

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-K**

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**ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: **December 31, 2011**

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

Commission file number: **000-50302**

**SILVERSUN TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**New Jersey**

(State or other jurisdiction of incorporation or organization)

**16-1633636**

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

**5 Regent Street**

**Livingston, NJ 07039**

(Address of principal executive offices)

**(973) 958-9555**

(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act: **Class A Common Stock, par value \$0.001**

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the 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 small reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant based on a closing price of \$.23 on June 30, 2011 was approximately \$1,015,141. As of March 20, 2012, the registrant had 116,413,069 shares of its common stock, par value \$0.001, outstanding.

Documents Incorporated By Reference: None.

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## **FORWARD LOOKING STATEMENTS**

Included in this Form 10-K are “forward-looking” statements, as well as historical information. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the expectations reflected in these forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in forward-looking statements as a result of certain factors, including matters described in the section titled “Risk Factors.” Forward-looking statements include those that use forward-looking terminology, such as the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “project,” “plan,” “will,” “shall,” “should,” and similar expressions, including when used in the negative. Although we believe that the expectations reflected in these forward-looking statements are reasonable and achievable, these statements involve risks and uncertainties and we cannot assure you that actual results will be consistent with these forward-looking statements. We undertake no obligation to update or revise these forward-looking statements, whether to reflect events or circumstances after the date initially filed or published, to reflect the occurrence of unanticipated events or otherwise.

## PART I

### Item 1. Business.

#### Background

SilverSun Technologies, Inc., a Delaware corporation (the “Company” or “SilverSun”), was incorporated on October 3, 2002, as a wholly owned subsidiary of iVoice, Inc. (“iVoice”). On February 11, 2004, the Company was spun off from iVoice, Inc. and became an independent publicly traded company. On September 5, 2003, we changed our corporate name to Trey Resources, Inc. In March 2004, Trey Resources, Inc. began trading on the Over-the-Counter Bulletin board (the “OTCBB”) under the symbol TYRIA.OB. In June 2011, the Company changed its name to SilverSun Technologies, Inc. The Company is publicly traded and is currently quoted on the Over-the-Counter Bulletin Board (“OTCBB”) under the symbol “SSNT.”

In June 2004, our wholly-owned subsidiary, SWK Technologies, Inc., a New Jersey-based information technology company, completed a merger with SWK, Inc., a value added reseller and master developer for Sage Software’s MAS 90/200/500 financial accounting software as well as the publisher of its own proprietary Electronic Data Interchange (EDI) software, “MAPADOC.” Until its acquisition of SWK, Inc. on June 2, 2004, the Company was engaged in the design, manufacture, and marketing of specialized telecommunication equipment. With the acquisition of SWK and as part of its plan to expand into new markets, the Company transformed into an information technology company, and a value added reseller and master developer for Sage Software’s MAS 90/200/500 and ERP X3 financial and accounting software as well as the publisher of its own proprietary Electronic Data Interchange (EDI) software, “MAPADOC.” The Company focuses on the business software and information technology consulting market, and is looking for other opportunities to grow its business. The Company sells services and products to various end users, manufacturers, wholesalers and distributor industry clients located throughout the United States.

On June 2, 2006, SWK Technologies, Inc. completed the acquisition of certain assets of AMP-Best Consulting, Inc. of Syracuse, New York. AMP-Best Consulting, Inc. is an information technology company and value added reseller of licensed accounting software published by Sage Software. AMP-Best Consulting, Inc. sold services and products to various end users, manufacturers, wholesalers and distribution industry clients located throughout the United States, with special emphasis on companies located in the upstate New York region.

Our principal offices and facilities are located at 5 Regent Street, Suite 520, Livingston, NJ 07039 and our telephone number is (973) 758-9555. The Company is publicly traded and is currently traded on the OTCBB under the symbol “SSNT.”

