line basis. The fair value of options granted are estimated at the date of grant using a Black-Scholes option pricing model with assumptions for the risk-free interest rate, expected life, volatility, dividend yield and forfeiture rate.

Capitalization of Software Development Costs

The Company accounts for research costs of computer software to be sold, leased or otherwise marketed as expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs are capitalized until the product is available for general release to customers. Judgment is required in determining when technological feasibility of a product is established. We have determined that technological feasibility for our software products is reached shortly after a working prototype is complete and meets or exceeds design specifications including functions, features, and technical performance requirements. Costs incurred after technological feasibility is established have been and will continue to be capitalized until such time as when the product or enhancement is available for general release to customers.

Off-Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenue and results of operation, liquidity or capital expenditures.

Results of Operations – Fiscal Years Ended June 30, 2013 and 2012

Revenue

	Fiscal Year Ended June 30,		Variance	
	2013	**2012**	**Dollars**	**Percent**
Subscription	$ 8,025,025	$ 6,994,484	$ 1,030,541	15%
Other revenues	3,293,549	3,104,063	189,486	6%
Total revenue	$ 11,318,574	$ 10,098,547	$ 1,220,027	12%

During the fiscal year ended June 30, 2013, the Company had total revenue of $11,318,574, compared to $10,098,547 for the year ended June 30, 2012, a 12% increase. This $1,220,027 increase in total revenue was principally due to an increase of $1,030,541 in subscription revenue and an increase of $189,486 in other revenue, as more particularly described below.

Management believes that the Company’s strategy of pursuing contracts with suppliers (“ *spokes* ”) to connect to retail customers (“ *hubs* ”) that have been added in the most recently completed fiscal year, including the service agreement with CVS Pharmacy, Inc., announced in July 2012, will continue to result in increased revenue during the fiscal year ending June 30, 2013, and in subsequent periods. In addition, management believes that revenue in subsequent periods will increase as a result of the receipt of subscription payments from ReposiTrak ™ resulting from the license of the Company’s technology necessary to power ResposiTrak ™ . ResposiTrak ™ enables grocery, supermarkets, packaged goods manufacturers, food processing facilities, drug stores and drug manufacturers, as well as logistics partners, to track and trace products and components to products throughout the food, drug and dietary supplement supply chains.

Subscription Revenue

Subscription revenue was $8,025,025 and $6,994,484 in 2013 and 2012 respectively, an increase of 15%. This $1,030,541 increase in the year ended June 30, 2013 when compared with the year ended June 30, 2012 was principally due to (i) the increase of subscription customers added to the Company’s customer base, including ReposiTrak, which contributed approximately $1.1 million in new subscription revenue, and (ii) a $719,000 increase attributable to the growth of existing retailer and supplier subscriptions. The increase in subscription revenue was partially offset by a decrease of approximately $802,000 resulting from the non-renewal of existing clients, including the non-renewal of a significant retail client and related connections in January 2012. While no assurances can be given, the Company anticipates that revenue from subscription-based services will continue to increase on a year-over-year basis.

The Company continues to focus its strategic initiatives on increasing the number of retailers, suppliers and manufacturers that use its software on a subscription basis. However, while management believes that marketing its suite of software solutions as a renewable and recurring subscription is an effective strategy, it cannot be assured that subscribers will renew the service at the same level in future years, propagate services to new categories or recognize the need for expanding the service offering of the Company’s suite of actionable products and services.

Other Revenue

Other revenue was $3,293,549 and $3,104,063 in 2013 and 2012, respectively, an increase of 6%. This $189,486 increase in the year ended June 30, 2013 when compared with the year ended June 30, 2012 was principally due to (i) an increase in other revenue related to a management agreement with ReposiTrak and (ii) license sales to existing customers. These increases were partially offset by (i) maintenance cancellations resulting in a net decrease in maintenance revenue of approximately $20,000 and (ii) a decrease in professional services revenue of $379,000 resulting from the shift to subscription based revenue.

While these other sources of revenue will continue in future periods, management’s focus on recurring subscription-based revenue will cause license, maintenance and consulting services to fluctuate and be difficult to predict.

Cost of Revenue and Product Support

	Fiscal Year Ended June 30,		**Variance**	
	2013	**2012**	**Dollars**	**Percent**
Cost of revenue and product support	$ 4,490,438	$ 4,581,765	$ (91,327)	-2%
Percent of total revenue	40%	45%		

Cost of revenue and product support was $4,490,438 or 40% of total revenue, and $4,581,765 or 45% of total revenue for the years ended June 30, 2013 and 2012, respectively, a 2% decrease. This decrease of $91,327 for the year ended June 30, 2013 when compared with the same period ended June 30, 2012 is principally due to a $237,000 decrease in employee related expenses. This decrease was partially offset by a $146,000 increase in infrastructure expansion and upgrades.

Sales and Marketing Expense

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Sales and marketing	$ 3,054,361	$ 2,640,292	$ 414,069	16%
Percent of total revenue	27%	26%		

The Company's sales and marketing expense was $3,054,361, or 27% of total revenue, and $2,640,292 or 26% of total revenue, for the fiscal years ended June 30, 2013 and 2012, respectively, a 16% increase. This $414,069 increase over the previous year was primarily the result of (i) an increase of approximately $230,000 in employee related expenses, (ii) an increase of $116,000 in marketing costs and (iii) an increase of approximately $68,000 in other selling expenses.

General and Administrative Expense

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
General and administrative	$ 2,474,169	$ 2,949,108	$ (474,939)	-16%
Percent of total revenue	22%	29%		

The Company's general and administrative expense was $2,474,169, or 22% of total revenue, and $2,949,108 or 29% of total revenue for the years ended June 30, 2013 and 2012, respectively, a 16% decrease. This $474,939 decrease when comparing expenditures for the year ended June 30, 2013 with the same period ended June 30, 2012 is principally due to (i) a decrease of approximately $168,000 in employee related expenses; (ii) a decrease in professional fees of $131,000; (iii) a $116,000 decrease in bad debt due to increased collection efforts; and (iv) a decrease of $60,000 in other operational expenses.

Depreciation and Amortization Expense

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Depreciation and amortization	$ 901,407	$ 900,094	$ 1,313	<1%
Percent of total revenue	8%	9%		

The Company's depreciation and amortization expense was $901,407 and $900,094 for the year ended June 30, 2013 and 2012, respectively, remaining flat.

Other Income and Expense

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Other gains	$ -	$ 319,272	$ (319,272)	-100 %
Interest expense	(140,712)	(205,227)	(64,515)	-31%
Total other (expense) income	$ (140,712)	$ 114,045	$ (254,757)	-223%

Net other (expense) income was net other expense of $140,712 when compared with net other income of $114,045 for the year ended June 30, 2013 and June 30, 2012, respectively. This $254,757 change is principally due to reduced note payable balances in the current year offset by a gain in the prior year.

Preferred Dividends

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Preferred dividends	$ 911,580	$ 834,687	$ 76,893	9%
Percent of total revenue	8%	8%		

Dividends accrued on the Company's Series A Preferred and Series B Preferred was $911,580 and $834,687 for the year ended June 30, 2013 and June 30, 2012, respectively. Before the Series A Redemption in April 2013, holders of Series A Preferred were entitled to a 5.00% annual dividend payable quarterly in either cash or additional Series A Preferred at the option of the Company with fractional shares paid in cash. This dividend rate increased to 10.00% per annum as a result of the average closing price of the Company's common stock during the last thirty (30) trading days of the quarter ending December 31, 2012 being less than $3.00 per share (a " *Dividend Adjustment* "). Holders of Series B Preferred are entitled to a 12.00% annual dividend payable quarterly in cash.

On April 15, 2013, the Company called for the redemption of all 686,210 issued and outstanding shares of Series A Preferred. 2,172 shares were redeemed for $10.00 per share, or an aggregate total of $21,720, and the remaining 684,038 shares were converted into 3.33 shares of common stock for each share of Series A Preferred redeemed, or an aggregate total of 2,280,149 shares of the Company's common stock.

Financial Position, Liquidity and Capital Resources

We believe our existing cash and short-term investments, together with funds generated from operations, are sufficient to fund operating and investment requirements for at least the next twelve months. Our future capital requirements will depend on many factors, including our rate of revenue growth and expansion of our sales and marketing activities, the timing and extent of spending required for research and development efforts and the continuing market acceptance of our products.

	Fiscal Year Ended June 30,		Variance	
	2013	**2012**	**Dollars**	**Percent**
Cash and Cash Equivalents	$ 3,616,585	$ 1,106,176	$ 2,510,409	227%

We have historically funded our operations with cash from operations, equity financings and debt borrowings. Cash and cash equivalents was $3,616,585 and $1,106,176 at June 30, 2013, and June 30, 2012, respectively. This $2,510,409 increase from June 30, 2012 to June 30, 2013 was principally the result of approximately $4.34 million received from the Private Offering and Director Investment in March 2013. This cash was intended to finance the Series A Redemption, however, approximately 99% of the holders of shares of Series A Preferred elected to convert their shares of Series A Preferred into shares of common stock.

Net Cash Flows from Operating Activities

	Fiscal Year Ended June 30,		Variance	
	2013	**2012**	**Dollars**	**Percent**
Cash flows (used in) provided by operating activities	$ (149,064)	$ 866,616	$ (1,015,680)	-117%

Net cash (used in) provided by operating activities is summarized as follows:

	2013	**2012**
Net income (loss)	$ 257,487	$ (858,667)
Noncash expense and income, net	1,889,669	1,752,317
Net changes in operating assets and liabilities	(2,296,220)	(27,034)
	$ (149,064)	$ 866,616

Noncash expense increased by $137,352 in 2013 compared to 2012. Noncash expense increased as a result of a $319,000 gain in the 2012 that did not recur in 2013. This increase was partially offset by a decrease in bad debt expense of $116,000 and a decrease in stock based compensation of $67,000.

The net changes in operating assets and liabilities used $2,269,186 more cash in 2013 compared to 2012. This is primarily related to an increase in accounts receivable from the conversion of some accounts receivable to notes. This increase was partially offset by a decrease in deferred and an increase prepaid expenses.

Net Cash Flows from Investing Activities

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Cash flows used in investing activities	$ (445,744)	$ (238,760)	$ (206,984)	87%

Net cash flows used in investing activities for the year ended June 30, 2013 was $445,744 compared to net cash flows used in investing activities of $238,760 for the year ended June 30, 2012. This $206,984 increase in cash used in investing activities for the 2013 when compared to the same period in 2012 was the result of capitalization of leasehold improvements for the Company's new corporate.

Net Cash Flows from Financing Activities

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Cash flows provided by (used in) financing activities	$ 3,105,217	$ (2,139,909)	$ 5,245,126	245%

Net cash flows provided by financing activities totaled $3,105,217 for the year ended June 30, 2013 compared to cash flows used in financing activities of $2,139,909 for the year ended June 30, 2012. The change in net cash used in financing activities is attributable to proceeds of approximately $4.34 million received from the Private Offering and Director Investment in March 2013, and lower debt payment in 2013 when compared to the same period in 2012.

Working Capital and Management's Plan

At June 30, 2013, the Company had positive working capital of $1,124,476 when compared with negative working capital of $2,345,977 at June 30, 2012. This $3,470,453 increase in working capital is principally due to proceeds received from the Private Offering and Director Investment in March 2013, an increase in prepaid expenses and decreases in deferred revenue and current notes payable during the year ended June 30, 2013. Management currently believes that the Company will continue to increase its working capital position, and thereby reduce its indebtedness in subsequent periods utilizing existing cash resources and projected cash flow from operations.

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Current assets	$ 6,403,860	$ 3,568,561	$ 2,835,299	80%

Current assets at June 30, 2013 totaled $6,403,860, an increase of $2,835,299 when compared to $3,568,561 at June 30, 2012. This 80% increase in current assets is due primarily proceeds from financing activities specifically the capital raise in March 2013, partially offset by normal fluctuations in operating assets.

	Fiscal Year Ended June 30,		Variance	
	2013	2012	Dollars	Percent
Current liabilities	$ 5,279,384	$ 5,914,538	$ 635,154	11%

Current liabilities totaled $5,279,384 and $5,914,538 as of June 30, 2013 and 2012, respectively. The $635,154 comparative decrease in current liabilities is principally due to decreases in, deferred revenue, the current portion of notes and capital leases of $288,000, and accrued liabilities of $145,000. These decreases were partially offset by an increase in accounts payable of $103,000.

While no assurances can be given, management currently intends to continue to reduce its indebtedness in subsequent periods utilizing existing cash resources and projected cash flow from operations. In addition, management may also continue to refinance or restructure certain of the Company's indebtedness to extend the maturities of such indebtedness to address its short-term and long-term working capital requirements. Management believes that these initiatives will enable us to address our debt service requirements during the next twelve months, as well as fund our currently anticipated operations and capital spending requirements.

Inflation

The impact of inflation has historically not had a material effect on the Company's financial condition or results from operations; however, higher rates of inflation may cause retailers to slow their spending in the technology area, which could have an impact on the Company's sales.

Recent Accounting Pronouncements

In January 2013, the FASB issued ASU 2013-01, Balance Sheet (Topic 210) – Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The main purpose of this Update is to clarify that the disclosures regarding offsetting assets and liabilities per ASU 2011-11 apply to derivatives including embedded derivatives, repurchase agreements and reverse repurchase agreements and securities borrowing and lending transactions that are offset or subject to a master netting agreement. Other types of transactions are not impacted. This Update is effective for fiscal years beginning on or after January 1, 2013 and for all interim periods within that fiscal year. The Company doesn't expect this Update to impact the Company's financials since it does not have instruments noted in the Update that are offset.

In July 2012, the FASB issued ASU 2012-02, Intangibles—Goodwill and Other (Topic 350)—Testing Indefinite-Lived Intangible Assets for Impairment, to allow entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the currently prescribed quantitative impairment test by comparing the fair value of the indefinite-lived intangible asset with its carrying value. Otherwise, the quantitative impairment test is not required. The Company plans to adopt ASU 2012-02 for fiscal 2014 and does not believe that the adoption will have a material effect on the consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS

The information required hereunder in this Annual Report on Form 10-K is set forth in the financial statements and the notes thereto beginning on Page F-1.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our Management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of June 30, 2013. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports submitted under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, including to ensure that information required to be disclosed by the Company is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control over Financial Reporting.

We are responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in the United States.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of our internal control over financial reporting as of June 30, 2013. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2013, our internal control over financial reporting was effective.

(c) Changes in Internal Controls over Financial Reporting.

The Company’s Chief Executive Officer and Chief Financial Officer have determined that there have been no changes, in the Company’s internal control over financial reporting during the period covered by this report identified in connection with the evaluation described in the above paragraph that have materially affected, or are reasonably likely to materially affect, Company’s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Officers and Directors

The Board of Directors and executive officers consist of the persons named in the table below. Vacancies on the Board of Directors may only be filled by a majority vote of Board of Directors, or at a stockholder's meeting at which stockholders holding a majority of the issued and outstanding shares of capital stock are present. The directors are elected annually by the stockholders at the annual meeting. Each director shall be elected for the term of one year, and until his or her successor is elected and qualified, or until earlier resignation or removal. The bylaws provide for at least one director. The directors and executive officers are as follows:

Name of Nominee	Age	Title
Randall K. Fields	66	President, Chief Executive Officer and Chairman
Edward L. Clissold	57	Chief Financial Officer, General Counsel
Robert P. Hermanns	70	Director
Robert W. Allen	70	Director
James R. Gillis	60	Director
William S. Kies, Jr.	61	Director
Richard Juliano	65	Director
Austin F. Noll, Jr.	69	Director
Ronald C. Hodge	64	Director

Randall K. Fields has been the Chief Executive Officer and Chairman of the Board of Directors since June 2001. Mr. Fields founded the Company in 1990 and has been its President, Chief Executive Officer and Chairman of the Board since its inception. Mr. Fields has also been responsible for the strategic direction of the Company since its inception. Mr. Fields co-founded Mrs. Fields Cookies with his then wife, Debbi Fields. He served as Chairman of the Board of Mrs. Fields Cookies from 1978 to 1990. In the early 1970's Mr. Fields established a financial and economic consulting firm called Fields Investment Group. Mr. Fields received a Bachelor of Arts degree in 1968 and a Masters of Arts degree in 1970 from Stanford University, where he was Phi Beta Kappa, Danforth Fellow and National Science Foundation Fellow.

The Nominating and Corporate Governance Committee believes that Mr. Fields' expertise in the Company's industry and markets following his founding of the Company in 1990, his extensive sales, marketing and technical background and experience, and his knowledge of business allow him to bring a unique understanding of the industries and markets in which the Company operates, as well as an entrepreneurial vision to the Company and the Board of Directors.

Edward L. Clissold joined the Company in March 2002 as General Counsel, and in August 2012 was appointed as the Company's Chief Financial Officer. Mr. Clissold currently serves as both General Counsel and Chief Financial Officer of the Company. Prior to his time with the Company, Mr. Clissold served as General Counsel for Mrs. Fields Cookies from August 1987 to April 1995 and was also in private practice. Mr. Clissold holds a Bachelors degree in Finance from the University of Utah and a Law Degree from Brigham Young University.

Robert P. Hermanns joined the Company in March 2007 as Senior Vice President, and served in that capacity until November 2009. Mr. Hermanns is currently a member of the Company's Board of Directors. Mr. Hermanns has over 40 years of experience in all phases of retail and wholesale grocery operations, and is currently Director of Food Industry Management Programs at the Marshall School of Business at the University of Southern California. Mr. Hermanns was President and Chief Executive Officer and Vice Chairman of the Board of Directors of Associated Grocers, Inc. from 2002 through 2005. He is also the former Chief Operating Officer of Weis Markets, a $2 billion NYSE company operating 163 retail food markets in the Mid-Atlantic States. Prior to joining AG and Weis Markets, Mr. Hermanns enjoyed a 30-year career with American Stores Company, an $18 billion food and drug retailer, where he held a number of executive management positions including Chief Operating Officer for Procurement and Logistics. A graduate of Western Michigan University with a BS degree in Food Marketing, Mr. Hermanns also holds an MBA from the University of Southern California.

The Nominating and Corporate Governance Committee believes that Mr. Hermanns' experience as the former President and Chief Executive Officer of one of the leading suppliers to independent retail supermarkets, as well as his extensive senior executive experience with leading retail food and drug retailers contributes to the Board's understanding of the markets served by the Company, including the Board's perspective on the strategic interests of potential clients and the viability of various commercial strategies. His previous experience as a senior executive of the Company also allows him to provide a unique perspective of and extensive knowledge on the industries in which the Company operates.