#### General

We are business consultants for small and medium sized businesses and value-added resellers and developers of financial accounting software. We also publish our own proprietary EDI software. We are a leader in marketing financial accounting solutions across a broad spectrum of industries focused on manufacturing and distribution. We specialize in software integration and deployment, programming, and training and technical support, aimed at improving the financial reporting and operational efficiencies of small and medium sized companies. The sale of our financial accounting software is concentrated in the northeastern United States, while our EDI software and programming services are sold to corporations nationwide.

We differentiate ourselves from traditional software resellers through our wide range of value-added services, consisting primarily of programming, training, technical support, and other consulting and professional services. We also provide software customization, data migration, business consulting, and implementation assistance for complex design environments. Our strategic focus is to respond to our customers’ requests for interoperability and provide solutions that address broad, enterprise-wide initiatives.

Our product sales are cyclical, and increase when the developer of a specific software product offers new versions, promotions or discontinues support of an older product.

As is common among software resellers, we purchase our products from our suppliers with a combination of cash and credit extended by the supplier. We do not carry inventory, and generally place an order with the supplier only after receiving a firm commitment from our customer. Except in unusual situations, we do not allow our customers to return merchandise and rarely offer extended payment terms to our customers.

#### Our Products

Substantially all of our initial sales of financial accounting solutions consist of prepackaged software and associated services to customers in the United States. Our sales are focused on three major product categories and associated value-added services.

### Financial Accounting Software

The Company resells accounting software published by Sage Software, Inc. (Sage) for the financial accounting requirements of small and medium sized businesses focused on manufacturing and distribution, and the delivery of related services from the sales of these products, including installation, support and training. These product sales are primarily packaged software programs installed on a user workstation, on a local area network server, or in a hosted environment. The programs perform and support a wide variety of functions related to accounting, including financial reporting, accounts payable and accounts receivable, and inventory management.

We provide a variety of services along with our financial accounting software sales to assist our customers in maximizing the benefits from these software applications. These services include training, technical support, and professional services. We employ class instructors and have formal, specific training in the topics they are teaching. We can also provide on-site training services that are highly tailored to meet the needs of a particular customer. Our instructors must pass annual subject-matter examinations required by Sage to retain their product-based teaching certifications.

We provide end-user technical support services through our support/help desk. Our staff of product and technology consultants assists customers calling with questions about product features, functions, usability issues, and configurations. The support/help desk offers services in a variety of ways, including prepaid services, time and materials billed as utilized and annual support contracts. Customers can communicate with the support/help desk through e-mail, telephone, and fax channels. Standard support/help desk services are offered during normal business hours five days per week.

Our professional services include project-focused offerings such as software customization, data migration, and small and medium sized business consulting. We have project managers who provide professional services to our financial accounting customers.

### Electronic Data Interchange (EDI) Software

We publish our own proprietary EDI software "MAPADOC." EDI can be used to automate existing processes, to rationalize procedures and reduce costs, and to improve the speed and quality of services. Because EDI necessarily involves business partners, it can be used as a catalyst for gaining efficiencies across organizational boundaries.

Our "MAPADOC" EDI solution is a fully integrated EDI solution that provides users of Sage Software's market-leading MAS family of accounting software products with a feature rich product that is easy to use. "MAPADOC" provides the user with dramatically decreased data entry time, elimination of redundant steps, the lowering of paper and postage costs, the reduction of time spent typing, signing, checking and approving documents and the ability to self-manage EDI and to provide a level of independence that saves time and money.

We market our "MAPADOC" solutions to our existing and new small and medium-sized business customers, and through a network of resellers. We have a sales team of technical specialists involved in marketing and supporting sales of the "MAPADOC" product and associated services.

### Warehouse Management Systems

We are resellers of the Warehouse Management System (WMS) software published by Accellos, Inc. Accellos, Inc. develops warehouse management software for mid-market distributors. The primary purpose of a WMS is to control the movement and storage of materials within an operation and process the associated transactions. Directed picking, directed replenishment, and directed put-away are the key to WMS. The detailed setup and processing within a WMS can vary significantly from one software vendor to another. However, the basic WMS will use a combination of item, location, quantity, unit of measure, and order information to determine where to stock, where to pick, and in what sequence to perform these operations.