Robert W. Allen joined the Board of Directors in October 2007. Mr. Allen is a seasoned executive with many years experience as Chairman, President and Chief Executive Officer of businesses ranging in size from $200 million to $2.5 billion. Mr. Allen has over thirty years experience in the dairy industry, most notably as a catalyst for developing companies and a turn-around agent for troubled companies or divisions. Mr. Allen was most recently Chief Executive Officer of Southern Belle Dairy where he established a leadership team to reposition the company and developed a position in the market place for the branding of its products. Prior to this, he was Executive Vice President of Borden, Inc., where he was recruited to turn around the largest and most troubled division of the company. He is also the immediate past Chair of Kid Peace International, a $160 million non-profit agency assisting children in crises.

The Nominating and Corporate Governance Committee believes that Mr. Allen's years of experience in an area of growth for the Company, the dairy industry, as well as his extensive experience developing and managing companies in senior executive roles, add significant value to the Company and its Board of Directors in assessing challenges in one of its growth markets, and in addressing organizational and development issues facing the Company.

James R. Gillis joined the Board of Directors in February 2008. Mr. Gillis is the former President, Chief Operating Officer and Co-CEO of Source Interlink Companies, Inc., a premier marketing, merchandising and fulfillment company of entertainment products where he was instrumental in developing annual revenue in excess of $1.9 billion and over 95 business units in the United States. While at Source Interlink, Mr. Gillis also developed and maintained relationships with public equity investors, hedge funds, stock analysts, investment banks and private equity firms, both domestically and internationally, while creating a marketing infrastructure to provide a portfolio of fully integrated products and services in 110,000 locations for more than 1,000 retail chains. Prior to his tenure with Source Interlink, he was President, Chief Executive Officer and owner of Brand Manufacturing Corporation, a leading designer and manufacturer of retail display systems. Previously, he was Managing Partner of Aders, Wilcox, Gillis Group, a global developer of trade relationships serving major brand marketers and retailers worldwide.

The Nominating and Corporate Governance Committee believes that Mr. Gillis' experience as a senior executive with one of the premier marketing, merchandising and fulfillment companies, together with his extensive experience dealing with the capital markets, provides the Company and its Board of Directors with valuable input regarding prospective sales opportunities, leads and expertise in the area of public company finance.

William S. Kies, Jr . joined the Board of Directors in November 2011. Mr. Kies is currently a principal of Kies Consulting, LLC, a premier consulting practice specializing in the supermarket industry since 1994. Clients include Fortune 100 consumer package goods corporations and companies offering national services, programs and in-store support to all channels of food distribution. Prior to Kies Consulting, which Mr. Kies founded in 1994, he was the President and Chief Operating Officer of IGA, Inc., the world's largest banner group of independent supermarkets with over 4,000 stores serviced by 24 wholesalers in 20 countries.

The Nominating and Corporate Governance Committee believes that Mr. Kies' extensive management experience, including experience in the supermarket industry, together with his substantial contacts with potential clients for the Company's services, will contribute to the Board's deliberations and provide the Company with valuable insight and direction as the Company executes its business plan.

Richard Juliano joined the Board of Directors in October 2012. Mr. Juliano is currently engaged with The Radian Group, based in Minneapolis, and operates his own consulting firm. He began his career with Giant Eagle Super Markets, becoming the Senior Vice President and General Manager of the GM/HBC Division and then Senior Vice President of Merchandising and Marketing of the Phar-Mor Division. Mr. Juliano then served as Executive Vice President at Thrifty Payless Drug and Vice President of Marketing and Merchandising at Genuardis Family Markets in Philadelphia. Most recently, he was a senior executive at SUPERVALU, joining the company as Executive Vice President of Supply Chain Services for the Central Region and then moving to the Corporate Retail group as Vice President, GM/HBC, and ultimately Group Vice President of Center Store Merchandising. Mr. Juliano has served on the Red Cross of Columbiana County Board of Directors, National Association of Chain Drug Stores Advisory Board, Global Market Development Center Board of Directors and Youngstown State University Athletic Board. He currently is on the President's Innovative Network Board at GMDC.

The Nominating and Corporate Governance Committee believes that Mr. Juliano's knowledge and experience with supply chain management for large grocery retailers allows him to substantively contribute to the Company's business plan both with existing grocery clients, and new clients as the Company expands its business beyond the grocery industry.

Austin F. Noll, Jr. joined the Board of Directors in October 2012. Mr. Noll is the owner of Austin Noll & Associates, a trade relations and industry affairs consultancy based in New Jersey. Mr. Noll started his career with General Foods, spending 22 years in sales related positions. He then became Vice President of Trade Relations for the grocery division of Borden, Inc., and was promoted to Vice President of Industry and Trade Relations, before moving to Nabisco, Inc. as Senior Vice President of Industry and Trade Relations. Mr. Noll has served on the Trade Advisory Boards of Grocery Manufacturing Association, Food Marketing Institute, National Grocers Association, North American Wholesale Grocers Association, Western Association of Food Chains and IGA. He is currently a member of the Board of Directors of Food for All and a founding member of the Trade Advisory Board of Instant Combo Savings.

The Nominating and Corporate Governance Committee believes that Mr. Noll's experience working for and advising national food retailers provides a unique perspective to the Company that is particularly beneficial as the Company continues to expand its client base within the grocery industry.

Ronald C. Hodge joined the Board of Directors in February 2013. Mr. Hodge is an advisor to Delhaize America, LLC, a role he transitioned into following his time as Delhaize America's Chief Executive Officer from March 2011 to October 2012. Prior to Delhaize America, Mr. Hodge served as Executive Vice President and Chief Executive Officer of Hannaford Bros. Co. He joined Hannaford in 1980 and has served in various executive roles, including Vice President and General Manager of Hannaford's New York Division, Senior Vice President of Retail Operations, Executive Vice President of Sales and Marketing, and Executive Vice President and Chief Operating Officer. He became President of Hannaford in December 2000 and Chief Executive Officer in 2001. While leading the start-up of Hannaford's entry into upstate New York, Mr. Hodge was elected Chairman of the New York State Food Merchant's Association, and served on several Community Agency Boards of Directors. He chaired the Northeastern New York United Way Campaign in 1995 and was selected as the New York Capital Region's Citizen of the Year in 1996. Mr. Hodge holds a Bachelor of Science degree in business administration from Plymouth State College, Plymouth, New Hampshire.

The Nominating and Corporate Governance Committee believes that Mr. Hodge's 33 years of management experience in the grocery industry, including leading the successful expansion of Hannaford Bros. Co., provides the Company with valuable industry knowledge and insight as the Company continues to grow its scan-based technologies to an expanding client base.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions material to the evaluation of the ability and integrity of any director or nominee during the past ten years.

Compliance with Section 16(a)

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of beneficial ownership and changes in beneficial ownership of the Company's securities with the Securities and Exchange Commission on Forms 3 (Initial Statement of Beneficial Ownership), 4 (Statement of Changes of Beneficial Ownership of Securities) and 5 (Annual Statement of Beneficial Ownership of Securities). Directors, executive officers and beneficial owners of more than 10% of the Company's common stock are required by Securities and Exchange Commission regulations to furnish the Company with copies of all Section 16(a) forms that they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended June 30, 2013, each of our directors failed to report the issuance of shares to them in consideration for the payment of director fees owed to them during such fiscal year and/or had one or more late filings related to the acquisition and/or disposition of securities.

Code of Ethics and Business Conduct

In August 2008, the Company and its Board of Directors unanimously adopted a new Code of Ethics and Business Conduct, which replaced the Code of Ethics adopted in 2005. The Company's Code of Ethics and Business Conduct is posted at the Company's website located at www.parkcitygroup.com.

Committees of the Board of Directors

The Board of Directors has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee each of which has the composition and responsibilities described below.

Audit Committee

The Audit Committee provides assistance to the Board of Directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal accounting controls. The Audit Committee also oversees the audit efforts of our independent accountants and takes those actions as it deems necessary to satisfy it that the accountants are independent of management. The Audit Committee currently consists of Robert W. Allen (Chairman), Richard Juliano and James R. Gillis, each of whom is a non-management member of our Board of Directors. We believe that the composition of our Audit Committee meets the criteria for independence under, and the functioning of our Audit Committee complies with the applicable requirements of, the Sarbanes-Oxley Act of 2002 and the current rules of the Securities and Exchange Commission rules and regulations.

Compensation Committee

The Compensation Committee determines our general compensation policies and the compensation provided to our directors and officers. The Compensation Committee also reviews and determines bonuses for our officers and other employees. In addition, the Compensation Committee reviews and determines equity-based compensation for our directors, officers, employees and consultants and administers our stock option plans and employee stock purchase plan. The Compensation Committee currently consists of James R. Gillis (Chairman), Robert W. Allen and Richard Juliano, each of whom is a non-management member of our Board of Directors. We believe that the composition of our Compensation Committee meets the criteria for independence under, and the functioning of our Compensation Committee complies with the applicable requirements of, the Sarbanes-Oxley Act of 2002 and the current rules of the Securities and Exchange Commission rules and regulations.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board of Directors regarding candidates for directorships and the size and composition of the Board. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to the Board concerning corporate governance matters. The current members of the Nominating and Corporate Governance committee are William S. Kies, Jr. (Chairman), James R. Gillis, Robert P. Hermanns and Austin F. Noll, Jr. We believe that the composition of our Nominating and Corporate Governance Committee meets the criteria for independence under, and the functioning of our Nominating and Corporate Governance Committee complies with the applicable requirements of, the Sarbanes-Oxley Act of 2002 and the current rules of the Securities and Exchange Commission rules and regulations.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation paid to the Company's Chief Executive Officer, and the Company's Chief Financial Officer, who was the only member of management serving as executive officers as of June 30, 2013 whose annual compensation exceeded $100,000 during such year (collectively the " *Named Executive Officers* "):

Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Stock Awards ($) (1)**	**All Other Compensation ($)**	**Total ($)**
Randall K. Fields	2013	375,000(2)	73,125	66,000(3)	79,492(4)	593,617
Chief Executive Officer and Chairman of the Board	2012	375,000(2)	165,625	66,000(3)	72,471(4)	679,096
Edward L. Clissold	2013	144,417	-	3,885	-	148,302
Chief Financial Officer	2012	83,000	-	3,192	-	86,192

(1) Stock awards consist solely of shares of restricted common stock. Amounts shown do not reflect compensation actually received by the Named Executive Officer. Instead, the amounts shown are the compensation costs recognized by the Company during the fiscal year for stock awards as determined pursuant to FAS 123R.

(2) $325,000 of Mr. Fields' cash compensation was paid to Fields Management, Inc., a management company wholly-owned by Mr. Fields, during 2013 and 2012, respectively.

(3) Represents the value of 60,000 shares of common stock issued to Fields Management, Inc. which vested during the reporting period. The shares were originally issued in July 2009 under the terms of a Services Agreement between the Company and Fields Management, Inc., and are valued as of the date of issuance, or $1.10 per share.

(4) These amounts include premiums paid on life insurance policies of $25,344 for each of 2013 and 2012; computer related expenses of $6,000 and $7,113 for 2013 and 2012, respectively; Company car related expenses of $16,958 and $18,363 for 2013 and 2012, respectively; medical premiums of $19,190 and $9,651 for 2013 and 2012, respectively; and reimbursement for certain accounting services of $12,000 for each of 2013 and 2012, respectively.

Employment Arrangements

During the year ended June 30, 2013, the Company had an Employment Agreement with its Chief Executive Officer, Randall K. Fields, pursuant to which Mr. Fields was employed by the Company in the position of Sales Department Manager through June 30, 2013 for annual compensation of $50,000. The Company also had a Services Agreement with Fields Management, Inc. (" *FMI* "), to provide certain executive management services to the Company, including designating Mr. Fields to perform the functions of President and Chief Executive Officer for the Company (" *Executive* ") through June 30, 2013. Randall K. Fields, FMI's designated Executive, who currently serves as the Company's Chairman of the Board, President and Chief Executive Officer, controls FMI. Under the terms of the Services Agreement, FMI was paid an annual base fee of $325,000, payable in equal semi-monthly installments. In addition, FMI was entitled to the following:

- an incentive bonus based upon the Company's achievement of performance goals determined each year by the Compensation Committee of the Company's Board of Directors;
- up to $1,200 per month for reimbursement of a vehicle of Executive's choice;
- an annual allowance of up to $6,000 for computer equipment;
- 600,000 shares of common stock of the Company, subject to a pro-rata (10) ten-year vesting schedule;
- payment of premiums for health insurance; and
- reimbursement for certain accounting expense.

The Company was also obligated to maintain a term life insurance policy in the name of the Executive for $10 million, with the beneficiary to be designated by the Executive.

Following the end of fiscal 2013, the Company and Mr. Fields entered into a new Employment Agreement, and the Company and FMI entered into a new Services Agreement, which agreements govern the terms of Mr. Fields's position as Sales Department Manager and FMI's relationship with the Company, respectively, until June 30, 2018. The new Employment Agreement and Services Agreement are described in Note 17, " *Subsequent Events* ", in the notes to the Company's condensed consolidated financial statements.

Director Compensation

The outside directors of the Company, consisting of Messrs. Gillis, Allen, Hermanns, Kies, Juliano, Noll and Hodge receive the following compensation:

- annual cash compensation of $10,000 payable at the rate of $2,500 per quarter. The Company has the right to pay this amount in the form of shares of Common Stock, and did so for all compensation owed directors during fiscal 2013; and

- Upon appointment, outside independent directors receive a grant of $150,000 payable in shares of the Company's restricted Common Stock calculated based on the market value of the shares of Common Stock on the date of grant. The shares vest ratably over a five-year period.

The following table sets forth information concerning director compensation earned during fiscal year 2013:

Name	Stock Awards ($) (1)	Total ($)
Robert P. Hermanns	10,000	10,000
Robert W. Allen	25,000	25,000
James R. Gillis	25,000	25,000
William S. Kies, Jr.	25,000	25,000
Richard Juliano	7,500	7,500
Austin F. Noll, Jr.	7,500	7,500
Ronald C. Hodge	5,000	5,000
Peter Brennan (2)	2,500	2,500

(1) Stock awards consist solely of stock grants of fully vested common stock. Amounts shown do not reflect compensation actually received by the director. Instead, the amounts shown reflect the compensation costs recognized by the Company during the fiscal year for stock awards as determined pursuant to FAS 123R.
(2) Mr. Brennan resigned from the Board of Directors during fiscal 2013, on October 19, 2012.

401(k) Retirement Plan

The Company offers an employee benefit plan under Benefit Plan Section 401(k) of the Internal Revenue Code. The Company utilizes ADP, Inc. as its administrator and trustee of the Company's 401(k) plan. Employees who have attained the age of 18 are eligible to participate. The Company, at its discretion, may match employee's contributions at a percentage determined annually by the Board of Directors. The Company does not currently match contributions.

Indemnification for Securities Act Liabilities

Nevada law authorizes, and the Company's Bylaws and Indemnity Agreements provide for, indemnification of the Company's directors and officers against claims, liabilities and amounts paid in settlement, and expense in a variety of circumstances. Indemnification for liabilities arising under the Act may be permitted for directors, officers and controlling persons of the Company pursuant to the foregoing or otherwise. However, the Company has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

Stock Options and Warrants

The Company has stock option plans that enable it to issue to officers, directors, consultants and employees nonqualified and incentive options to purchase common stock. At June 30, 2013, a total of 12,300 of such options were outstanding with exercise prices ranging from $1.50 to $2.50 per share.

At June 30, 2013 a total of 423,810 warrants to purchase shares of common stock were outstanding. The outstanding warrants were issued in connection with the Series A Private Offering and director investments in March 2013. These warrants have an exercise prices ranging from $3.50 to $3.60 per share and expire March 14, 2018.

Compensation Committee Interlocks and Insider Participation

No executive officers of the Company serve on the Compensation Committee (or in a like capacity) for the Company or any other entity.

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

The following table sets forth information regarding shares of Series B Preferred beneficially owned as of September 23, 2013 by:

(i) Each of our officers and directors;
(ii) All officer and directors as a group; and
(iii) Each person known by us to beneficially own five percent or more of the outstanding shares of our preferred stock. Percent ownership is calculated based on 411,927 shares of Series B Preferred Stock outstanding at September 23, 2013.

Name	Series B Convertible Preferred Stock	% Ownership of Class
Robert W. Allen	52,301	12.70%
Riverview Financial Corp.	359,626 (1)	87.30%
Randall K. Fields	359,626 (2)	87.30%

*Less than 1%

(1) Includes 10,000 shares of Series B Preferred held in the name Julie Fields, Mr. Fields spouse.
(2) Includes 349,626 shares of Series B Preferred held in the name of Riverview Financial Corp. and 10,000 shares of Series B Preferred in the name of Julie Fields. Mr. Fields is the beneficial owner of Riverview Financial Corp. and spouse of Mrs. Fields.

The following table sets forth information regarding shares of our common stock beneficially owned as of September 23, 2013 by: (i) each of our officers and directors, (ii) all officers and directors as a group and (iii) each person known by us to beneficially own five percent or more of the outstanding shares of our common stock.

Name	Common Stock	Common Stock Warrants Exercisable Within 60 Days	Total Stock and Stock Based Holdings [1]	% Ownership of Class
Randall K. Fields [2]	5,774,206[3][4]	6,875 [5]	5,781,081	33.1%
Edward L. Clissold [2]	10,371	-	10,371	*
Robert Hermanns [2]	114,028	18,333 [5]	132,361	*
James R. Gillis [2]	148,106	-	148,106	*
Robert W. Allen [2]	808,521[6]	71,414 [7]	879,935	5.3%
William S. Kies, Jr. [2]	14,775	2,750 [5]	17,525	*
Richard Juliano [2]	7,398	1,833[5]	9,231	*
Austin F. Noll, Jr. [2]	18,509	5,500[5]	24,009	*
Ronald C. Hodge [2]	350,493	115,329[8]	465,822	2.8%
Directors Group (9 persons)	7,246,407	222,034	7,468,441	41.9%
Goldman Capital Management	1,404,854	-	1,404,854	8.5%

*Less than 1%

(1) For purposes of this table "beneficial ownership" is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, pursuant to which a person or group of persons is deemed to have "beneficial ownership" of any shares that such person or group has the right to acquire within 60 days after September 23, 2013. For purposes of computing the percentage of outstanding common shares held by each person or group of persons named above, any shares that such person or group has the right to acquire within 60 days after September 23, 2013, are deemed outstanding but are not deemed to be outstanding for purposes of computing the percentage ownership of any other person or group. As of September 23, 2013, there were 16,560,540 shares of our common stock issued and outstanding. There were also outstanding warrants entitling the holders to purchase 225,129 shares of our common stock owned by officers and/or directors of the Company.

(2) Officers and directors of the Company.

(3) Includes 243,253 shares of common stock held in the name of Fields Management, Inc., of which Mr. Fields is the beneficial owner, 651,152 shares of common stock held in the name of Riverview Financial Corp., of which Mr. Fields is the beneficial owner, and 30,667 held by Mr. Fields' spouse, Julie Fields.

(4) Includes 874,065 shares issuable upon conversion of 349,626 shares of Series B Preferred held by Riverview Financial Corp., of which Mr. Fields is the beneficial owner, and 25,000 shares issuable upon conversion of 10,000 shares of Series B Convertible Preferred held Mr. Fields' spouse, Julie Fields.

(5) Warrant is exercisable for $3.60 per share and expires on March 14, 2018 or March 15, 2018.

(6) Includes 118,933 shares of common stock held in trust, in which Mr. Allen is the trustee. Includes 130,753 shares issuable upon conversion of 52,301 shares of Series B Preferred held by Mr. Allen.

(7) Includes warrants for 45,833 and 25,581 which are exercisable for $3.60 and $6.45 per share and expire on March 14, 2018 and August 27, 2018, respectively.

(8) Includes warrants for 64,166 and 51,163 which are exercisable for $3.60 and $6.45 per share and expire on March 14, 2018 and August 27, 2018, respectively.

Change in Control

The Company is not currently engaged in any activities or arrangements that it anticipates will result in a change in control of the Company.

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

Director Independence

The Board has determined that all of its members, other than Mr. Fields, who serves as the Company's Chief Executive Officer, are "independent" within the meaning of Section 803(A) of the NYSE MKT Company Guide, and Securities and Exchange Commission rules regarding independence.

We maintain separately designated audit, compensation and nominating committees. In applying the independence standards applicable to audit, compensation and nominating committee members, each of the members of such committees are considered independent.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

We incurred approximately $60,100 and $62,500 in audit fees during the years ended June 30, 2013 and 2012, respectively, to HJ & Associates, LLC.

Audit Related Fees

There were no fees billed for audit-related services not disclosed in "Audit Fees" above.

All Other Fees

We incurred approximately $11,000 and $14,000 in tax preparation fees during the years ended June 30, 2013 and 2012. No other fees were billed for services rendered by our principal accountants for the years ended June 30, 2013 or 2012.

Compatibility of Certain Fees with Independent Accountants' Independence

The Audit Committee has established its pre-approval policies and procedures, pursuant to which the Audit Committee approved the foregoing audit and permissible non-audit services provided by HJ & Associates, LLC in fiscal 2013 and 2012. Such procedures govern the ways in which the Audit Committee pre-approves audit and various categories of non-audit services that the auditor provides to the Company. Services which have not received pre-approval must receive specific approval of the Audit Committee. The Audit Committee is to be informed of each such engagement in a timely manner, and such procedures do not include delegation of the Audit Committee's responsibilities to management.

Reports of the Audit Committee

On an annual basis the Audit Committee will review and discuss our most recent audited financial statements with management, and will discuss with our independent registered public accounting firm the matters required to be discussed by SAS 114, as modified or supplemented, and will receive the written disclosures and letters as required by Independence Standards Board Standard No. 1, as modified or supplemented, and will discuss with our independent registered public accounting firm its independence. Based on these reviews and discussions, the Audit Committee will then make its recommendation to the Board of Directors related to the inclusion of the audited financial statements in our Annual Report on Form 10-K for each fiscal year for filing with the Securities and Exchange Commission.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibits, Financial Statements and Schedules

The Condensed Consolidated Financial Statements of the Company and its subsidiaries are filed as part of this Report:

- Report of Independent Registered Public Accounting Firm
- Condensed Consolidated Balance Sheets as of June 30, 2013 and June 30, 2012
- Condensed Consolidated Statements of Operations for the years ended June 30, 2013 and 2012
- Condensed Consolidated Statements of Stockholders' (Deficit) Equity for the years ended June 30, 2013 and 2012
- Condensed Consolidated Statements of Cash Flows for the years ended June 30, 2013 and 2012
- Notes to Condensed Consolidated Financial Statements

Exhibit Number	Description
2.1	Agreement and Plan of Merger and Reorganization, Dated August 28, 2008 (1)
2.2	Form of Stock Purchase Agreement (1)
2.3	Form of Stock Voting Agreement (1)
2.4	Form of Promissory Note (2)
3.1	Articles Of Incorporation (3)
3.2	Certificate Of Amendment (4)
3.3	Certificate of Amendment (5)
3.4	Bylaws (3)
4.1	Certificate of Designation of the Series A Convertible Preferred Stock (6)
4.2	Certificate of Designation of the Series B Convertible Preferred Stock (7)
10.1	Placement Agent Agreement (8)
10.2	Warrant to Purchase Common Stock, Dated June 14, 2006 (9)
10.3	Securities Purchase Agreement (9)
10.4	Warrant to Purchase Common Stock, Dated June 30, 2006 (5)
10.5	Stock Purchase Agreement (6)
10.6	Warrant to Purchase Common Stock, dated June 1-22, 2007 (6)
10.7	Warrant to Purchase Common Stock, dated June 22, 2007 (6)
10.8	Warrant to Purchase Common Stock issued to Taglich Brothers, Inc. (10)
10.9	Form of Securities Purchase Agreement, dated January 12, 2009 (10)
10.10	Securities Purchase Agreement, dated January 12, 2009, by and between the Company and Robert W. Allen (10)
10.11	Securities Purchase Agreement, dated January 12, 2009, by and between the Company and Taglich Brothers, Inc. (10)
10.12	Subordinated Promissory Note, dated April 1, 2009, issued to Riverview Financial Corporation (10)
10.13	Amendment to Loan Agreement and Note, by and between U.S. Bank National Association and the Company, dated September 15, 2009 (11)
10.14	Term Note, dated September 30, 2009 (11)
10.15	Amendment to Loan Agreement and Note, by and between U.S. Bank National Association and the Company, dated September 30, 2009 (12)
10.16	Term Loan Agreement, by and between U.S. Bank National Association and the Company, dated May 5, 2010 (13)
10.17	Amendment to Loan Agreement and Note, by and between U.S. Bank National Association and the Company, dated May 5, 2010 (13)
10.18	Promissory Note, dated August 25, 2009, issued to Baylake Bank (13)
10.19	ReposiTrack Omnibus Subscription Agreement *
10.20	ReposiTrack Promissory Note *
10.21	Fields Employment Agreement *
10.22	Services Agreement *
14.1	Code of Ethics and Business Conduct (14)
21	List of Subsidiaries (15)
23	Consent of HJ & Associates, LLC, dated September 23, 2013 *
31.1	Certification of Principal Executive Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350

(1) Incorporated by reference from our Form 8-K dated September 3, 2008.
(2) Incorporated by reference from our Form 8-K dated September 15, 2008.
(3) Incorporated by reference from our Form DEF 14C dated June 5, 2002.
(4) Incorporated by reference from our Form 10-QSB for the year ended Sept 30, 2005.
(5) Incorporated by reference from our Form 10-KSB dated September 29, 2006.
(6) Incorporated by reference from our Form 8-K dated June 27, 2007.
(7) Incorporated by reference from our Form 8-K dated July 21, 2010.
(8) Incorporated by reference from our Form 8-K dated June 14, 2006.
(9) Incorporated by reference from our Form SB-2/A dated October 20, 2006.
(10) Incorporated by reference from our Form 8-K dated September 30, 2009.

(11) Incorporated by reference from our Form 8-K dated October 1, 2009.
(12) Incorporated by reference from our Form 8-K dated May 6, 2010.
(13) Incorporated by reference from our Form 8-K dated August 25, 2009.
(14) Incorporated by reference from our Form 10-KSB dated September 30, 2008.
(15) Incorporated by reference from out Form 10-K dated September 13, 2011.
* Filed herewith

SIGNATURES

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

PARK CITY GROUP, INC.
(Registrant)

Date: September 23, 2013

By: /s/ Randall K. Fields
Principal Executive Officer,
Chairman of the Board and Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Randall K. Fields Randall K. Fields	Chairman of the Board and Director, Chief Executive Officer (Principal Executive Officer)	September 23, 2013
/s/ Edward L. Clissold Edward L. Clissold	Chief Financial Officer, General Counsel (Principal Financial Officer & Principal Accounting Officer)	September 23, 2013
/s/ Robert W. Allen Robert W. Allen	Director, and Compensation Committee Chairman	September 23, 2013
/s/ James R. Gillis James R. Gillis	Director	September 23, 2013
/s/ Robert P. Hermanns Robert P. Hermanns	Director	September 23, 2013
/s/ William S. Kies, Jr. William S. Kies, Jr.	Director	September 23, 2013
/s/ Richard Juliano Richard Juliano	Director	September 23, 2013
/s/ Austin F. Noll, Jr. Austin F. Noll, Jr.	Director	September 23, 2013
/s/ Ronald C. Hodge Ronald C. Hodge	Director	September 23, 2013

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders of
Park City Group, Inc. and Subsidiaries
Park City, Utah

We have audited the accompanying consolidated balance sheets of Park City Group, Inc. and subsidiaries as of June 30, 2013 and 2012, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits 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 the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Park City Group, Inc. and subsidiaries as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ HJ & Associates, LLC

HJ & Associates, LLC
Salt Lake City, Utah
September 23, 2013

PARK CITY GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

Assets	June 30, 2013	June 30, 2012
Current Assets:		
Cash and cash equivalents	$ 3,616,585	$ 1,106,176
Receivables, net of allowance of $190,000 and $220,000 at June 30, 2013 and 2012, respectively	2,383,366	2,290,859
Prepaid expense and other current assets	403,909	171,526
Total current assets	6,403,860	3,568,561
Property and equipment, net	671,959	559,140
Other assets:		
Deposits and other assets	14,866	20,697
Note receivable	1,622,863	-
Customer relationships	2,340,335	2,762,651
Goodwill	4,805,933	4,805,933
Capitalized software costs, net	73,082	219,248
Total other assets	8,857,079	7,808,529
Total assets	$ 15,932,898	$ 11,936,230
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 653,655	$ 550,846
Accrued liabilities	1,096,982	1,242,328
Deferred revenue	1,777,326	2,081,459
Capital lease obligations	-	41,201
Line of credit	1,200,000	1,200,000
Note payable	551,421	798,704
Total current liabilities	5,279,384	5,914,538
Long-term liabilities:		
Notes payable, less current portion	310,642	711,571
Other long-term liabilities	101,500	-
Total liabilities	5,691,526	6,626,109
Commitments and contingencies		
Stockholders' equity:		
Series A Convertible Preferred stock, $0.01 par value, 30,000,000 shares authorized; 0 and 685,671 shares issued and outstanding at June 30, 2013 and 2012, respectively	-	6,857
Series B Convertible Preferred stock, $0.01 par value, 30,000,000 shares authorized; 411,927 shares issued and outstanding at June 30, 2013 and 2012	4,119	4,119
Common stock, $0.01 par value, 50,000,000 shares authorized; 16,128,530 and 12,087,431 issued and outstanding at June 30, 2013 and June 30, 2012, respectively	161,285	120,874
Additional paid-in capital	43,314,986	37,763,196
Accumulated deficit	(33,239,018)	(32,584,925)
Total stockholders' equity	10,241,372	5,310,121
Total liabilities and stockholders' equity	$ 15,932,898	$ 11,936,230

See accompanying notes to condensed consolidated financial statements.

PARK CITY GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations

	For the Years Ended June 30, 2013	2012
Revenue:		
Subscriptions	$ 8,025,025	$ 6,994,484
Other revenues	3,293,549	3,104,063
Total revenue	11,318,574	10,098,547
Operating expenses:		
Cost of revenue and product support	4,490,438	4,581,765
Sales and marketing	3,054,361	2,640,292
General and administrative	2,474,169	2,949,108
Depreciation and amortization	901,407	900,094
Total operating expense	10,920,375	11,071,259
Income (loss) from operations	398,199	(972,712)
Other (expense) income:		
Other gains	-	319,272
Interest expense, net	(140,712)	(205,227)
Total other (expense) income	(140,712)	114,045
Income (loss) before income taxes	257,487	(858,667)
(Provision) benefit for income taxes	-	-
Net income (loss)	257,487	(858,667)
Dividends on preferred stock	(911,580)	(834,687)
Net loss applicable to common shareholders	$ (654,093)	$ (1,693,354)
Weighted average shares, basic and diluted	13,246,000	11,780,000
Basic and diluted loss per share	$ (0.05)	$ (0.14)

See accompanying notes to condensed consolidated financial statements.

PARK CITY GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
For the Years Ended June 30, 2013 and 2012

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, June 30, 2011	667,955	$ 6,680	411,927	$ 4,119	11,612,460	$116,125	$36,088,584	$ (30,891,571)	$ 5,323,937
Conversion of Preferred stock	(16,001)	(160)	-	-	53,335	533	(373)	-	-
Stock issued for:									
Compensation	-	-	-	-	271,883	2,719	843,980	-	846,765
Dividends	33,717	337	-	-	-	-	336,043	-	336,380
Preferred Dividends-Declared	-	-	-	-	-	-	-	(834,687)	(834,687)
Exercise of Options/ Warrants	-	-	-	-	149,753	1,498	494,897	-	496,395
Net loss	-	-	-	-	-	-	-	(858,667)	(858,667)
Balance, June 30, 2012	685,671	6,857	411,927	4,119	12,087,431	120,874	37,763,196	(32,584,925)	5,310,121
Conversion of Preferred stock	(733,605)	(7,336)	-	-	2,445,371	24,454	(17,118)	-	-
Redemption of Preferred stock	(2,172)	(22)	-	-	-	-	(21,698)	-	(21,720)
Stock issued for:									
Compensation	-	-	-		276,988	2,770	783,573	-	786,343
Cash	-	-	-		1,288,096	12,881	4,306,780	-	4,319,661
Dividends	50,106	501	-		-	-	500,559	-	501,060
Preferred Dividends-Declared	-	-	-	-	-	-	-	(911,580)	(911,580)
Exercise of Options/ Warrants	-	-	-	-	30,644	306	(306)	-	-
Net income	-	-	-	-	-	-	-	257,487	257,487
Balance, June 30, 2013	-	$ -	411,927	$ 4,119	16,128,530	$161,285	$43,314,986	$(33,239,018)	$10,241,372

See accompanying notes to condensed consolidated financial statements.

PARK CITY GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows

	For the Years Ended June 30, 2013	2012
Cash Flows from Operating Activities:		
Net income (loss)	$ 257,487	$ (858,667)
Adjustments to reconcile net income (loss)to net cash (used in) provided by operating activities:		
Depreciation and amortization	901,407	900,093
Bad debt expense	144,617	260,402
Stock compensation expense	843,645	911,094
Other gains	-	(319,272)
Decrease (increase) in:		
Trade receivables	(1,859,987)	(491,488)
Prepaids and other assets	(226,552)	97,621
Increase (decrease) in:		
Accounts payable	102,809	(184,073)
Accrued liabilities	(8,357)	132,679
Deferred revenue	(304,133)	418,227
Net cash (used in) provided by operating activities	(149,064)	866,616
Cash Flows From Investing Activities:		
Purchase of property and equipment	(445,744)	(238,760)
Net cash used in investing activities	(445,744)	(238,760)
Cash Flows From Financing Activities:		
Proceeds from issuance of stock	4,162,920	-
Proceeds from issuance of note payable	176,797	310,231
Proceeds from employee stock plans	156,741	141,827
Proceeds from exercise of options and warrants	-	496,393
Series A redemption	(21,720)	-
Dividends paid	(503,311)	(494,312)
Payments on notes payable and capital leases	(866,210)	(2,594,048)
Net cash provided by (used in) financing activities	3,105,217	(2,139,909)
Net increase (decrease) in cash and cash equivalents	2,510,409	(1,512,053)
Cash and cash equivalents at beginning of period	1,106,176	2,618,229
Cash and cash equivalents at end of period	$ 3,616,585	$ 1,106,176
Supplemental Disclosure of Cash Flow Information		
Cash paid for income taxes	$ -	$ -
Cash paid for interest	$ 142,491	$ 281,269
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Common Stock to pay accrued liabilities	$ 786,343	$ 704,938
Dividends accrued on preferred stock	$ 911,580	$ 834,687
Dividends paid with preferred stock	$ 501,060	$ 336,380
Conversion of accounts receivable into notes receivable	$ 1,622,863	$ -

See accompanying notes to condensed consolidated financial statements.

NOTE 1. DESCRIPTION OF BUSINESS AND MERGER OF PRESCIENT APPLIED INTELLIGENCE, INC.

Summary of Business

Park City Group, Inc. (the " *Company* ") is incorporated in the state of Nevada. The Company's 98.76% and 100% owned subsidiaries, Park City Group, Inc. and Prescient Applied Intelligence, Inc. (" *Prescient* "), respectively, are incorporated in the state of Delaware. All intercompany transactions and balances have been eliminated in consolidation.

The Company designs, develops, markets and supports proprietary software products. These products are designed for businesses having multiple locations to assist in the management of business operations on a daily basis and communicate results of operations in a timely manner. In addition, the Company has built a consulting practice for business improvement that centers on the Company's proprietary software products. The principal markets for the Company's products are multi-store retail and convenience store chains, branded food manufacturers, suppliers and distributors, and manufacturing companies, which have operations in North America, Europe, Asia and the Pacific Rim.

Recent Developments

CVS Pharmacy, Inc.

On July 31, 2012, the Company announced a three-year service agreement to provide selected scan-based trading services to CVS Pharmacy, Inc. (" *CVS* ") through May 2015. The agreement reflects the Company's focus on increasing the number of retailers that use its software on a subscription basis, and marks the Company's progress towards contracting with major retailers outside of the grocery industry.

In addition to the agreement with CVS, the Company initiated test programs to provide services to two large national retailers with upwards of 12,000 stores combined nationwide . The Company expects the subscription revenue potential generated from these relationships to be significantly larger than any of the Company's existing client hubs within the grocery industry.

Stock Repurchase Program

On September 4, 2012, the Company announced that its Board of Directors had approved a share repurchase program (the " *Repurchase Program* ") of up to $2.0 million of the Company's common stock over the next two years, or such other date, which ever is earlier, when the Repurchase Program is revoked or varied by the Board of Directors. The Repurchase Program does not obligate the Company to acquire any particular number of shares of common stock. The Repurchase Program may be suspended, modified or discontinued at any time at the Company's discretion without prior notice.