The Accellos WMS software improves accuracy and efficiency, streamlines materials handling, meets retail compliance requirements, and refines inventory control. Accellos also works as part of a complete operational solution by integrating seamlessly with RF hardware, accounting software, shipping systems and warehouse automation equipment.

We market the Accellos solution to our existing and new medium-sized business customers.

### Network Services and Business Consulting

We provide network maintenance and service upgrades for our business clients. We are a Microsoft Solutions Provider. Our staff includes engineers who maintain certifications from Microsoft and Sage Software. They are Microsoft Certified Systems Engineers and Microsoft Certified Professionals, and they provide a host of services for our clients, including server implementation, support and assistance, operation and maintenance of large central systems, technical design of network infrastructure, technical troubleshooting for large scale problems, network and server security, and backup, archiving, and storage of data from servers. There are numerous competitors, both larger and smaller, nationally and locally, with whom we compete in this market.

## **Markets**

### Financial Accounting Software.

In the financial accounting software market, we focus on providing enterprise solutions to small- and medium-sized businesses (“SMB”) with less than \$250 million of annual revenue, primarily in the manufacturing and distribution industries. The SMB market is comprised of thousands of companies within the New York region alone.

While several local and regional competitors exist in the various geographic territories where we conduct business, we believe we have a competitive advantage in terms of geographic reach, comprehensive training and support, and the provision of other products and services. We are one of the larger Sage resellers in the United States. While there are numerous national, regional, and local competitors that could be compared to us in scale, size, geographical reach, and target markets for the resale of Sage products, there is no one dominant competitor or dominant group of competitors with whom we compete for contracts or assignments on a regular basis. There are also numerous competitors who publish and/or resell competing product lines, such as Microsoft’s General Dynamics accounting software.

### Electronic Data Interchange Software.

We publish and sell through a network of software resellers our proprietary EDI software, “MAPADOC”. Electronic Data Interchange (“EDI”) is computer-to-computer communication of business documents between companies. It is a paperless way to send and receive Purchase Orders, Invoices, etc. EDI replaces human-readable documents with electronically coded documents. The sending computer creates the document and the receiving computer interprets the document. Implementation of EDI streamlines the process of exchanging standard business transactions. Companies save by eliminating people cost as well as the cost due to errors and double entry of data. The transmissions are accomplished by connecting to a mailbox via a modem or the Internet. The most common mailbox is a Value Added Network’s electronic mailbox. Each user, identified by a unique EDI ID, accesses his mailbox to send and receive all EDI transactions. To standardize the documents communicated between many companies, the Transportation Data Coordinating Committee, in 1975, published its first set of standards.

EDI standards are formats and protocols that trading partners agree to use when sending and receiving business documents. Around 1979, The American National Standards Institute designated an accredited standards committee for EDI. The standards continue to evolve to address the needs of the member companies. “MAPADOC” complies with all current standards. The market for EDI continues to expand as big box retailers, such as Wal-Mart, Target, and K-Mart, insist their vendors utilize EDI in their business transactions. There are numerous companies with whom we compete in the SMB EDI marketplace, including True Commerce and Kissinger Associates.

### Warehouse Management Systems.

We resell under a distributor agreement the Warehouse Management Solution published by Accellos, Inc. (“Accellos”) Accellos develops warehouse management software (“WMS”) for mid-market distributors. The primary purpose of a WMS is to control the movement and storage of materials within an operation and process the associated transactions. Directed picking, directed replenishment, and directed put away are the key to WMS. The detailed setup and processing within a WMS can vary significantly from one software vendor to another. However the basic WMS will use a combination of item, location, quantity, unit of measure, and order information to determine where to stock, where to pick, and in what sequence to perform these operations. The Accellos warehouse management software improves accuracy and efficiency, streamlines materials handling, meets retail compliance requirements, and refines inventory control. Accellos also works as part of a complete operational solution by integrating seamlessly with RF hardware, accounting software, shipping systems and warehouse automation equipment. The WMS marketplace is extremely competitive. We compete against national, regional, and local resellers, some of which are significantly larger than us.