Series A Redemption

On March 15, 2013, the Company called for the redemption of all outstanding shares of its Series A Convertible Preferred Stock (" *Series A Preferred* "), pursuant to the Certificate of Designation of the Relative Rights, Powers and Preference of the Series A Preferred (the " *Certificate of Designation* "), which allowed the Company to, upon 30 days written notice, redeem all issued and outstanding shares of Series A Preferred for $10.00 per share (the " *Series A Preferred Redemption* "). Holders of Series A Preferred could also elect to convert, rather than redeem, their shares of Series A Preferred into 3.33 shares of common stock, at $3.00 per share. The Company completed the Series A Preferred Redemption on April 15, 2013. All but one holder of Series A Preferred elected to convert their shares of Series A Preferred into shares of the Company's common stock.

Series A Private Offering

In March 2013, the Company issued an aggregate total of 756,858 shares of its common stock for $3.50 per share, and five year warrants (the " *Investor Warrant(s)* ") to purchase an aggregate total of 249,763 shares of common stock for $3.50 per share to certain accredited investors (the " *Investors* ") in a series of private transactions (the " *Private Offering* ") in order to finance the Series A Preferred Redemption. The Company also issued warrants to certain affiliates of the placement agent for three of the Investors, on substantially similar terms to those offered to the Investors (" *Placement Agent Warrant(s)* "), to purchase 18,857 shares of common stock as partial consideration for facilitating a portion of the Private Offering.

The Company also entered into a Registration Rights Agreement with certain investors, wherein the Company agreed to register the shares of common stock, Investor Warrants and Placement Agent Warrants with the Securities and Exchange Commission (the " *SEC* "). In accordance with this Registration Rights Agreement, the Company filed a registration statement on Form S-3 with the SEC on April 15, 2013. The registration statement was declared effective by the SEC on May 15, 2013.

Director Investment

Concurrently with the Private Offering, the Company sold an aggregate total of 470,281 shares of its common stock to the directors of the Company for $3.60 per share, and five year warrants to purchase an aggregate total of 155,190 shares of common stock for $3.60 per share in a series of above-market private transactions (the " *Director Investment* ").

On August 28, 2013, the Company sold an additional 232,558 shares of common stock, and five year warrants to purchase 76,744 shares of common stock to two of the Company's directors at above-market prices on substantially the same terms as the Director Investment.

ResposiTrak Agreement

Effective June 30, 2013, the Company, ReposiTrak, Inc. (" *ReposiTrak* "), and Levitt Partners, LLC (" *Levitt* ") entered into an Omnibus Subscription, Management and Option Agreement (the " *Omnibus Agreement* "), which agreement amends and restates the Subscription Agreement and Management and Operating Agreement, each dated April 1, 2012 (together, the " *Original Agreements* "). Under the terms of the Omnibus Agreement, the Company agreed to continue providing certain management and business services to ReposiTrak, including powering ReposiTrak's subscription-based analytical service of food and drug supply chains with the Company's technologies for a three year term. In addition to certain subscription and management fees, the Company also received a nine-year option to purchase approximately 75% of the ReposiTrak's issued and outstanding securities, on a fully diluted basis, for prices ranging from $0.15 - $1.17 per share. As a result of the Omnibus Agreement, the Original Agreements terminated. For the year ended June 30, 2013, total revenue attributable to ReposiTrak under the Original Agreements was approximately $1.88 million, of which $1.6 million was paid in the form of a promissory note isused by ReposiTrak to the Company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements presented herein reflect the consolidated financial position of Park City Group, Inc. and subsidiaries, including Prescient. All inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that materially affect the amounts reported in the condensed consolidated financial statements. Actual results could differ from these estimates. The methods, estimates and judgments the Company uses in applying its most critical accounting policies have a significant impact on the results it reports in its financial statements. The SEC has defined the most critical accounting policies as those that are most important to the portrayal of the Company's financial condition and results, and require the Company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, the Company's most critical accounting policies include: income taxes, goodwill and other long-lived asset valuations, revenue recognition, stock-based compensation, and capitalization of software development costs.

Cash and Cash Equivalents

The Company considers all short-term instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk and Significant Customers

The Company maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of trade receivables. In the normal course of business, the Company provides credit terms to its customers. Accordingly, the Company performs ongoing credit evaluations of its customers and maintains allowances for possible losses which when realized have been within the range of management's expectations. The Company does not require collateral from its customers.

The Company's accounts receivable are derived from sales of products and services primarily to customers operating multi-location retail and grocery stores. Amounts that have been invoiced are recorded in accounts receivable and in deferred revenue or revenue, depending on whether the revenue recognition criteria have been met.

During the years ended June 30, 2013 and 2012, the Company had one customer that accounted for 11% of subscription revenue.

Allowance for Doubtful Accounts Receivable

The Company offers credit terms on the sale of the Company's products to a significant majority of the Company's customers and requires no collateral from these customers. The Company performs ongoing credit evaluations of customers' financial condition and maintains an allowance for doubtful accounts receivable based upon the Company's historical experience and a specific review of accounts receivable at the end of each period. As of June 30, 2013 and 2012, the allowance for doubtful accounts was $190,000 and $220,000, respectively.

Depreciation and Amortization

Depreciation and amortization of property and equipment is computed using the straight line method based on the following estimated useful lives:

	Years
Furniture and fixtures	5-7
Computer Equipment	3
Equipment under capital leases	3
Leasehold improvements	See below

Leasehold improvements are amortized over the shorter of the remaining lease term or the estimated useful life of the improvements.

Amortization of intangible assets are computed using the straight line method based on the following estimated useful lives:

	Years
Customer relationships	10
Acquired developed software	5
Developed software	3
Goodwill	See below

Goodwill and intangible assets deemed to have indefinite lives are subject to annual impairment tests. Other intangible assets are amortized over their useful lives.

Warranties

The Company offers a limited warranty against software defects. Customers who are not completely satisfied with their software purchase may attempt to be reimbursed for their purchases outside the warranty period. For the years ending June 30, 2013 and 2012, the Company did not incur any expense associated with warranty claims.

Revenue Recognition

We recognize revenue when all of the following conditions are satisfied: (i) there is persuasive evidence of an arrangement, (ii) the service has been provided to the customer, (iii) the collection of our fees is probable and (iv) the amount of fees to be paid by the customer is fixed or determinable.

We recognize subscription and hosting revenue ratably over the length of the agreement beginning on the commencement dates of each agreement or when revenue recognition conditions are satisfied based on their relative fair values. For a fee, subscriptions provide the customer with access to the software and data over the Internet, or on demand, and provide technical support services, premium analytical services and software upgrades when and if available. Under subscriptions, customers do not have the right to take possession of the software and such arrangements are considered service contracts. Accordingly, we recognize professional services as incurred based on their relative fair values. In situations where we have contractually committed to an individual customer specific technology, we defer all of the revenue for that customer until the technology is delivered and accepted. Once delivery occurs, we then recognize the revenue ratably over the remaining contract term. When subscription service or hosting service is paid in advance, deferred revenue is recognized and revenue is recorded ratably over the term as services are consumed.

Set up fees paid by customers in connection with subscription services are deferred and recognized ratably over the life of the applicable agreement.

Premium support and maintenance service revenue is derived from services beyond the basic services provided in standard arrangements. We recognize premium service and maintenance revenue ratably over the contract terms beginning on the commencement dates of each contract or when revenue recognition conditions are satisfied. Instances where these services are paid in advance, deferred revenue is recognized and revenue is recorded ratably over the term as services are consumed.

Professional services revenue consists primarily of fees associated with application and data integration, data cleansing, business process re-engineering, change management and education and training services. Fees charged for professional services are recognized when delivered. We believe the fees for professional services qualify for separate accounting because: (i) the services have value to the customer on a stand-alone basis, (ii) objective and reliable evidence of fair value exists for these services and (iii) performance of the services is considered probable and does not involve unique customer acceptance criteria.

The Company's revenue, to a lesser extent, is earned under license arrangements. Licenses generally include multiple elements that are delivered up front or over time. Vendor specific objective evidence of fair value of the hosting and support elements is based on the price charged at renewal when sold separately, and the license element is recognized into revenue upon delivery. The hosting and support elements are recognized ratably over the contractual term.

Software Development Costs

The Company accounts for research costs of computer software to be sold, leased or otherwise marketed as expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs are capitalized until the product is available for general release to customers. Judgment is required in determining when technological feasibility of a product is established. We have determined that technological feasibility for our software products is reached shortly after a working prototype is complete and meets or exceeds design specifications including functions, features, and technical performance requirements. Costs incurred after technological feasibility is established have been and will continue to be capitalized until such time as when the product or enhancement is available for general release to customers.

During 2013 and 2012 capitalized development costs of $146,166 and $146,166, respectively, were amortized into expense. The Company amortizes its developed and purchased software on a straight-line basis over three and five years, respectively.

Research and Development Costs

Research and development costs include personnel costs, engineering, consulting, and contract labor and are expensed as incurred for software that has not achieved technological feasibility.

Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

Earnings Per Share

Basic net income or loss per common share (" *Basic EPS* ") excludes dilution and is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted net income or loss per common share (" *Diluted EPS* ") reflects the potential dilution that could occur if stock options or other contracts to issue shares of common stock were exercised or converted into common stock. The computation of Diluted EPS does not assume exercise or conversion of securities that would have an anti-dilutive effect on net income (loss) per common share.

For the year ended June 30, 2013 and 2012 options and warrants to purchase 436,110 and 62,880 shares of common stock, respectively, were not included in the computation of diluted EPS due to the anti-dilutive effect. Options and warrants to purchase shares of common stock were outstanding at prices ranging from $1.50 to $3.60 per share at June 30, 2013.

For the year ended June 30, 2013 and 2012, 1,029,818 and 3,315,388 shares of common stock issuable upon conversion of the Company's Series A Convertible Preferred Stock (" *Series A Preferred* ") and Series B Convertible Preferred Stock (" *Series B Preferred* "), respectively, were not included in the diluted EPS calculation as the effect would have been anti-dilutive.

	Year ended June 30, 2013	Year ended June 30, 2012
Dilutive effect of options and warrants	-	-
Weighted average shares outstanding assuming dilution	13,246,000	11,780,000

Stock-Based Compensation

The Company recognizes the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of those awards. The Company records compensation expense on a straight-line basis. The fair value of options granted are estimated at the date of grant using a Black-Scholes option pricing model with assumptions for the risk-free interest rate, expected life, volatility, dividend yield and forfeiture rate.

The following table summarizes information about fixed stock options and warrants outstanding at June 30, 2013:

	Options and Warrants Outstanding at June 30, 2013			Options and Warrants Exercisable at June 30, 2013	
Range of exercise prices	Number Outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 1.50 - $2.50	12,300	0.07	$ 1.61	12,300	$ 1.61
$ 3.50 - $3.60	423,810	4.71	3.54	423,810	3.54
	436,110	4.57	$ 3.48	436,110	$ 3.48

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, cash equivalents, receivables, payables, accruals and notes payable. The carrying amount of cash, cash equivalents, receivables, payables and accruals approximates fair value due to the short-term nature of these items. The notes payable also approximate fair value based on evaluations of market interest rates.

Certain prior-year amounts have been reclassified to conform with the current year's presentation.

NOTE 3. LIQUIDITY AND MANAGEMENT'S PLAN

Historically, the Company has financed its operations through operating revenue, loans from directors, officers, stockholders, loans from the Chief Executive Officer and majority shareholder and private placements of equity securities.

At June 30, 2013, the Company had positive working capital of $1,124,476 when compared with negative working capital of $2,345,977 at June 30, 2012. This $3,470,453 increase in working capital is principally due to the receipt of proceeds from the Private Offering and Director Investment in March 2013, and decreases in deferred revenue and current notes payable during the period ended June 30, 2013. While no assurances can be given, management currently believes that the Company will continue to increase its working capital position, and thereby reduce its indebtedness in subsequent periods utilizing existing cash resources and projected cash flow from operations. In addition, management may also refinance or restructure certain of the Company's indebtedness to extend the maturities of such indebtedness to address its short- and long-term working capital requirements. Management believes that these initiatives will enable us to address our debt service requirements during the next twelve months, as well as fund our currently anticipated operations and capital spending requirements. The financial statements do not reflect any adjustments should cash flow from operations be insufficient to meet our spending and debt service requirements, and we are otherwise unable to refinance or restructure our indebtedness.

On September 4, 2012, the Company announced that its Board of Directors had approved a share repurchase program (the " *Repurchase Program* ") of up to $2.0 million of the Company's common stock over the next two years, or such other date, which ever is earlier, when the Repurchase Program is revoked or varied by the Board of Directors. The Repurchase Program does not obligate the Company to acquire any particular number of shares of common stock, and is contingent on the redemption by the Company of its Series A Convertible Preferred Stock. The Repurchase Program may be suspended, modified or discontinued at any time at the Company's discretion without prior notice.

NOTE 4. RECEIVABLES

Accounts receivable consist of the following at June 30:

	2013	2012
Accounts receivable	$ 2,573,366	$ 2,510,859
Allowance for doubtful accounts	(190,000)	(220,000)
	$ 2,383,366	$ 2,290,859

Accounts receivable consist of trade accounts receivable and unbilled amounts recognized as revenue during the year for which invoices were sent subsequent to year-end. Amounts that have been invoiced are recorded in accounts receivable and in deferred revenue or revenue, depending on whether the revenue recognition criteria have been met.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and consist of the following at June 30:

	2013	2012
Computer equipment	$ 2,444,129	$ 2,236,625
Furniture and fixtures	321,281	314,823
Leasehold improvements	231,782	141,043
	2,997,192	2,692,491
Less accumulated depreciation and amortization	(2,325,233)	(2,133,351)
	$ 671,959	$ 559,140

Depreciation expense for the years ended June 30, 2013 and 2012 was $332,925 and $331,612, respectively.

NOTE 6. CAPITALIZED SOFTWARE COSTS

Capitalized software costs consist of the following at June 30:

	2013	2012
Capitalized software costs	$ 2,443,128	$ 2,443,128
Less accumulated amortization	(2,370,046)	(2,223,880)
	$ 73,082	$ 219,248

Amortization expense for the years ended June 30, 2013 and 2012 was $146,166 and $146,166, respectively.

Estimated aggregate amortization expense is as follows:

Year ending June 30:	
2014	73,083

NOTE 7. CUSTOMER RELATIONSHIPS

Customer relationships consist of the following at June 30:

	2013	2012
Customer relationships	$ 4,223,161	$ 4,223,161
Less accumulated amortization	(1,882,826)	(1,460,510)
	$ 2,340,335	$ 2,762,651

Amortization expense for the years ended June 30, 2013 and 2012 was $422,316 and $422,316, respectively.

Estimated aggregate amortization expense is as follows:

Year ending June 30:	
2014	422,316
2015	422,316
2016	422,316
2017	422,316
2018	422,316
Thereafter	228,755

NOTE 8. ACCRUED LIABILITIES

Accrued liabilities consist of the following at June 30, 2013 and 2012:

	2013	2012
Accrued stock-based compensation	$ 497,012	$ 506,677
Accrued compensation	295,377	347,554
Accrued other liabilities	176,892	165,502
Accrued dividends	123,578	216,694
Accrued interest	4,123	5,901
	$ 1,096,982	$ 1,242,328

NOTE 9. NOTES PAYABLE AND CAPITAL LEASE OBLIGATIONS

The Company had the following notes payable and capital lease obligations at June 30, 2013 and 2012:

Notes Payable:

	2013	2012
Note payable to a bank, due in monthly installments of $40,104 with an annual interest rate of 4.25%. This note is unsecured and matures September 1, 2013. (1)	$ 119,567	$ 584,625
Note payable to a bank, due in monthly installments of $10,355 bearing interest at 3.95% due July 15, 2014.	$ 131,643	$ 247,986
Note payable to a bank, due in monthly installments of $9,359 bearing interest at 4.9% due September 15, 2014	$ 137,380	$ 239,965
Note payable to a bank, due in monthly installments of $10,286 bearing interest at 4.39% due September 20, 2014, this note is a conversion of a multi-advance note payable initially put in place on September 21, 2010, secured by related capital equipment purchases.	$ 150,655	$ 264,496
Note payable to a bank, due in monthly installments of $7,860 bearing interest at 3.73% due February 9, 2017, this note is a conversion of a multi-advance note payable initially put in place on February 19, 2012, secured by related capital equipment purchases.	$ 322,818	$ 173,202
Capital Lease Obligations:		
Capital lease on computer equipment, due in monthly installments of $5,228, imputed interest rate of 4.0%.	-	$ 41,202
	862,063	1,551,476
Less current portion of capital lease obligations and notes payable	(551,421)	(839,905)
	$ 310,642	$ 711,571

(1) Refinanced effective August 1, 2010, with the maturity extended to September 1, 2013 and the monthly payment reduced to $40,104.

Maturities of notes payable and capital leases at June 30, 2013 are as follows:

Year ending June 30:	
2014	$ 551,421
2015	158,479
2016	90,097
2017	62,066

Capital Leases

Amortization expense related to capitalized leases is included in depreciation expense and was $112,280 for the year ended June 30, 2012. This accumulated amortization relates to $736,537 of equipment purchased under capital lease agreements. The Company no longer has any equipment under capital lease at June 30, 2013.

NOTE 10. LINES OF CREDIT

The Company's line of credit with a bank has an annual interest rate of 3.5% + LIBOR. The line of credit is scheduled to mature on December 31, 2013. The balance on the line of credit was $1,200,000 and $1,200,000 at June 30, 2013 and June 30, 2012, respectively.

NOTE 11. DEFERRED REVENUE

Deferred revenue consisted of the following at June 30:

	2013	2012
Subscription	$ 725,852	973,894
Maintenance and support	946,759	985,459
Consulting and other	104,715	122,106
	$ 1,777,326	$ 2,081,459

NOTE 12. INCOME TAXES

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax liabilities consist of the following components at June 30:

	2013	**2012**
Deferred tax assets:		
NOL Carryover	$ 44,760,272	$ 44,932,303
Depreciation	-	-
Amortization	-	-
Allowance for Bad Debts	74,100	85,800
Accrued Expenses	199,977	225,430
Deferred Revenue	396,086	360,022
Deferred tax liabilities:		
Depreciation	(97,517)	(39,431)
Amortization	(348,847)	(322,991)
Valuation allowance	(44,984,071)	(45,241,133)
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amounts of income tax determined by applying the US federal income tax rate to pretax income from continuing operations for the years ended June 30, 2013 and 2012 due to the following:

	2013	**2012**
Book Income	$ 100,420	$ (334,880)
Stock for Services	149,651	143,936
Life Insurance	27,098	13,714
Meals & Entertainment	10,277	11,783
Change in deferred revenue	36,064	(288,639)
Change in accrual and Allowance	(37,153)	180,996
Change in depreciation	(99,084)	(130,649)
NOL utilization	(187,273)	403,739
Change in Related Party Accruals	-	-
Valuation allowance	-	-
	$ -	$ -

At June 30, 2013, the Company had net operating loss carry-forwards of approximately $114,769,900 that may be offset against past and future taxable income from the year 2010 through 2032. No tax benefit has been reported in the June 30, 2013 condensed consolidated financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. In January 2009 the Company acquired Prescient Applied Intelligence, Inc., which had significant net operating loss carry-forwards. Due to change in ownership, Prescient's net operating loss carryforwards may be limited as to use in future years. The limitation will be determined on a year-to-year basis.