## **Arrangements with Principal Suppliers**

Our revenues are primarily derived from the resale of vendor software products and services. These resales are made pursuant to channel sales agreements whereby we are granted authority to purchase and resell the vendor products and services. Under these agreements, we either resell software directly to our customers or act as a sales agent for various vendors and receive commissions for our sales efforts.

We are required to enter into an annual Channel Partner Agreement with Sage Software, Inc. ("Sage") whereby Sage appoints us as a non-exclusive partner to market, distribute, and support MAS 90/200/500 and ERP X3. These agreements authorize us to sell these software products to certain customers in the United States. There are no clauses in this agreement that limit or restrict the services that we can offer to customers. We also operate a Sage Software Authorized Training Center Agreement and also are party to a Master Developers Program License Agreement.

For the years ended December 31, 2011 and 2010, purchases from one supplier were approximately 58% and 23%, respectively, of the Company's total cost. Generally, the Company does not rely on any one specific supplier for all of its purchases and maintains relationships with other suppliers that could replace its existing supplier if the need arose.

## **Customers**

We market our products to private companies throughout the United States. For the years ended December 31, 2011 and 2010, our top ten customers had approximately \$3,210,574 and \$1,488,235 in sales and these represented 31% and 20%, respectively, of our total sales for the period. No single customer accounted for ten percent or more of our consolidated revenues. Generally, we do not rely on any one specific customer for any significant portion of our revenue base.

## **Intellectual Property**

We regard our technology and other proprietary rights as essential to our business. We rely on copyright, trade secret, confidentiality procedures, contract provisions, and trademark law to protect our technology and intellectual property. We have also entered into confidentiality agreements with our consultants and corporate partners and intend to control access to, and distribution of our products, documentation, and other proprietary information.

We own several trademarks registered with the U.S. Patent and Trademark Office, including "MAPADOC" and have a number of trademark applications pending. We have no patents or patent applications pending.

## **Employees**

As of December 31, 2011, we had approximately 48 full time employees and one office in Livingston, New Jersey, and one office in Syracuse, New York. Approximately 12 of our employees are engaged in sales and marketing activities and approximately 27 employees are engaged in service fulfillment.

Our future success depends in significant part upon the continued services of our key sales, technical, and senior management personnel and our ability to attract and retain highly qualified sales, technical, and managerial personnel. None of our employees are represented by collective bargaining agreements, and we have never experienced a work stoppage.

## ***Available information***

We file electronically with the U.S. Securities and Exchange Commission (SEC) our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. The public can obtain materials that we file with the SEC through the SEC's website at <http://www.sec.gov> or at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room is available by calling the SEC at 800-SEC-0330.

## **Item 1A. Risk Factors.**

You should carefully consider the risks described below, together with all of the other information included in this report, in considering our business and prospects. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. The occurrence of any of the following risks could harm our business, financial condition or results of operations.

### **Risks Related to Our Business and Industry**

***WE CANNOT ACCURATELY FORECAST OUR FUTURE REVENUES AND OPERATING RESULTS, WHICH MAY FLUCTUATE.***



Our operating history and the rapidly changing nature of the markets in which we compete make it difficult to accurately forecast our revenues and operating results. Furthermore, we expect our revenues and operating results to fluctuate in the future due to a number of factors, including the following:

- the timing of sales of our products and services;
- the timing of product implementation, particularly large design projects;
- unexpected delays in introducing new products and services;
- increased expenses, whether related to sales and marketing, product development, or administration;
- deferral in the recognition of revenue in accordance with applicable accounting principles, due to the time required to complete projects;
- the mix of product license and services revenue; and
- costs related to possible acquisitions of technology or businesses.

***WE MAY FAIL TO DEVELOP NEW PRODUCTS, OR MAY INCUR UNEXPECTED EXPENSES OR DELAYS.***

Although we currently have fully developed products available for sale, we may also develop various new technologies, products and product features and may rely on them to remain competitive. Due to the risks inherent in developing new products and technologies—limited financing, competition, obsolescence, loss of key personnel, and other factors—we may fail to develop these technologies and products, or may experience lengthy and costly delays in doing so. Although we are able to license some of our technologies in their current stage of development, we cannot assure that we will be able to develop new products or enhancements to our existing products in order to remain competitive.

***BECAUSE OUR FINANCIAL ACCOUNTING SOFTWARE, EDI SOFTWARE, AND BUSINESS CONSULTING BUSINESSES ARE STILL EVOLVING, WE MAY EXPERIENCE DIFFICULTIES THAT COULD PREVENT US FROM BECOMING PROFITABLE.***

Because our financial accounting software, EDI software, and business consulting businesses are still evolving, we may experience difficulties that could inhibit the development in the new and evolving markets. These difficulties include the following:

- substantial delays and expenses related to testing and developing new products;
- marketing and distribution problems encountered in connection with our new and existing products and technologies;
- competition from larger and more established companies;
- delays in reaching our marketing goals;
- difficulty in recruiting qualified employees for management and other positions;
- lack of sufficient customers, revenues and cash flow; and
- limited financial resources.

We may continue to face these and other difficulties in the future, some of which may be beyond our control. If we are unable to successfully address these problems, our business will suffer and our stock price could decline.

***IF OUR TECHNOLOGIES AND PRODUCTS CONTAIN DEFECTS OR OTHERWISE DO NOT WORK AS EXPECTED, WE MAY INCUR SIGNIFICANT EXPENSES IN ATTEMPTING TO CORRECT THESE DEFECTS OR IN DEFENDING LAWSUITS OVER ANY SUCH DEFECTS.***

Software products are not currently accurate in every instance, and may never be. Furthermore, we could inadvertently release products and technologies that contain defects. In addition, third-party technology that we include in our products could contain defects. We may incur significant expenses to correct such defects. Clients who are not satisfied with our products or services could bring claims against us for substantial damages. Such claims could cause us to incur significant legal expenses and, if successful, could result in the plaintiffs being awarded significant damages. Our payment of any such expenses or damages could prevent us from becoming profitable.

***OUR SUCCESS IS HIGHLY DEPENDENT UPON OUR ABILITY TO COMPETE AGAINST COMPETITORS THAT HAVE SIGNIFICANTLY GREATER RESOURCES THAN WE HAVE.***

The financial accounting software, EDI software, and business consulting industries are highly competitive, and we believe that this competition will intensify. Many of our competitors have longer operating histories, significantly greater financial, technical, product development and marketing resources, greater name recognition and larger client bases than we do. Our competitors could use these resources to market or develop products or services that are more effective or less costly than any or all of our products or services or that could render any or all of our products or services obsolete. Our competitors could also use their economic strength to influence the market to continue to buy their existing products.

***IF WE ARE NOT ABLE TO PROTECT OUR TRADE SECRETS THROUGH ENFORCEMENT OF OUR CONFIDENTIALITY AND NON-COMPETITION AGREEMENTS, THEN WE MAY NOT BE ABLE TO COMPETE EFFECTIVELY AND WE MAY NOT BE PROFITABLE.***

We attempt to protect our trade secrets, including the processes, concepts, ideas and documentation associated with our technologies, through the use of confidentiality agreements and non-competition agreements with our current employees and with other parties to whom we have divulged such trade secrets. If the employees or other parties breach our confidentiality agreements and non-competition agreements or if these agreements are not sufficient to protect our technology or are found to be unenforceable, our competitors could acquire and use information that we consider to be our trade secrets and we may not be able to compete effectively. Most of our competitors have substantially greater financial, marketing, technical and manufacturing resources than we have, and we may not be profitable if our competitors are also able to take advantage of our trade secrets.

***WE MAY UNINTENTIONALLY INFRINGE ON THE PROPRIETARY RIGHTS OF OTHERS.***

Many lawsuits currently are being brought in the software industry alleging violation of intellectual property rights. Although we do not believe that we are infringing on any patent rights, patent holders may claim that we are doing so. Any such claim would likely be time-consuming and expensive to defend, particularly if we are unsuccessful, and could prevent us from selling our products or services. In addition, we may also be forced to enter into costly and burdensome royalty and licensing agreements.