The Company determines whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, the Company measures the tax position to determine the amount to recognize in the financial statements. The Company performed a review of its material tax positions in accordance with these recognition and measurement standards.

The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are not material amounts of unrecognized tax benefits.

The Company includes interest and penalties arising from the underpayment of income taxes in the condensed consolidated statements of operations in the provision for income taxes. As of June 30, 2013, the Company had no accrued interest or penalties related to uncertain tax positions.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before June 30, 2007.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Operating Leases

In September, 2012, the Company entered into an office lease at 299 So. Main Street, Suite 2370, Salt Lake City, Utah, 84111, providing for the lease of approximately 5,300 square feet for a period of seven years, commencing on November 1, 2012. The monthly rent is $12,367.

Minimum future rental payments under the non-cancelable operating leases are as follows:

Year ending June 30:		
2014	$	150,997
2015	$	155,542
2016	$	160,215
2017	$	165,024
2018	$	169,993

From time to time the Company may enter into or exit from diminutive operating lease agreements for equipment such as copiers, temporary back up servers, etc. These leases are not of a material amount and thus will not in the aggregate have a material adverse effect on our business, financial condition, results of operation or liquidity.

NOTE 14. EMPLOYEEE BENEFIT PLAN

The Company offers an employee benefit plan under Benefit Plan Section 401(k) of the Internal Revenue Code. In February of 2012, the Company changed its 401(k) provider and trustee from Fidelity Investments to ADP, Inc. Employees who have attained the age of 18 are eligible to participate. The Company, at its discretion, may match employee's contributions at a percentage determined annually by the board of directors. The Company does not currently match contributions. There were no expenses for the years ended June 30, 2013 and 2012.

NOTE 15. STOCK COMPENSATION PLAN

Officers and Directors Stock Compensation

Effective November 2008, the Board of Directors approved the following compensation for directors who are not employed by the Company:

- Annual cash compensation of $10,000 payable at the rate of $2,500 per quarter. The Company has the right to pay this amount in the form of shares of the Company's common stock.
- Upon appointment, outside independent directors receive a grant of $150,000 payable in shares of the Company's restricted Common Stock calculated based on the market value of the shares of Common Stock on the date of grant. The shares vest ratably over a five-year period.
- Reimbursement of all travel expenses related to performance of Directors' duties on behalf of the Company.

Officers, Key Employees, Consultants and Directors Stock Compensation.

In January 2013, the Board of Directors approved the Second Amended and Restated the 2011 Stock Plan (the " *Amended 2011 Plan* "), which Amended 2011 Plan was approved by shareholders on March 29, 2013. Under the terms of the Amended 2011 Plan, officers, key employees, consultants and directors of the Company are eligible to participate. The maximum aggregate number of shares of common stock that may be granted under the 2011 Plan was increased from 250,000 shares to 500,000 shares. A Committee of independent members of the Company's Board of Directors administers the 2011 Plan. The exercise price for each share of common stock purchasable under any incentive stock option granted under the 2011 Plan shall be not less than 100% of the fair market value of the common stock, as determined by the stock exchange on which the common stock trades on the date of grant. If the incentive stock option is granted to a shareholder who possesses more than 10% of the Company's voting power, then the exercise price shall be not less than 110% of the fair market value on the date of grant. Each option shall be exercisable in whole or in installments as determined by the Committee at the time of the grant of such options. All incentive stock options expire after 10 years. If the incentive stock option is held by a shareholder who possesses more than 10% of the Company's voting power, then the incentive stock option expires after five years. If the option holder is terminated, then the incentive stock options granted to such holder expire no later than three months after the date of termination. For option holders granted incentive stock options exercisable for the first time during any fiscal year and in excess of $100,000 (determined by the fair market value of the shares of common stock as of the grant date), the excess shares of common stock shall not be deemed to be purchased pursuant to incentive stock options.

A schedule of the options and warrants activity for the years ended June 30, 2013 and 2012 is as follows:

	Number of Options	Number of Warrants	Price per share
Outstanding at June 30, 2011	14,880	574,416	$ 1.50-4.25
Granted	-	-	-
Exercised	(800)	(148,953)	2.50-4.25
Cancelled	-	-	-
Expired	(1,200)	(375,463)	2.50-4.25
Outstanding at June 30, 2012	12,880	50,000	$ 1.50-1.80
Granted	-	423,810	3.50-3.60
Exercised	-	(30,644)	1.80
Cancelled	(580)	(19,356)	1.80-2.50
Expired	-	-	-
Outstanding at June 30, 2013	12,300	423,810	$ 1.50-3.60

NOTE 16. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2013, the FASB issued ASU 2013-01, *Balance Sheet (Topic 210) – Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.* The main purpose of this Update is to clarify that the disclosures regarding offsetting assets and liabilities per ASU 2011-11 apply to derivatives including embedded derivatives, repurchase agreements and reverse repurchase agreements and securities borrowing and lending transactions that are offset or subject to a master netting agreement. Other types of transactions are not impacted. This Update is effective for fiscal years beginning on or after January 1, 2013 and for all interim periods within that fiscal year. The Company doesn't expect this Update to impact the Company's financials since it does not have instruments noted in the Update that are offset.

In July 2012, the FASB issued ASU 2012-02, *Intangibles—Goodwill and Other (Topic 350)—Testing Indefinite-Lived Intangible Assets for Impairment* , to allow entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the currently prescribed quantitative impairment test by comparing the fair value of the indefinite-lived intangible asset with its carrying value. Otherwise, the quantitative impairment test is not required. The Company plans to adopt ASU 2012-02 for fiscal 2014 and does not believe that the adoption will have a material effect on the consolidated financial statements.

NOTE 17. SUBSEQUENT EVENTS

Fields Employment Agreement and Services Agreement

On September 20, 2013, the Company and Randall K. Fields, the Company's Chief Executive Officer, entered into an employment agreement, effective July 1, 2013 (the " *Employment Agreement* "), wherein Mr. Fields will serve as the Company's Sales Department Manager. Under the terms of the Employment Agreement, Mr. Fields will receive an annual salary of $50,000, subject to annual increases equal to 75% of the Company's percentage annual revenue growth beginning in the 2014 fiscal year. Mr. Fields may also be eligible for an annual incentive bonus, awarded at the discretion of the Company's Board of Directors. The Employment Agreement expires on June 30, 2018 and replaces Mr. Fields's previous employment agreement with the Company, which agreement expired on June 30, 2013.

On September 20, 2013, the Company and Fields Management, Inc. (" *FMI* ") entered into a services agreement, effective July 1, 2013 (the " *Effective Date* ") (the " *Services Agreement* "), wherein FMI agreed to provide certain executive management services to the Company, including designating Mr. Fields to serve as the Company's president and chief executive officer. Mr. Fields controls FMI, and serves as FMI's president, chief executive officer, and is chairman of FMI's Board of Directors.

Under the terms of the Services Agreement, FMI is paid an annual base fee of $500,000, subject to annual increases equal to 75% of the Company's percentage annual revenue growth beginning in the 2014 fiscal year. FMI may also be eligible for an annual incentive bonus, awarded at the discretion of the Company's Board of Directors. FMI will also receive: (i) up to $1,200 per month for reimbursement of vehicle expenses; (ii) an annual computer equipment allowance of up to $6,000; (iii) 600,000 shares of the Company's common stock, subject to a pro-rata 10-year vesting schedule; and (iv) a retirement annuity or other bonus award to be developed within six moths of the Effective Date. The Company also agreed to buy, maintain and pay the premiums for a $5.0 million life insurance policy in the name of Mr. Fields, with the beneficiary to be designated by Mr. Fields at his sole discretion. The Services Agreement expires on June 30, 2018 and replaces FMI's pervious services agreement with the Company, which agreement expired on June 30, 2013.

Additional Director Investment

As described in Note 1, " *Recent Developments* " above, on August 28, 2013, the Company sold an additional 232,558 shares of common stock, and five year warrants to purchase 76,744 shares of common stock to two of the Company's directors at above-market prices on substantially the same terms as the Director Investment.

Additionally, the Company issued the following shares of common stock between June 30, 2013 and the date of this Annual Report on Form 10-K: (i) 105,508 shares issued as compensation to certain Company employees; (ii) 2,310 shares issued to the Company's Board of Directors in lieu of board fees; (iii) 46,273 shares issued upon exercise of stock options and warrants; (iv) 30,242 shares issued pursuant to the Second Amended and Restated 2011 Employee Stock Purchase Plan; and (v) 15,000 shares issued in connection with certain charitable contributions.

Exhibit 10.19

OMNIBUS
SUBSCRIPTION, MANAGEMENT
AND
OPTION AGREEMENT

This Omnibus Subscription, Management and Option Agreement (" *Agreement* ") is effective as of the 30 th day of June, 2013, by and between Park City Group, Inc., a Nevada corporation (" *PCG* "), and ReposiTrak, Inc., a Utah corporation, formerly known as Global Supply Chain Systems, Inc. and F&D Partners, Inc. (" *ReposiTrak* ") and Leavitt Partners, LLC, a Utah limited liability company (" *Leavitt* ").

RECITALS

WHEREAS, PCG entered into a Subscription Agreement, dated as of April 1, 2012, which was amended on July 19, 2012 pursuant to the terms and conditions set forth in the Exclusive Rights Agreement and Amendment to Subscription Agreement (as amended, the " *Subscription Agreement* "). Under the terms of the Subscription Agreement, ReposiTrak was provided with access to and the use of certain software and services developed and owned by PCG, each under the terms and conditions set forth therein; and

WHEREAS, on April 1, 2012, PCG and ReposiTrak entered into a Management and Operating Agreement (" *Management Agreement* "), pursuant to which ReposiTrak retained PCG to provide certain business, management and related services to ReposiTrak, necessary to the conduct of ReposiTrak's business of providing services to ReposiTrak's clients (" *Clients* ");

WHEREAS, PCG and ReposiTrak desire to enter into this Agreement to amend and restate the Subscription Agreement and Management Agreement in their entirety, and to add certain other terms and conditions, as more particularly set forth herein, resulting in the termination of the Subscription Agreement and Management Agreement upon execution hereof; and

WHEREAS, Leavitt beneficially owns a substantial and controlling interest in all currently issued and outstanding shares of capital stock issued by ReposiTrak (" *Shares* "); and

WHEREAS, as a further inducement for PCG to enter into this Agreement, ReposiTrak and Levitt each desire to provide PCG with an option to acquire an additional equity interest in ReposiTrak, and Leavitt shall surrender to ReposiTrak certain of its Shares, each on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, which the parties agree constitutes a substantive part of this Agreement, the mutual covenants, promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby covenant, promise and agree as follows:

1. Use of Subscribed Software .

1.1 Definitions. As used herein,

" *Business* " means subscription-based products or services that allow customers in the food, drug and/or dietary supplement markets (i) to analyze their supply chains; (ii) to "Track and Trace" products; and/or (iii) to address safety and regulatory supply chain issues.

"*Change of Control*" means any of the following transactions: (i) any consolidation, stock exchange, merger or other transaction in which the stockholders of ReposiTrak immediately prior to such transaction own less than fifty percent (50%) of the voting power of the surviving entity immediately after such transaction; (ii) any transaction or series of related transactions to which ReposiTrak is a party in which in excess of fifty percent (50%) of ReposiTrak's voting power is transferred; *provided* that a Change of Control will not include (x) any consolidation or merger effected exclusively to change the domicile of ReposiTrak, or (y) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by ReposiTrak or any successor or indebtedness of ReposiTrak is cancelled or converted or a combination thereof; or (iii) a sale, lease or other disposition of all or substantially all of the assets of ReposiTrak or the sale, exclusive license, conveyance, exchange or other transfer of all or substantially all of the intellectual property of ReposiTrak.

"*Client Revenue*" means gross revenue from license, subscription, and use of the Subscribed Software developed and owned by PCG received by ReposiTrak in connection with Clients' use of the Subscribed Software, excluding fees received by ReposiTrak from Clients in connection with consulting or ancillary services.

"*Services*" means any consulting or other non-Software service independently created by PCG that is based upon, in whole or in part, any ReposiTrak intellectual property, and that is used in connection with the Subscribed Software.

"Software" means any computer software programs, applications, algorithms, workflows, interfaces, information management tools, plug-ins, add-ons, or any other code whatsoever, whether in source or object form, that is incorporated into or used in connection with the Subscribed Software.

"*Subscribed Software"* means PCG's software solution that addresses food and drug safety throughout the respective supply chains by providing end-to-end forward or backward chaining, and all related Software and Services.

1.2 *Grant of Right.* PCG hereby grants ReposiTrak an exclusive, world-wide, non-transferable, non-sublicensable right and license to use the Subscribed Software during the Term in connection with the provision of products and services to Clients. PCG shall deliver or make available to ReposiTrak fully operational versions of the Subscribed Software, and shall deposit a complete copy of the source code for all Subscribed Software in an escrow pursuant to Section 9 of this Agreement.

1.3 *Restrictions*. In accordance with the exclusive rights granted hereunder, PCG shall not, during the Term, (i) use the Subscribed Software to compete with ReposiTrak in the Business, or (ii) license, sell or make available, directly or indirectly, the Subscribed Software or any related Services to any other person, entity or affiliate who is a competitor of ReposiTrak or who provides products or services relating to the Business. The parties further agree and acknowledge that, subject to the restrictions provided herein, PCG retains all right, title and interest in and to the Subscribed Software for its own business and operations, and for use, license or sublicense outside of the Business.

1.4 *Support Services.* In addition to the grant of the right to use the Subscribed Software, PCG shall provide the following support services during the Term of this Agreement:

1.4.1 PCG shall provide ongoing maintenance of the Subscribed Software, shall host the same on its servers, shall ensure that the Subscribed Software is scalable to match the size and growth of the Business, and shall provide such other data management, bandwidth capacity, storage, and related support and services necessary to host, maintain and support the Subscribed Software;

1.4.2 PCG shall set up and configure the necessary data exchanges and formats between Clients and PCG necessary for ReposiTrak to conduct the Business, and for PCG to provide the Management Services defined in Section 2.1 below; and

1.4.3 PCG shall provide reasonable training and support services to ReposiTrak with respect to the Subscribed Software; *provided, however,* any travel and related expenses incurred by PCG in connection with providing the services set forth in this Section 1.2.3 shall be invoiced by PCG to ReposiTrak as set forth in Section 2.2 below.

1.5 *Subscription and Related Fees.*

1.5.1 ReposiTrak shall pay PCG annual subscription fees (" *Annual Fees* ") for each year of the Term, as follows:

Period	*Annual Fee*
April 1, 2012 to March 31, 2013	$1.2 million
April 1, 2013 to March 31, 2014	$1.6 million plus 3% of Client Revenue
April 1, 2014 to March 31, 2015	$1.6 million plus 4% of Client Revenue

1.5.2 Annual Fees shall be paid in cash or alternatively, in the event ReposiTrak has insufficient cash on its balance sheet to pay the Annual Fees, as determined by ReposiTrak in its sole discretion, such Annual Fees may be paid by issuing to PCG a senior promissory note in substantially the form attached hereto as Exhibit A (each, a " *Note* ").

1.5.3 Excluding the portion attributable to Client Revenue, which shall be payable in accordance with Section 1.5.5, Annual Fees shall be paid to PCG in quarterly installments on or before April 1, July 1, October 1, and January 1 of each year during the Term beginning as of April 1, 2013. In the event the Term is extended beyond April 1, 2015, as provided in Section 6, the Annual Fee shall be $1.6 million plus 5% of Client Revenue. In the event that ReposiTrak elects to pay any amounts due under this Agreement by delivery of a Note, such Note shall have a maturity date two years following the date on which the Note is issued.

1.5.4 The parties agree and acknowledge that a portion of the Annual Fees for the period April 1, 2012 to April 1, 2013 and the first installment of the Annual Fees for the period April 1, 2013 to April 1, 2014 are past due (" *Past Due Fees* "), which Past Due Fees total $1 million. The Past Due Fees shall be paid in full pursuant to the issuance of a Note, dated as of June 30, 2013, between PCG as the Holder and ReposiTrak as the borrower (the " *Original Note* "), which Original Note shall include a warrant to acquire three hundred thousand (300,000) shares of common stock, $0.001 par value (" *Common Stock* ") (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), of ReposiTrak (the " *Note Warrant* "), as additional consideration for PCG's agreement to accept the Original Note in payment for the Past Due Fees. For the avoidance of doubt, Notes other than the Original Note shall not include any warrants or options to acquire shares of ReposiTrak.

1.5.5 Within thirty (30) days after the end of each year of the Term, ReposiTrak shall provide PCG with a written revenue report (a " *Revenue Report* ") setting forth the portion of the Annual Fees attributable to Client Revenue (" *Subscription Fees* "). PCG shall have reasonable access to the books and records of ReposiTrak during normal business hours to verify the accuracy of the Client Revenue set forth in each Revenue Report. Following review of the Revenue Report, PCG shall provide ReposiTrak with an invoice setting forth the Subscription Fees and other amounts due and payable PCG for such period (each, an " *Invoice* "). In the absence of a good-faith dispute as to amounts due under the terms of an Invoice, which dispute is set forth in a written notice of dispute delivered to PCG (" *Dispute Notice* "), all amounts due and payable PCG as set forth in each Invoice not subject to a Dispute Notice shall be paid to PCG within thirty (30) days following receipt by ReposiTrak of the Invoice.

2. <u>Business Services</u> .

2.1 Management and Administration. PCG shall provide ReposiTrak, as required by ReposiTrak, with the following management and business services (" *Management Services* "): (i) sales support, customer implementations, customer support and related services; (ii) accounting services, consisting of general accounting, reporting, accounts receivable and payable, GAAP accounting, and related services; (iii) filing and general clerical support and services; (iv) software maintenance, development and systems administration; (v) governance functions, consisting of the issuance of a complete set of internal controls complying with SOX 404, and testing and maintaining internal controls; (vi) establishment of SAS 70 or SOC 2 certifications; (vii) maintaining appropriate levels of business insurance; (viii) completion and filing of all applicable income, sales and employment tax returns, and relevant regulatory and related filings; (ix) utilizing various PCG internal and external accounting and tax resources to maximize ReposiTrak's enterprise value; and (x) providing all equipment required by ReposiTrak necessary to conduct the Business, including computers, facsimile machines, copiers, and other office equipment and furniture (" *Equipment* ").