***OUR PRESIDENT CONTROLS A SIGNIFICANT PERCENTAGE OF OUR CAPITAL STOCK AND HAS SUFFICIENT VOTING POWER TO CONTROL THE VOTE ON SUBSTANTIALLY ALL CORPORATE MATTERS.***

As of December 31, 2011, Mark Meller, our President, owned approximately 96% of our outstanding shares of our Class A common stock (assuming the conversion of the convertible debenture into shares of Class A common stock). Mr. Meller may be able to influence all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership, which is not subject to any voting restrictions, could limit the price that investors might be willing to pay for our Class A common stock. In addition, Mr. Meller is in a position to impede transactions that may be desirable for other stockholders. Mr. Meller's majority ownership, for example, could make it more difficult for anyone to take control of us.

***OUR INDUSTRY IS CHARACTERIZED BY RAPID TECHNOLOGICAL CHANGE AND FAILURE TO ADAPT OUR PRODUCT DEVELOPMENT TO THESE CHANGES MAY CAUSE OUR PRODUCTS TO BECOME OBSOLETE.***

We participate in a highly dynamic industry characterized by rapid change and uncertainty relating to new and emerging technologies and markets. Future technology or market changes may cause some of our products to become obsolete more quickly than expected.

***THE TREND TOWARD CONSOLIDATION IN OUR INDUSTRY MAY IMPEDE OUR ABILITY TO COMPETE EFFECTIVELY.***

As consolidation in the software industry continues, fewer companies dominate particular markets, changing the nature of the market and potentially providing consumers with fewer choices. Also, many of these companies offer a broader range of products than us, ranging from desktop to enterprise solutions. We may not be able to compete effectively against these competitors. Furthermore, we may use strategic acquisitions, as necessary, to acquire technology, people and products for our overall product strategy. The trend toward consolidation in our industry may result in increased competition in acquiring these technologies, people or products, resulting in increased acquisition costs or the inability to acquire the desired technologies, people or products. Any of these changes may have a significant adverse effect on our future revenues and operating results.

***WE FACE INTENSE PRICE-BASED COMPETITION FOR LICENSING OF OUR PRODUCTS WHICH COULD REDUCE PROFIT MARGINS.***

Price competition is often intense in the software market. Price competition may continue to increase and become even more significant in the future, resulting in reduced profit margins.

***IF WE LOSE THE SERVICES OF ANY OF OUR KEY PERSONNEL, INCLUDING OUR CHAIRMAN OF THE BOARD OF DIRECTORS OR CHIEF EXECUTIVE OFFICER, OUR BUSINESS MAY SUFFER.***

We are dependent on Mark Meller, our Chief Executive Officer and our key employees in our operating subsidiary, specifically Jeffrey Roth. The loss of any of our key personnel could materially harm our business because of the cost and time necessary to retain and train a replacement. Such a loss would also divert management attention away from operational issues. In an attempt to minimize the effects of such loss, we presently maintain a \$1,000,000 key-man term life insurance policies on Mr. Meller and Mr. Roth.

***WE DO NOT EXPECT TO PAY DIVIDENDS IN THE FORESEEABLE FUTURE.***

We intend to retain any future earnings to finance the growth and development of our business. Therefore, we do not expect to pay any cash dividends in the foreseeable future. Any future dividends will depend on our earnings, if any, and our financial requirements.

Risks Related to Our Common Stock

***OUR CLASS A COMMON STOCK IS THINLY TRADED AND WE CANNOT PREDICT THE EXTENT TO WHICH A MORE ACTIVE TRADING MARKET WILL DEVELOP.***

Our Class A Common Stock is thinly traded compared to larger more widely known companies. Thinly traded Class A Common Stock can be more volatile than common stock trading in an active public market. We cannot predict the extent to which an active public market for the Class A Common Stock will develop or be sustained after this offering.

***IF WE NEED ADDITIONAL CAPITAL TO FUND OUR GROWING OPERATIONS, WE MAY NOT BE ABLE TO OBTAIN SUFFICIENT CAPITAL AND MAY BE FORCED TO LIMIT THE SCOPE OF OUR OPERATIONS.***

If adequate additional financing is not available on reasonable terms, we may not be able to continue our marketing efforts and we would have to modify our business plans accordingly. There is no assurance that additional financing will be available to us.

In connection with our growth strategies and plan of operation, we may experience increased capital needs and accordingly, we may not have sufficient capital to fund our future operations without additional capital investments. Our capital needs will depend on numerous factors, including (i) our profitability; (ii) the release of competitive products and services by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. We cannot assure you that we will be able to obtain capital in the future to meet our needs.

Even if we do find a source of additional capital, we may not be able to negotiate terms and conditions for receiving the additional capital that are acceptable to us. Any future capital investments could dilute or otherwise materially and adversely affect the holdings or rights of our existing shareholders. In addition, new equity or convertible debt securities issued by us to obtain financing could have rights, preferences and privileges senior to our common stock. We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us.

***THE PRICE OF OUR STOCK MAY BE AFFECTED BY A LIMITED TRADING VOLUME AND MAY FLUCTUATE SIGNIFICANTLY.***

There has been a limited public market for our Class A common stock and there can be no assurance that an active trading market for our stock will continue. An absence of an active trading market could adversely affect our stockholders' ability to sell our Class A common stock in short time periods, or possibly at all. Our Class A common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations which could adversely affect the market price of our stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our Class A common stock to fluctuate substantially.

***OUR CLASS A COMMON STOCK IS DEEMED TO BE "PENNY STOCK," WHICH MAY MAKE IT MORE DIFFICULT FOR INVESTORS TO SELL THEIR SHARES DUE TO SUITABILITY REQUIREMENTS.***

Our Class A common stock is deemed to be "penny stock" as that term is defined in Rule 3a51-1 promulgated under the Securities Exchange Act of 1934. These requirements may reduce the potential market for our Class A common stock by reducing the number of potential investors. This may make it more difficult for investors in our Class A common stock to sell shares to third parties or to otherwise dispose of them. This could cause our stock price to decline. Penny stocks are stock:

- With a price of less than \$5.00 per share;
- That are not traded on a "recognized" national exchange;
- Whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ listed stock must still have a price of not less than \$5.00 per share); or
- In issuers with net tangible assets less than \$2.0 million (if the issuer has been in continuous operation for at least three years) or \$5.0 million (if in continuous operation for less than three years), or with average revenues of less than \$6.0 million for the last three years.

Broker/dealers dealing in penny stocks are required to provide potential investors with a document disclosing the risks of penny stocks. Moreover, broker/dealers are required to determine whether an investment in a penny stock is a suitable investment for a prospective investor.

***AS AN ISSUER OF "PENNY STOCK," THE PROTECTION PROVIDED BY THE FEDERAL SECURITIES LAWS RELATING TO FORWARD LOOKING STATEMENTS DOES NOT APPLY TO US.***

Although federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, the Company will not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that the material provided by the Company contained a material misstatement of fact or was misleading in any material respect because of the Company's failure to include any statements necessary to make the statements not misleading. Such an action could hurt our financial condition.

***FUTURE SALES OF OUR CLASS A COMMON STOCK COULD CAUSE OUR STOCK PRICE TO DECLINE.***

The sale of a large number of our shares, or the perception that such a sale may occur, could lower our stock price. Such sales could make it more difficult for us to sell equity securities in the future at a time and price that we consider appropriate.

***ISSUANCE OF OUR RESERVED SHARES OF CLASS A COMMON STOCK MAY SIGNIFICANTLY DILUTE THE EQUITY INTEREST OF EXISTING STOCKHOLDERS.***

We have reserved for issuance shares of our Class A common stock upon exercise or conversion of stock options, warrants, or other convertible securities that are presently outstanding. Issuance of these shares will have the effect of diluting the equity interest of our existing stockholders and could have an adverse effect on the market price for our Class A common stock.