2.2 Expenses. PCG shall pay all expenses necessary to provide the Management Services and maintain the Business (" *Management Expenses* "), which Management Expenses shall be reimbursed within thirty (30) days following receipt by ReposiTrak of an invoice setting forth an itemized list of such Expenses. The parties agree and acknowledge that invoices for Management Expenses shall be provided quarterly during the Term, as extended by the parties.

2.3 Management Fee . ReposiTrak shall pay PCG a monthly cash management fee for the provision of Management Services equal to (i) five percent (5%) of the Management Expenses invoiced to ReposiTrak as set forth in Section 2.2 above, plus (ii) a pro-rata portion of the payroll and related expenses incurred by PCG necessary to provide the Management Services (the " *Management Fee* "). The Management Fee shall be paid within thirty (30) days following receipt by ReposiTrak of the invoice setting forth the Management Fee. The parties agree and acknowledge that the Management Fee and Management Expenses incurred for the period April 1, 2012 to April 1, 2013 in connection with the provision of Management Services is $622,863, which amount will be added to the balance of and shall be paid to PCG pursuant to the terms of, the Original Note. The Parties further agree and acknowledge that in the event ReposiTrak has inadequate cash on its balance sheet to pay PCG the Management Fees and Management Expenses at such time as the same are due and payable under the terms of this Section 2, such amounts shall accrue and shall be paid by issuing to PCG a Note, which Note shall reflect all amounts due PCG by ReposiTrak during the applicable quarter for Management Fees and Management Expenses incurred during such quarter.

2.4 Equipment.

2.4.1 PCG makes no representation or warranty whatsoever, express or implied, with respect to the suitability or durability of any Equipment provided by PCG under the terms of this Section 2.

2.4.2 The Equipment shall be located and used only on PCG's premises and shall not be removed without the prior written consent of PCG. The Equipment shall me maintained and operated by competent employees of PCG only. PCG shall pay all expenses of purchasing, operating and maintaining the Equipment and shall insure the same against normal perils, with PCG as the sole loss payee.

2.4.3 The Equipment shall at all times be and remain the property of PCG, and ReposiTrak shall have no right or property interest in such Equipment, except the right to use the Equipment on the terms and conditions set forth in this Agreement. Nothing in this Section 2 shall impair ReposiTrak's ownership of all ReposiTrak information and data that may be sored on any Equipment.

2.5. <u>*Term.*</u> The parties agree and acknowledge that PCG's obligation to provide Management Services may be terminated by ReposiTrak in its sole discretion, on thirty (30) days written notice, with or without cause. Upon termination, all amounts due and payable to PCG by ReposiTrak shall be immediately due and payable to PCG; *provided, however* , ReposiTrak may, in lieu of paying cash to satisfy its obligation to pay such amounts, issue to PCG a Note.

3. Option . ReposiTrak hereby grants to PCG the right and option to acquire six hundred sixty thousand (660,000) shares of ReposiTrak's Common Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) (the " *PCG Option* "), which amount equals approximately seventy-five percent (75%) of the fully diluted shares of Common Stock of the Company as of the date hereof, assuming exercise of the Note Warrant, and the surrender by Leavitt of the Shares described in Section 4 below. The PCG Option shall be exercisable for an aggregate exercise price of $100,000, or $0.15 per share, and shall expire on the earlier to occur of nine (9) years from the date hereof or the date on which a Change in Control of ReposiTrak occurs, provided that PCG is provided with thirty (30) day's written notice prior to the consummation of the Change in Control.. As a condition to the exercise of the PCG Option, PCG shall agree to be bound by, and shall execute an agreement of joinder in respect of, ReposiTrak's Shareholders Agreement dated as of January 1, 2013, a copy of which is attached as Exhibit B hereto (" *Shareholders Agreement* "). ReposiTrak agrees that it will not amend, restate or otherwise alter the Shareholders Agreement without the written consent of PCG.

4. Share Surrender . Upon exercise of the PCG Option, Leavitt agrees to surrender to ReposiTrak for cancellation on the books and records of ReposiTrak one hundred thirty two thousand (132,000) of the Shares owned by it. Leavitt agrees to execute and deliver such further instruments or documents as may be necessary or convenient to carry out such transaction, and hereby irrevocably appoints PCG as its proxy to assure compliance with the terms of this Section 4, with full power of substitution and revocation. ReposiTrak and Leavitt each represent and warrant that Leavitt shall, immediately following the surrender of its Shares under the terms of this Section 4, and assuming only the exercise of the PCG Option and the option granted to PCG under the terms of the Original Note, beneficially own approximately 17% of the Shares.

5. Stock Exchange . The parties agree and acknowledge that ReposiTrak has issued 65,003 shares of Common Stock to approximately 11 accredited investors (each, a " *ReposiTrak Holder'* "), for aggregate consideration of approximately $975,045. Effective on July 1, 2014, PCG agrees to exchange shares of Common Stock held by ReposiTrak Holders (" *ReposiTrak Shares* ") for shares of common stock, $0.01 par value, of PCG (" *PCG Shares* "), calculated as set forth below in this Section 5 (the " *PCG Exchange* "). The number of PCG Shares to be issued to each ReposiTrak Holder in connection with the PCG Exchange shall equal the amount paid for each ReposiTrak share held by such ReposiTrak Holder multiplied by the total number of ReposiTrak Shares subject to the PCG Exchange, divided by the higher of (i) the market price for each PCG Share, as reported on the NYSE MKT on the date of receipt by PCG of the Exchange Notice, as defined below, or (ii) $4.50 per PCG Share. In the event a ReposiTrak Holder elects to participate in the PCG Exchange, such ReposiTrak Holder shall deliver to PCG a notice of election to exchange (" *'Exchange Notice* "), together with the certificate(s) evidencing the ReposiTrak Shares, duly endorsed in blank. Upon receipt of the Exchange Notice, PCG shall promptly deliver to the ReposiTrak Holder that number of PCG Shares, calculated as set forth in this Section 5, against the delivery to PCG of the certificate(s) evidencing the ReposiTrak Shares, which ReposiTrak Shares shall be transferred on the books and records of ReposiTrak to PCG. The PCG Shares issued to each ReposiTrak Holder shall bear a restrictive legend prohibiting their transfer except in compliance with the Securities Act of 1933, as amended. Notwithstanding the foregoing, the parties agree and acknowledge that The PCG Exchange shall terminate, and be of no further force and effect, at such time as PCG has issued PCG Shares with a market value equal to $1.0 million calculated at the date of issuance of such PCG Shares.

6. Term . Unless otherwise specifically set forth in this Agreement with respect to a specific term or condition, the term of this Agreement shall be for three years from April 1, 2012 (the " *Effective Date* ") (the " *Initial Term* "), and will be automatically renewed for additional renewal terms of three years each pursuant to the provisions of paragraph 1.5. above(each a " *Renewal Term* "). Either party may terminate this Agreement, and all rights to the Subscribed Software shall immediately terminate, in the event of an Event of Default of this Agreement, as defined in Section 7 below or in the event of a default under the terms of the Notes.

7. Event of Default. For purposes of this Agreement, an event of default (an "*Event of Default*") means any of the following events has occurred and remains uncured for a period of thirty (30) days following notice by the non-breaching party to the party alleged to be in breach: (i) failure of ReposiTrak to pay any amount due PCG under the terms of this Agreement; (ii) a party's breach of any material covenant, term or condition set forth in this Agreement; or (iii) the insolvency of the other party, the voluntary or involuntary filing of an application or petition for protection under creditor's rights or other similar laws by the other party, or any general assignment of assets by the other party for the benefit of creditors.

8. Independent Contractor. The parties agree and acknowledge that the Management Services rendered under this Agreement are for a specified fee for certain intended results, and that PCG is under the control of ReposiTrak only as to the result of the Management Services and not as to the means by which this result is accomplished. As such, the parties agree that PCG is an independent contractor within the meaning of Utah law, and accepts the legal consequences of this status, including without limitation that (a) ReposiTrak has no obligation to PCG to maintain liability insurance to cover the risk, if any, that PCG creates in performing Management Services under this Agreement; (b) ReposiTrak will not deduct from PCG's fees any amounts for federal or state income tax withholding, "*FICA*" contributions, contributions to state disability funds or similar withholding; and (c) Consultant is excluded from coverage of state and federal labor laws that may regulate the payment of overtime wages or other matters affecting employees.

9. Escrow. PCG shall maintain on deposit with a nationally recognized escrow company, source code, documentation, and machine readable copies of current versions of the Subscribed Software. PCG shall provide a copy of the escrow agreement and shall cause ReposiTrak to be named as a beneficiary of such escrow agreement. The terms and conditions of the software escrow agreement shall be in a form reasonably acceptable to ReposiTrak and shall govern PCG's obligations to deliver, and ReposiTrak's rights to use the Subscribed Software. The escrow agreement will include terms for, but not limited to, ReposiTrak receiving full release and rights to the source code, documentation, and machine-readable copies in the event (i) PCG enters insolvency, receivership or bankruptcy proceedings, (ii) upon PCG making an assignment for the benefit of creditors, (iii) upon PCG's dissolution or ceasing to do business, or (iv) PCG's material breach of this Agreement. Escrow fees are payable by ReposiTrak.

10. Representations and Warranties.

10.1 *By PCG*. PCG represents and warrants to ReposiTrak that: (i) PCG has all requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; (ii) this Agreement has been duly and validly authorized, executed and delivered by PCG, and constitutes the valid and binding obligation of PCG, enforceable against it in accordance with its terms, except to the extent that such enforceability (y) may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to creditors' rights generally, and (z) is subject to general principles of equity; (iii) PCG will operate its business and perform its obligations hereunder in accordance with all applicable federal, state and local laws, ordinances, executive orders and regulations; (iv) all materials (other than ReposiTrak or its client supplied materials) do not, and none of PCG's products or services will, infringe any patent, trademark, trade secret, copyright, design or any other proprietary right of third parties; (v) the Subscribed Software as delivered and accepted by ReposiTrak and each Client will perform in accordance with the applicable specifications; and (vi) PCG has obtained all authorizations and approvals required from third parties necessary to perform its obligations under the terms and conditions of this Agreement.

10.2 *By ReposiTrak*. ReposiTrak represents and warrants to PCG that: (i) ReposiTrak has all requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; (ii) this Agreement has been duly and validly authorized, executed and delivered by ReposiTrak, and constitutes the valid and binding obligation of ReposiTrak, enforceable against it in accordance with its terms, except to the extent that such enforceability (y) may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to creditors' rights generally, and (z) is subject to general principles of equity; (iii) ReposiTrak will operate its business and perform its obligations hereunder in accordance with all applicable federal, state and local laws, ordinances, executive orders and regulations; and (iv) ReposiTrak has obtained all authorizations and approvals required from third parties necessary to perform its obligations under the terms and conditions of this Agreement.

11. Indemnification. Each party to this Agreement (the "*Indemnifying Party*") shall indemnify, defend and hold harmless the other party and its officers, directors, employees and representatives against any and all third party claims, actions, lawsuits, proceedings, damages, losses and expenses (including interest, penalties, judgments, costs of preparation and investigation, and reasonable attorneys' fees) suffered, sustained, incurred or that they may become subject in connection with, arising out of or due to: (i) any representations or warranties made by the Indemnifying Party, its employees, agents, affiliates or third-party contractors regarding the products or services provided under this Agreement; (ii) any damage or loss, by whomsoever suffered, resulting or claimed to result in whole or in part from any act or omission of the Indemnifying Party, its agents, employees and subcontractors; or (iii) the non-fulfillment of any covenant, agreement or other obligation of the Indemnifying Party under this Agreement.

12. Waiver of Jury Trial.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, THE PARTIES WAIVE AND COVENANT THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION ARISING OUT OF OR BASED UPON OR RELATING TO THIS AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING.

13. Limitation of Liability.

NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES, AND INCLUDING DAMAGES RESULTING FROM: (i) THE USE OR INABILITY TO USE THE SERVICE, INCLUDING ERRORS, INTERRUPTIONS OR DELAYS; (ii) ANY OTHER MATTER RELATING TO THE SERVICE NOT ARISING FROM NEGLIGENCE OR MISCONDUCT BY A PARTY. NOTWITHSTANDING THE FOREGOING, UNDER NO CIRCUMSTANCE WILL EITHER PARTY'S LIABILITY EXCEED, IN THE AGGREGATE, A SUM EQUAL TO THE AMOUNT OF THE ANNUAL SUBSCRIPTION FEE PAYABLE IN RESPECT OF THE YEAR IN WHICH A CLAIM OCCURS.

14. Confidentiality. Any information of a proprietary or confidential nature disclosed by a party to the other party concerning any aspect of its business, finances, or operations, including, without limitation, any data disclosed in connection with this Agreement ("*Confidential Information*"), shall be the sole and exclusive property of the disclosing party. Each party agrees not to disclose any Confidential Information of the disclosing party to any third party except as required in the performance of this Agreement, as permitted in writing by the disclosing party, or as required by applicable state, federal or other governing law. Each party agrees not to use the Confidential Information of the other party for any purpose other than in the performance of this Agreement.

15. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of Utah and for all purposes shall be governed by, construed under, and enforced in accordance with the laws of the State of Utah.

16. Amendment and Waiver. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the parties hereto.

17. Notices. Any notice or other communication in connection with this Agreement may be made and is deemed to be given as follows: (i) if in writing and delivered in person or by courier, on the date when it is delivered; (ii) if by facsimile, when received at the correct number (proof of which shall be an original facsimile transmission confirmation slip or equivalent); or (iii) if sent by certified or registered mail or the equivalent (return receipt requested), on the date such mail is delivered, unless the date of that delivery is not a business day or that communication is delivered on a business day but after the close of business on such business day in which case such communication shall be deemed given and effective on the first following business day. Any such notice or communication given pursuant to this Agreement shall be addressed to the intended recipient at its address or number (which may be changed by either party at any time) specified as follows:

If to ReposiTrak:

ReposiTrak, Inc.
299 S. Main Street
Suite 2300
Salt Lake City, Utah 84111
Facsimile No.:
Telephone No.: _____________
Attention: Chief Executive Officer

If to PCG:

Park City Group, Inc.
299 S. Main Street
Suite 2370
Salt Lake City, Utah 84111
Facsimile No.: 435-645-2100
Telephone No.:

With a copy to:

Disclosure Law Group
501 West Broadway, Suite 800
San Diego, CA 92101
Facsimile No.: 619-330-2101
Telephone No.: 619-795-1134
Attn: Daniel W. Rumsey, Managing Partner

If to

Leavitt Partners, LLC
299 S. Main Street
Suite 2300
Salt Lake City, Utah 84111
Facsimile No.:
Telephone No.: 801-538-5082
Attention: Chief Executive Officer

18. Severability. If at any time any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon the legality or enforceability of any other provision of this Agreement.

19. Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns, *provided* that neither party shall have the right to assign its rights and obligations hereunder or any interest herein without the written consent to the other parties, which consent shall not be unreasonably withheld.

20. Remedies Cumulative; Failure or Indulgence Not a Waiver. The remedies provided in this Agreement shall be cumulative and in addition to all other remedies available under this Agreement. No failure or delay on the part of a party in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

21. Counterparts; Facsimile. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. The reproduction of signatures by means of telecopying or electronic device shall be treated as though such reproductions are executed originals.

22. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters including without limitation the Subscription Agreement and the Management Agreement, which the parties acknowledge have been merged into this Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed by its officers, thereunto duly authorized as of this, the 20th day of September, 2013.

REPOSITRAK, INC.

By: /s/ Rich McKeown
Name: Rich McKeown
Title: CEO/ President

PARK CITY GROUP, INC.

By: /s/ Randy Fields
Name: Randy Fields
Title: Chief Executive Officer

LEAVITT PARTNERS, LLC

By: /s/ Rich McKeown
Name: Rich Keown
Title: CEO/ President

Exhibit 10.20

THIS PROMISSORY NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. THIS PROMISSORY NOTE MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR QUALIFICATION OR AN EXEMPTION THEREFROM UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

PROMISSORY NOTE

$1,622,863 June 30, 2013
Salt Lake City, Utah

FOR VALUE RECEIVED , ReposiTrak, Inc., a Utah corporation, (the " Company "), promises to pay to the order of Park City Group, Inc., or its registered assigns (" Holder "), the principal sum of One million Six hundred Twenty-two thousand Eight hundred Sixty-three Dollars ($1,622,863), on the earlier to occur of April 30, 2015 or the date of termination of that certain Omnibus Subscription, Management and Option Agreement, dated as of the date hereof, by and between the Company and Holder (the " Subscription Agreement ") (the " Maturity Date "), together with interest thereon as provided in Section 2 of this Promissory Note (this " Note ").

1. Definitions . For purposes of this Note, the following terms shall have the following meanings:

" Business Day " means any day which is not a Saturday or Sunday or a legal holiday on which national banks are authorized or required to be closed.

" Governmental Authority " means any federal, state, local or other governmental department, commission, board, bureau, agency or other instrumentality or authority, domestic or foreign, exercising executive, legislative, judicial, regulatory or administrative authority or functions of or pertaining to government.

" Material Adverse Effect " means any event, matter, condition or circumstance which (i) has or would reasonably be expected to have a material adverse effect on the business, properties, operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries, taken as a whole; (ii) would materially impair the ability of the Company or any other Person to perform or observe their respective obligations under or in respect of this Note; (iii) would materially impair the rights and remedies of Holder under this Note; or (iv) affects the legality, validity, binding effect or enforceability of this Note.

" Organic Document " means, relative to any Person, its articles or certificate of incorporation, or certificate of limited partnership or formation, its bylaws, partnership or operating agreement or other organizational documents, and all stockholders agreements, voting trusts and similar arrangements applicable to any of its capital stock, partnership interests or other ownership interests.

" Outstanding Balance " means the outstanding principal balance of this Note together with all accrued but unpaid interest hereunder.

" Person " means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

2. Payment of Interest, Warrant .

(a) Interest Generally . Interest shall accrue on the outstanding principal amount of this Note at a rate equal to 8% per annum (computed on the basis of actual calendar days elapsed and a year of 365 days) payable in kind, as an addition to the outstanding principal amount due hereunder, monthly in arrears on the last day of each calendar month (each such date, an " Interest Payment Date "). The Company may elect to pay interest in cash on the outstanding principal balance of this Note on any Interest Payment Date.

(b) Default Interest. Upon the occurrence and during the continuance of any Event of Default, the Outstanding Balance under this Note shall bear interest at a rate per annum equal to 2% plus the rate otherwise applicable to this Note. Such incremental interest (i.e., the additional 2% added during the continuance of an Event of Default) shall be payable in cash.

(c) Warrant. As additional consideration for the issuance of this Note, the Company shall issue to Holder a warrant exercisable for 300,000 shares of the Company's Common Stock (the " Warrant "). The Warrant shall have a term of nine years from the date of issuance, and shall have an aggregate exercise price of $350,000, or $1.17 per share.

3. Payments.

(a) Form of Payment. All payments of cash interest and principal shall be in lawful money of the United States of America by a check drawn on the account of the Company and sent via overnight courier service to Holder at such address as previously provided to the Company in writing (which address, in the case of Holder as of the date of issuance hereof, shall initially be the address for Holder as set forth in this Note); provided that Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and Holder's wire transfer instructions. All payments shall be applied first to accrued interest, and thereafter to principal.

(b) Prepayment. The Company shall have the right to prepay the Outstanding Balance owed under this Note in whole or in part at any time.

4. Representations and Warranties. The Company hereby makes the following representations and warranties to Holder:

(a) Organization, Good Standing and Qualification. The Company is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all requisite power and authority to execute, deliver and perform its obligations under this Note. The Company is qualified to do business and is in good standing in each jurisdiction in which the failure so to qualify or be in good standing would have a Material Adverse Effect, and has all requisite power and authority to own its assets and carry on its business.

(b) Corporate Power and Authorization; Consents. The execution, delivery and performance by the Company of this Note have been duly authorized by all necessary action of the Company and do not and will not (i) contravene the terms of the Company's Organic Documents; (ii) result in a breach of, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any lease, instrument, contract or other agreement to which the Company is a party or by which its properties may be bound or affected; (iii) necessitate the consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority or any third party; or (iv) violate any provision of any law, rule, regulation, order, judgment, decree or the like binding on or affecting the Company, except in the case of each of clauses (ii), (iii) and (iv), such as would not result in a Material Adverse Effect.

(c) Enforceability. This Note constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms

5. Covenants. So long as any indebtedness under this Note remains outstanding, the Company shall provide to Holder, as soon as possible and in any event within three (3) days after the occurrence thereof, written notice of an Event of Default, which notice sets forth the details of such event and the action which is proposed to be taken by the Company with respect thereto.

6. Default .

(a) Events of Default . For purposes of this Note, any of the following events which shall occur shall constitute an " Event of Default ":

(i) any indebtedness under this Note is not paid when and as the same shall become due and payable, whether at maturity, by acceleration, thirty (30) days following notice of prepayment or otherwise;

(ii) default shall occur in the observance or performance of the covenant, obligation or agreement of the Company contained in Section 5 above, any other provision of this Note, or any term or condition set forth in the Subscription Agreement, and such default shall continue uncured for a period of thirty (30) days;

(iii) the Company shall (A) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of itself or any part of its property, (B) become subject to the appointment of a receiver, trustee, custodian or liquidator for itself or any part of its property, (C) make an assignment for the benefit of creditors, (D) institute any proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally, or file a petition or answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law, or file an answer admitting the material allegations of a bankruptcy, reorganization or insolvency petition filed against it, or (E) become subject to any involuntary proceedings under the United States Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency or other similar law affecting the rights of creditors generally; or

(iv) the Company shall liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), or take any action to authorize any of such actions or events;

(b) Consequences of Events of Default .

(i) If an Event of Default shall occur for any reason, whether voluntary or involuntary, and the same shall be continuing, Holder may, upon notice or demand by delivering a default notice to the Company (" *Default Notice* "), declare the Outstanding Balance under this Note to be due and payable, whereupon the Outstanding Balance under this Note shall be and become immediately due and payable, and the Company shall immediately pay to Holder the entire Outstanding Balance. The Parties agree and acknowledge that the Note shall not be in default, and the entire Outstanding Balance payable Holder hereunder shall not be due and payable, unless and until the Holder hereof has delivered a Default Notice to the Company. Upon the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the United States Bankruptcy Code, then the Outstanding Balance under this Note shall automatically be due immediately without notice of any kind. The Company agrees to pay Holder all out-of-pocket costs and expenses incurred by Holder (including attorney's fees) in connection with the enforcement or protection of its rights in relation to this Agreement, including any suit, action, claim or other activity of Holder to collect the Outstanding Balance under this Note or any portion thereof, or in connection with the transactions contemplated hereby.

(ii) Notwithstanding the foregoing Section 6(b)(i), if the Default Notice is due to the failure to pay any indebtedness under this Note as required by Section 6(a)(i), the Company shall have a one-time right of ninety (90) days following the date in which a payment under this Note is due in which to cure the Event of Default by the payment to the Holder of at least twenty-five percent (25%) of the Outstanding Balance due Holder under the terms of this Note (the " *Cure Amount* "). If after the payment of the Cure Amount, there remains an Outstanding Balance, the Maturity Date shall be automatically extended for one year from the date of payment of the Cure Amount.

(iii) Holder shall also have any other rights that Holder may have been afforded under any contract or agreement at any time and any other rights that Holder may have pursuant to applicable law.

7. Lost, Stolen, Destroyed or Mutilated Note . In case this Note shall be mutilated, lost, stolen or destroyed, the Company shall issue a new Note of like date, tenor and denomination and deliver the same in exchange and substitution for and upon surrender and cancellation of such mutilated Note, or in lieu of this Note being lost, stolen or destroyed, upon receipt of evidence satisfactory to the Company of such loss, theft or destruction.

8. Waiver of Jury Trial . TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, THE COMPANY (BY ITS EXECUTION HEREOF) AND HOLDER (BY ITS ACCEPTANCE OF THIS NOTE) WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION ARISING OUT OF OR BASED UPON OR RELATING TO THIS NOTE OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING.

9. Governing Law . This Note shall be deemed to be a contract made under the laws of the State of Utah and for all purposes shall be governed by, construed under, and enforced in accordance with the laws of the State of Utah.

10. Amendment and Waiver . Any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and Holder.

11. Notices . Any notice or other communication in connection with this Note may be made and is deemed to be given as follows: (i) if in writing and delivered in person or by courier, on the date when it is delivered; (ii) if by facsimile, when received at the correct number (proof of which shall be an original facsimile transmission confirmation slip or equivalent); or (iii) if sent by certified or registered mail or the equivalent (return receipt requested), on the date such mail is delivered, unless the date of that delivery is not a Business Day or that communication is delivered on a Business Day but after the close of business on such Business Day in which case such communication shall be deemed given and effective on the first following Business Day. Any such notice or communication given pursuant to this Note shall be addressed to the intended recipient at its address or number (which may be changed by either party at any time) specified as follows:

If to the Company:

ReposiTrak, Inc.
299 S. Main Street, Ste. 2300
Salt Lake City, UT 84111
Facsimile No.:
Telephone No.: _____________
Attention: Chief Executive Officer

With a copy to:

____
____
____

If to Holder:

Park City Group, Inc.
299 S. Main Street
Suite 2370
Salt Lake City, Utah 84111
Facsimile No.: 435-645-2100
Telephone No.:

With a copy to:

Disclosure Law Group
501 West Broadway, Suite 800
San Diego, CA 92101
Facsimile No.: 619-330-2101
Telephone No.: 619-795-1134
Attn: Daniel W. Rumsey, Managing Partner

12. Severability. If at any time any provision of this Note shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon the legality or enforceability of any other provision of this Note.

13. Assignment. The provisions of this Note shall be binding upon and inure to the benefit of each of the Company and Holder and their respective successors and assigns, provided that the Company shall not have the right to assign its rights and obligations hereunder or any interest herein. This Note may not be endorsed, assigned and transferred in whole or in part by Holder to any other Person without the written consent of the Company.

14. Remedies Cumulative; Failure or Indulgence Not a Waiver. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note. No failure or delay on the part of Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

15. Entire Agreement. This Note contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Note.

16. Waiver of Notice. To the extent permitted by law, the Company hereby waives demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

IN WITNESS WHEREOF, each of the undersigned has caused this Note to be duly executed by its officers, thereunto duly authorized as this, the 20th day of September, 2013.

REPOSITRAK, INC.

By: /s/ Rich McKeown
Name: Rich McKeown
Title: CEO/ President

PARK CITY GROUP, INC.

By: /s/ Randy Fields
Name: Randy Fields
Title: Chief Executive Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (" **Agreement** ") is entered into by and between Park City Group, Inc., a Nevada corporation (the " **Company** ") and Randall K. Fields (" **Employee** "), effective as of the 1 st day of July, 2013.

Recitals:

A. Employee is employed by and provides sales and management services to the Company.

B. This Agreement is made to protect the Company's legitimate and legally protectible property and business interests.

C. This Agreement is entered into as a term and condition of Employee's continued employment with the Company.

D. Employee's recent contract expired June 30, 2013 and due to the performance of Employee, particularly in his ability to perform multiple functions and due to the fact that there have been only minor changes in his amount of compensation, the parties now desire to enter into a new contract and make adjustments to the salary paid to more accurately compensate for the work being performed.

Agreements:

Now, Therefore, in consideration of the mutual covenants and promises contained in, and the mutual benefits to be derived from this Agreement, and for other good and valuable consideration, the Company and Employee agree as follows:

1. **Employment.**

The Company hereby employs Employee, and Employee hereby accepts such employment, on the terms and conditions of this Agreement.

2. **Term of the Employment.**

The employment of Employee by the Company will continue pursuant to the terms of this Agreement effective as of July 1, 2013 and end on the 30 th day of June, 2018 (the " **Initial Term"**), unless sooner terminated pursuant to the terms hereof or extended at the sole discretion of the Company's Board of Directors. The Initial Term and any subsequent terms will automatically renew for additional one year periods unless, six months prior to the expiration of the then current term, either party gives notice to the other that the Agreement will not renew for an additional term. In the event of such written notice being timely provided by the Company, Employee shall not be required to perform any responsibilities or duties to the Company during the final two months of the then-existing term. In such event, the Company will remain obligated to Employee for all compensation and other benefits set forth herein and in any written modifications hereto.

3. **Duties.**

(a) General Duties . Employee shall be employed as the Sales Department Manager of the Company, and shall have such duties, responsibilities and obligations as are established by the Bylaws of the Company or are generally required of persons employed in similar positions.

(b) Performance. To the best of his ability and experience, Employee will at all times loyally and conscientiously perform all duties, and discharge all responsibilities and obligations, required of and from him pursuant to the express and implicit terms hereof, and to the reasonable satisfaction of the Company. Employee shall devote as much of his time, energy, skill and attention to the business of the Company, and the Company shall be entitled to all of the benefits and profits arising from or incident to all such work, services, and advice of Employee rendered to the Company.

(c) Company Directorship. Employee shall be elected to the position of director and shall serve on the Company's Board of Directors during his term of employment as Chairman.

(d) Other Directorships and Businesses. During the term of his Employment, Employee may serve on the boards of directors or on advisory boards of other companies or engage in other business relationships, so long as such service does not interfere or conflict with the performance of Employee's duties hereunder, and provided further that Employee will not serve on the boards of directors or on advisory boards of companies which are direct competitors of the Company.

(e) Outside Activities. Nothing in this Agreement shall prohibit Employee from directing his personal investments or accepting speaking or presentation engagements in exchange for honoraria, or from rendering services to, or serving on boards of, charitable organizations, so long as such activities do not interfere or conflict with the performance of Employee's duties hereunder.

4. **Compensation and Benefits.**

(a) Salary. The Company shall pay to Employee an annual base salary of $75,000 (" **Annual Base Salary** "). The Annual Base Salary, which shall be pro-rated for any partial employment period, will be payable in equal bi-weekly installments or at such other intervals as may be established for the Company's customary payroll schedule, less all applicable federal, state and local income and employment tax withholdings required by law. The Annual Base Salary shall be subject to a percentage annual increase equal to 75% of the percentage annual Revenue growth of the Company as reported in its annual 10-K report filed with the SEC. Such increase shall be effective with the first payroll period following the filing of the 10-K beginning with the filing for the 2014 fiscal year.

(b) Other Benefits. The Company acknowledges that the Employee conducts a considerable amount of business activities from Employee's personal residence. Accordingly, the Company shall pay the costs of maintaining telephone lines and systems for business use, along with related costs, at the Employee's residence. In addition, the Company shall also provide the Employee with computers and other business equipment Employee deems necessary for the Employee to conduct necessary business activities from Employee's personal residence

The Company also acknowledges that the Employee's secretary performs limited personal accounting and other related services for the Employee. The Company hereby authorizes such activities so long as they do not interfere with Employee's secretary's services to the Company. Should Employee retain someone else to perform personal accounting and tax services, the Company shall bear the cost of such services.

(c) Benefit and Stock Option Plans. Employee shall be entitled to participate, to the extent of Employee's eligibility, in any employee benefit and stock option plans made available by the Company to its employees during the term of this Agreement. In addition, at no cost to Employee, Company will provide Employee, and his immediate family members , coverage under a health and dental insurance plan during the term of Employee's employment and any applicable COBRA coverage period.

(d) Vacations, Holidays, etc. Employee shall have four (4) weeks paid vacation and twelve (12) days sick leave during each year he is employed. Vacation days will accrue from year to year if not taken.

(e) Indemnification; D&O Insurance. The Company shall indemnify the Employee to the fullest extent of that which is available under Chapter 78 of the Nevada Revised Statutes, and shall provide director's and officer's insurance with such coverages, in such amounts and from such insurers as constitutes good practices by comparable companies in the same business as the Company. Such insurance shall provide defense and coverage obligations for any claim arising out of Employee's acts or omissions committed during the Initial Term or any subsequent term hereof, regardless of when such claims are asserted.

(f) Incentive Bonus. The Board of Directors of the Company will annually review the Company's results and discuss what the amount, if any, of a discretionary bonus to be awarded to Employee should be.

(g) Travel and Business Expense Reimbursement. The Company shall promptly reimburse Employee for all of his reasonable business expenses.

5. **Proprietary Information.**

(a) Obligation. Employee shall not disclose, publish, disseminate, reproduce, summarize, distribute, make available or use any Proprietary Information, except in pursuance of Employee's duties, responsibilities and obligations under this Agreement and for the benefit of the Company.

(b) Definition. As used in this Agreement, "*Proprietary Information*" means information that is (i) designated as "confidential," "proprietary" or both by the Company or should have been known to be "confidential" or "proprietary" to the Company from the nature of the information or the circumstances of its disclosure, and (ii) has economic value or affords commercial advantage to the Company because it is not generally known or readily ascertainable by proper means by other persons. By way of illustration, Proprietary Information includes but is not limited to information relating to the Company's products, services, business operations, business plans and financial affairs, and customers; any application, utility, algorithm, formula, pattern, compilation, program, device, method, technique, process, idea, concept, know-how, flow chart, drawing, standard, specification, or invention; and any tangible embodiment of Proprietary Information that may be provided to or generated by Employee.

(c) Return upon Termination. Upon the termination of this Agreement for any reason, and at any time prior thereto upon request by the Company, Employee shall return to the Company all tangible embodiments of any Proprietary Information in Employee's possession, including but not limited to, originals, copies, reproductions, notes, memoranda, abstracts, and summaries.

(d) Ownership. Any Proprietary Information developed or conceived by Employee during the term of this Agreement shall be and remain the sole property of the Company. Employee agrees promptly to communicate and disclose all such Proprietary Information to the Company and to execute and deliver to the Company any instruments deemed necessary by the Company to perfect the Company's rights in such Proprietary Information.

6. **Termination of Employment.**

(a) Additional Definitions. For purposes of this Agreement, the following terms shall have the meanings assigned below:

(i) "Cause" means (A) conviction of a crime involving moral turpitude, or (B) a determination by the Board of Directors of the Company in good faith that Employee [1] has failed to substantially perform his duties in his then current position, [2] has engaged in grossly negligent, dishonest or unethical activity, or [3] has breached a fiduciary duty or a covenant hereunder, including without limitation the unauthorized disclosure of Company trade secrets or confidential information, resulting in material loss or damage to the Company.

(ii) "Change in Control of the Company" means a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 (the " **Exchange Act** "), if the Company were subject to such reporting requirements; provided that, without limitation, such a change in control shall be deemed to have occurred if any "person" (as such term is used in paragraph 13(d) and 14(d) of the Exchange Act) who on the date hereof is not a director or officer of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities.

(iii) "Determination Date" means (A) if Employee's employment is terminated by his death, the date of his death, (B) if Employee's employment is terminated by reason of Disability, thirty (30) days after Notice of Termination is given, provided that Employee shall not have returned to the performance of his duties during such thirty (30) day period, (C) if Employee's employment is terminated by reason of a Change in Control of the Company, the date specified in the Notice of Termination, (D if Employee's employment is terminated for Cause by reason of conviction of a crime involving moral turpitude, the date on which a Notice of Termination is given, or (E) if Employee's employment is terminated for Cause for a reason other than specified in (D), thirty (30) days after Notice of Termination is given, provided that Employee shall not have cured the reason for such Cause during such thirty (30) day period.

(iv) "Disability" means (A) Employee's inability, by reason of physical or mental illness or other cause, to perform Employee's duties hereunder on a full-time basis for a period of twenty-six (26) consecutive weeks, or (B) in the discretion of the Board of Directors, as such term is defined in any disability insurance policy in effect at the Company during the time in question.

(v) "Good Reason" means a failure by the Company to comply with any material provision of this Agreement which has not been cured within ten (10) days after notice of such noncompliance has been given by Employee to the Company.

(vi) "Notice of Termination" means a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated. Any termination of Employee's employment by the Company or by Employee (other than termination pursuant to subsection 6(b) hereof) shall be communicated by written Notice of Termination to the other party hereto.

(b) <u>Termination on Employee's Death</u> . Employee's employment hereunder shall terminate upon Employee's death. Upon such termination, Employee's representative or estate shall be entitled to receive only the compensation, benefits and reimbursement earned or accrued by Employee under the terms of his employment prior to the Determination Date, but shall not be entitled to any further compensation, benefits, or reimbursement subsequent to such date.

(c) <u>Termination By The Company for Employee's Disability</u> . Employee's employment hereunder may be terminated without breach of this Agreement upon Employee's Disability, upon written Notice of Termination from the Company to Employee and Employee's failure to return to the performance of his duties as provided in Section 6(a)(iii)(B) hereof. Employee shall receive full compensation, benefits, and reimbursement of expenses pursuant to the terms of his employment from the date Disability begins until the Determination Date specified in the Notice of Termination given under this section, or until Employee begins to receive disability benefits pursuant to a Company disability insurance policy, whichever occurs first.

(d) Termination By The Company For Cause. Employee's employment hereunder may be terminated without breach of this Agreement for Cause, upon written Notice of Termination from the Company to Employee and Employee's failure to cure such Cause as provided in Section 6(a)(iii)(E) hereof. If Employee's employment is terminated for Cause, the Company shall pay Employee his full Annual Base Salary accrued through the Determination Date, and the Company shall have no further obligation to Employee under this Agreement for other compensation or benefits accrued but unpaid prior to the Determination Date.

(e) Termination On Change of Control of the Company. Employee's employment hereunder may be terminated without breach of this Agreement at any time within twelve months following a Change in Control of the Company at the election of the Employee. If the Employee's employment pursuant to this Section 6(e) is terminated, Employee shall be entitled to receive the compensation, benefits and reimbursement earned or accrued by Employee under the terms of his employment prior to the Determination Date, including any incentive bonus. In addition, Employee shall receive as a severance payment the balance of Employee's compensation through the end of the then current term of this Agreement. Also, upon Employees termination in connection with this Section 6(e), Employee shall be entitled to an annual bonus for the remaining period of this contract equal to the bonus due to Employee for the immediately preceding fiscal year. Employee's employment hereunder may not be terminated by the Company following a Change in Control of the Company without it being a breach of this Agreement.

(f) Termination by Employee. Employee may terminate his employment hereunder for Good Reason or if his health should become impaired to an extent that makes his continued performance of his duties hereunder hazardous to his physical or mental health or his life, *provided that* Employee shall have furnished the Company with a written statement from a qualified doctor to such effect and, *provided further*, that, at the Company's request, Employee shall submit to an examination by a doctor selected by the Company and such doctor shall have concurred in the conclusion of Employee's doctor. If Employee shall terminate his employment pursuant to this Section 6(f), Employee shall be entitled to receive the following:

(i) the compensation, benefits and reimbursement earned or accrued by Employee under the terms of his employment prior to the Determination Date, including any incentive bonus,

(ii) if Employee shall terminate his employment for Good Reason consisting of the Company's material breach of this Agreement, severance, including bonuses, as defined in Section 6 (e) shall be due and payable to Employee.

7. **Miscellaneous.**

(a) Severability. If any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, the remaining provisions shall nevertheless remain in full force and effect.

(b) Notices. Any notice required or permitted hereunder to be given by either party shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid, or by private courier, or by facsimile or telegram to the party to the address the party may designate from time to time. A notice delivered personally shall be effective upon receipt. A notice sent by facsimile or telegram shall be effective 24 hours after the dispatch thereof. A notice delivered by mail or by private courier shall be effective on the 3rd day after the day of mailing. A copy of notices given hereunder will be delivered or sent to the following persons and addresses (or such other address as designated from time to time):

(c) Attorney's Fees. In the event of any action at law or equity to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs in addition to any other relief to which such party may be entitled.

(d) Governing Law. This Agreement shall be interpreted, construed, governed and enforced according to the laws of the State of Utah. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain in full force and effect.

(e) Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. This Agreement is for the unique personal services of Employee, and Employee shall not be entitled to assign any of his rights or obligations hereunder.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the employment of Employee. This Agreement can be amended or modified only in a writing signed by Employee and an authorized representative of the Company.

(g) Signature by Facsimile and Counterpart. This Agreement may be executed in counterpart, and facsimile signatures are acceptable and binding on the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and signed as of this, the 20 th day of September, 2013.

"Company"	**"Employee"**
PARK CITY GROUP, INC., a Nevada corporation	
By: /s/ Edward L. Clissold	/s/ Randall K. Fields
Name: Edward L. Clissold Title: Chief Financial Officer	Name: Randall K. Fields

Exhibit 10.22

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (" **Agreement** ") is entered into by and between Park City Group, Inc., a Nevada corporation (the " **Company** ") and Fields Management, Inc., a Utah Corporation (" **Fields** "), effective as of the 1 st day of July 2013.

Recitals:

A. Fields is a corporation in the business of providing executive management services, including performing the functions of President and Chief Executive Officer for the Company.

B. This Agreement is made to protect the Company's legitimate and legally protectible property and business interests.

C. This Agreement is entered into in order to define the terms and conditions of Fields' relationship with the Company.

D. The current Services Agreement between the parties dated April 9, 2009 expired on June 30, 2013 and due to the performance of the Executive, particularly in his ability to perform multiple functions and due to the fact that there have been only minor changes in the amount of fees charged by Fields, the parties now desire to continue their business relationship and make adjustments to the fees paid to more accurately compensate for the work being performed.

Agreements:

NOW, THEREFORE , in consideration of the mutual covenants and promises contained in, and the mutual benefits to be derived from this Agreement, and for other good and valuable consideration, the Company and Fields agree as follows:

1. **Independent Contractor.**

The Company hereby retains Fields, and Fields hereby accepts such retainer, on the terms and conditions of this Agreement. It is understood and agreed that Fields and its employees or other individuals it uses to perform the services set forth herein for the Company, are independent contractors and not employees of the Company.

2. **Term of the Services.**

This Agreement shall be effective as of July 1, 2013 (the "Effective Date") and continue pursuant to the terms hereof until the 30 th day of June 2018 (the " **Initial Term"**), unless sooner terminated pursuant to the terms hereof or extended at the sole discretion of the Company's Board of Directors. The Initial Term and any subsequent terms will automatically renew for additional one year periods unless, six months prior to the expiration of the then current term, either party gives notice to the other that the Agreement will not renew for an additional term. In the event of such written notice being timely provided by the Company, Fields shall not be required to perform any responsibilities or duties to the Company during the final two months of the then-existing term. In such event, the Company will remain obligated to Fields for all compensation and other benefits set forth herein and in any written modifications hereto.

3. **Duties.**

(a) General Duties . Fields shall provide to the Company an individual (the "Executive") to fill the role and perform the functions of Chairman, President and Chief Executive Officer of the Company, and shall have such duties, responsibilities and obligations as are established by the Bylaws of the Company or are generally required of persons employed in similar positions. This shall include full executive powers of these positions over all operating and financial officers, the authority to hire and fire officers and employees, and to authorize expenditures of money for corporate purposes, subject to the right of the Board of Directors to impose reasonable restrictions and requirements.

(b) Performance. To the best of his ability and experience, the Executive will at all times loyally and conscientiously perform all duties, and discharge all responsibilities and obligations, required of and from him pursuant to the express and implicit terms hereof, and to the reasonable satisfaction of the Company. The Executive shall devote as much of his time, energy, skill and attention as is required to the business of the Company, and the Company shall be entitled to all of the benefits and profits arising from or incident to all such work, services, and advice of Executive rendered to the Company.

(c) Outside Activities. Nothing in this Agreement shall prohibit Executive from directing his personal investments or accepting speaking or presentation engagements in exchange for honoraria, or from rendering services to, or serving on boards of, charitable organizations, so long as such activities do not interfere or conflict with the performance of Fields' duties hereunder.

(d) Additional Services. Fields may be asked from time to time by the Company to provide other services which Fields can provide using other of its employees in addition to the Executive. Compensation to Fields for such additional services shall be agreed upon at the time of the request.

4. **Compensation and Benefits.**

(a) Fee. The Company shall pay to Fields an annual base fee of $475,000 (" **Annual Base Fee** "). The Annual Base Fee, which shall be pro-rated for any partial period, will be payable in equal semi-monthly installments. The Annual Base Fee shall be subject to a percentage annual increase equal to 75% of the percentage annual Revenue growth of the Company as reported in its annual 10-K report filed with the SEC. Such increase shall be effective with the first payroll period following the filing of the 10-K beginning with the filing for the 2014 fiscal year.

(b) Indemnification; D&O Insurance. The Company shall indemnify Fields to the fullest extent of that which is available under Chapter 78 of the Nevada Revised Statutes, and shall provide director's and officer's insurance with such coverages, in such amounts and from such insurers as constitutes good practices by comparable companies in the same business as the Company. Such insurance shall provide defense and coverage obligations for any claim arising out of Fields' or Executive's acts or omissions committed during the Initial Term or any subsequent term hereof, regardless of when such claims are asserted.

(c) Incentive Bonus. An incentive bonus, based upon the Company's achievement of performance goals shall be paid to Fields. The goals will be pre-determined each year by the Compensation Committee of the Board of Directors in discussion with the Executive.

(d) Travel and Business Expense Reimbursement. The Company shall promptly reimburse Fields for all of Executives reasonable travel and business expenses.

(e) Company Vehicle. The Company shall reimburse Fields for the costs of a vehicle of Executives choice. The reimbursement shall not exceed $1,200.00 per month plus applicable deposits if purchased on a monthly installment contract or leased pursuant to a operating lease. The Company shall also pay reasonable operating costs of such vehicle to include insurance, registration and taxes, maintenance, fuel and other related costs.

(f) Computer Equipment. The Company shall provide to Fields an annual allowance of up to $6,000 to be used to acquire miscellaneous computer equipment.

(g) Life Insurance. At the expiration of the term life insurance policy currently in place that has a beneficiary designated by Executive, the Company shall buy, maintain and pay the premiums for a new life insurance policy which is mutually agreeable and to be in the name of the Executive in the amount of at least $5,000,000, with the beneficiary to be designated by the Executive at his sole discretion. Coverage of the policy shall continue during the term of this Agreement.

(h) Stock Grant. The Company hereby grants to Fields 600,000 shares of its restricted common stock priced on July 1, 2013 (the "Stock Grant") to be issued according to a pro-rata ten year vesting schedule, the first issuance of which shall be one year from the Effective Date.

(i) Retirement Annuity. The Board of Directors of the Company will develop a plan for a trigger event to put into place a retirement annuity or other bonus award. Such plan shall be developed within six months of the Effective Date.

5. **Proprietary Information.**

(a) Obligation. Neither Fields nor the Executive shall not disclose, publish, disseminate, reproduce, summarize, distribute, make available or use any Proprietary Information, except in pursuance of Fields' duties, responsibilities and obligations under this Agreement and for the benefit of the Company.

(b) Definition. As used in this Agreement, " *Proprietary Information* " means information that is (i) designated as "confidential," "proprietary" or both by the Company or should have been known to be "confidential" or "proprietary" to the Company from the nature of the information or the circumstances of its disclosure, and (ii) has economic value or affords commercial advantage to the Company because it is not generally known or readily ascertainable by proper means by other persons. By way of illustration, Proprietary Information includes but is not limited to information relating to the Company's products, services, business operations, business plans and financial affairs, and customers; any application, utility, algorithm, formula, pattern, compilation, program, device, method, technique, process, idea, concept, know-how, flow chart, drawing, standard, specification, or invention; and any tangible embodiment of Proprietary Information that may be provided to or generated by Fields or the Executive.

(c) Return upon Termination. Upon the termination of this Agreement for any reason, and at any time prior thereto upon request by the Company, Fields shall return to the Company all tangible embodiments of any Proprietary Information in its or the Executive's possession, including but not limited to, originals, copies, reproductions, notes, memoranda, abstracts, and summaries.

(d) Ownership. Any Proprietary Information developed or conceived by the Executive during the term of this Agreement shall be and remain the sole property of the Company. Fields agrees promptly to communicate and disclose all such Proprietary Information to the Company and to execute and deliver to the Company any instruments deemed necessary by the Company to perfect the Company's rights in such Proprietary Information.

6. **Termination of Services.**

(a) Additional Definitions. For purposes of this Agreement, the following terms shall have the meanings assigned below:

(i) "Cause" means (A) conviction of a crime involving moral turpitude, or (B) a determination by the Board of Directors of the Company in good faith that Fields [1] has failed to substantially perform the duties as set forth herein, [2] has engaged in grossly negligent, dishonest or unethical activity, or [3] has breached a fiduciary duty or a covenant hereunder, including without limitation the unauthorized disclosure of Company trade secrets or confidential information, resulting in material loss or damage to the Company.

(ii) "Change in Control of the Company" means a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 (the " **Exchange Act** "), if the Company were subject to such reporting requirements; provided that, without limitation, such a change in control shall be deemed to have occurred if any "person" (as such term is used in paragraph 13(d) and 14(d) of the Exchange Act) who on the date hereof is not a director or officer of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities.

(iii) "Determination Date" means (A) if this Agreement is terminated by Fields or by reason of a Change in Control of the Company, the date specified in the Notice of Termination, (B) if this Agreement is terminated for Cause by reason of conviction of a crime involving moral turpitude, the date on which a Notice of Termination is given, or (C) if this Agreement is terminated for Cause for a reason other than specified in (B), thirty (30) days after Notice of Termination is given, provided that Fields shall not have cured the reason for such Cause during such thirty (30) day period.

(iv) "Good Reason" means a failure by the Company to comply with any material provision of this Agreement which has not been cured within ten (10) days after notice of such noncompliance has been given by Fields to the Company.

(v) "Notice of Termination" means a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated. Any termination of this Agreement by the Company or by Fields (other than termination pursuant to subsection 6(b) hereof) shall be communicated by written Notice of Termination to the other party hereto.

(b) Termination By The Company For Cause . This Agreement may be terminated without breach of this Agreement for Cause, upon written Notice of Termination from the Company to Fields and Fields' failure to cure such Cause as provided in Section 6(a)(iii)(C) hereof. If this Agreement is terminated for Cause, the Company shall pay Fields its full Annual Base Fee accrued through the Determination Date, and the Company shall have no further obligation to Fields under this Agreement for other compensation or benefits accrued but unpaid prior to the Determination Date.

(c) Termination On Change of Control of the Company . This Agreement may be terminated without breach of this Agreement at any time within twelve months following a Change in Control of the Company at the election of Fields. If the Agreement is terminated pursuant to this Section 6(c), Fields shall be entitled to receive the compensation, benefits and reimbursement earned or accrued by Fields under the terms of this Agreement prior to the Determination Date, including any incentive bonus. In addition, Fields shall receive as a severance payment the balance of Fields' compensation through the end of the then current term of this Agreement and the Stock Grant shall become fully vested. Also, upon Fields' termination in connection with this Section 6(c), Fields shall be entitled to an annual bonus for the remaining period of this contract equal to the bonus due to Fields for the immediately preceding fiscal year. This Agreement may not be terminated by the Company following a Change in Control of the Company without it being a breach of this Agreement.

(d) Termination by Fields . Fields may terminate this Agreement for Good Reason in the event of the Company's material breach of this Agreement, in the event of the death of the Executive or if the health of the Executive should become impaired to an extent that makes continued performance of Fields duties hereunder hazardous to his physical or mental health or his life, *provided that* Fields shall have furnished the Company with a written statement from a qualified doctor to such effect and, *provided further* , that, at the Company's request, the Executive shall submit to an examination by a doctor selected by the Company and such doctor shall have concurred in the conclusion of Fields' doctor.

If Fields shall terminate this Agreement because of the death or health of the Executive, Fields shall be entitled to receive the compensation, benefits and reimbursement earned or accrued by Fields under the terms of this Agreement prior to the Determination Date, including any incentive bonus, and the Stock Grant shall become fully vested;

If Fields shall terminate this Agreement because of the Company's material breach of this Agreement, Fields shall be entitled to receive all payments, including severance, Stock Grants and bonuses, as defined in Section 6 (c) shall be due and payable to Fields.

7. **Miscellaneous.**

(a) Severability. If any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, the remaining provisions shall nevertheless remain in full force and effect.

(b) Notices. Any notice required or permitted hereunder to be given by either party shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid, or by private courier, or by facsimile or telegram to the party to the address the party may designate from time to time. A notice delivered personally shall be effective upon receipt. A notice sent by facsimile or telegram shall be effective 24 hours after the dispatch thereof. A notice delivered by mail or by private courier shall be effective on the 3rd day after the day of mailing.

(c) Attorney's Fees. In the event of any action at law or equity to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs in addition to any other relief to which such party may be entitled.

(d) Governing Law. This Agreement shall be interpreted, construed, governed and enforced according to the laws of the State of Utah. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain in full force and effect.

(e) Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the services described herein. This Agreement can be amended or modified only in a writing signed by Fields and an authorized representative of the Company.

(g) Signature by Facsimile and Counterpart. This Agreement may be executed in counterpart, and facsimile signatures are acceptable and binding on the parties hereto.

IN WITNESS WHEREOF , the parties hereto have caused this Agreement to be duly executed and signed as of this, the 20th day of September, 2013.

"Company"	**"Fields"**
PARK CITY GROUP, INC. , a Nevada corporation	**FIELDS MANAGEMENT, INC.,** a Utah corporation
By: /s/ Edward L. Clissold	By: /s/ Randall K. Fields
Name: Edward L. Clissold Title: Chief Financial Officer	Name: Randall K. Fields Title: President

Exhibit 23.1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Park City Group, Inc. and subsidiaries

We have audited the accompanying consolidated balance sheets of Park City Group, Inc. and subsidiaries as of June 20, 2013 and 2012 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended . These financial statements are the responsibility of the Company's management . Our responsibility is to express an opinion on these financial statements based on our audits.

We 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits 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 the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Park City Group, Inc. and subsidiaries as of June 30, 2013 and 2012 and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ HJ & Associates, LLC

HJ & Associates, LLC
Salt Lake City, Utah
September 23, 2013

Exhibit 31.1

Park City Group, Inc. & Subsidiaries
Certification Of Principal Executive And Principal Financial Officer
Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002

I, Randall K. Fields, certify that:

1. I have reviewed this annual report on Form 10-K for the period ended June 30, 2013 of Park City Group, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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

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

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

Date: September 23, 2013

/s/ Randall K. Fields
Principal Executive Officer, CEO

Exhibit 31.2

Park City Group, Inc. & Subsidiaries
Certification Of Principal Executive And Principal Financial Officer
Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002

I, Edward L. Clissold, certify that:

1. I have reviewed this annual report on Form 10-K for the period ended June 30, 2013 of Park City Group, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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

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

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

Date: September 23, 2013

/s/ Edward L. Clissold
General Counsel, Principal Financial Officer, CFO

Exhibit 32.1

Park City Group, Inc. & Subsidiaries
Certification Pursuant To
18 U.S.C. Section 1350, As Adopted Pursuant To
Section 906 Of The Sarbanes-Oxley Act Of 2002

In connection with the annual Report of Park City Group, Inc. (the " *Company* ") on Form 10-K for the year ending June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the " *Report* "), I, Randall K. Fields, Principal Executive Officer of the Company and I, Edward L. Clissold, Principal Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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 result of operations of the Company.

Dated: September 23, 2013

/s/ Randall K. Fields
Principal Executive Officer, CEO

Dated: September 23, 2013

/s/ Edward L. Clissold
General Counsel, Principal Financial Officer, CFO