***WE HAVE NOT PAID DIVIDENDS IN THE PAST AND DO NOT EXPECT TO PAY DIVIDENDS FOR THE FORESEEABLE FUTURE. ANY RETURN ON INVESTMENT MAY BE LIMITED TO THE VALUE OF OUR COMMON STOCK.***

No cash dividends have been paid on the Company's common stock. We expect that any income received from operations will be devoted to our future operations and growth. The Company does not expect to pay cash dividends in the near future. Payment of dividends would depend upon our profitability at the time, cash available for those dividends, and other factors as the Company's board of directors may consider relevant. If the Company does not pay dividends, the Company's common stock may be less valuable because a return on an investor's investment will only occur if the Company's stock price appreciates.

**Item 1B. Unresolved Staff Comments.**

Not applicable.

**Item 2. Description of Property.**

We do not own any real property for use in our operations or otherwise. Our main offices are at 5 Regent Street, Livingston, NJ 07039 where we have 6,986 square feet of office space at a monthly rent of \$7,423. The Company entered into a two-year lease, with a one-year extension, for office space at 6834 Buckley Road, North Syracuse, New York, at a monthly rent of \$2,100. We use our facilities to house our corporate headquarters and operations and believe our facilities are suitable for such purpose. We also believe that our insurance coverage adequately covers our interest in our leased space. We have a good relationship with our landlords and believe that these facilities will adequately serve our business purposes for the foreseeable future.

**Item 3. Legal Proceedings.**

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

**Item 4. Mine Safety Disclosures.**

Not applicable.

**PART II****Item 5. Market for Common Equity and Related Stockholder Matters.****(a) Market Information**

Our Class A common stock, \$0.0001 par value, is quoted on the NASD OTC Bulletin Board under the symbol "SSNTA", formerly "TYRIA." The following table shows the high and low closing prices for the periods indicated.

<b>Quarter ended</b>	<b>High</b>	<b>Low</b>
December 31, 2011	\$ 0.08000	\$ 0.01063
September 30, 2011	\$ 0.36000	\$ 0.03000
June 30, 2011	\$ 0.34409	\$ 0.23543
March 31, 2011	\$ 0.34409	\$ 0.23543
December 31, 2010	\$ 0.68818	\$ 0.23543
September 30, 2010	\$ 1.2496	\$ 0.23543
June 30, 2010	\$ 0.34409	\$ 0.23543
March 31, 2010	\$ 0.23543	\$ 0.23543

**(b) Holders of Common Equity.**

As of March 26, 2012, there were approximately 716 holders of record of our common stock. This figure does not take into account those shareholders whose certificates are held in the name of broker-dealers or other nominees.

**(c) Dividend Information.**

We have never paid any cash dividends on our common shares, and we do not anticipate that we will pay any dividends with respect to those securities in the foreseeable future. Our current business plan is to retain any future earnings to finance the expansion development of our business.

**Sales of Unregistered Securities**

In the year ending December 31, 2011, the Company issued the following securities pursuant to exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder.

- The Company issued 9,884 shares as a result of the 1-for-1,811 reverse stock split of the Company's issued and outstanding shares of Class A Common Stock (the "Reverse Stock Split").

In the year ending December 31, 2010, the Company issued the following securities pursuant to exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder:

- The Company issued 325,079 shares of Class A common stock for conversion of \$60,900 of principal on convertible debentures with YA Global Investments
- The Company issued 82,828 shares of Class A Common stock for repayment of \$15,000 in accrued expenses with a fair value of value \$19,500. The difference in the market value and \$15,000 of accrued expenses was charged to general and administrative expenses in the amount of \$4,500.
- The Company issued 83,638 shares of Class A Common stock to Mr. Meller for repayment of \$1,515 in deferred compensation with a fair value of \$28,779. The difference in the fair value and the amount of deferred compensation repaid was charged to general and administrative expenses in the amount of \$27,264.
- The Company issued 222,908 shares of Class A Common stock for repayment of \$8,074 of legal fees with a fair value of \$52,479. The difference in the fair value and the amount of legal fees repaid was charged to general and administrative expenses in the amount of \$44,405.
- The Company issued 786,858 shares of Class A Common stock for professional fees, and management and financial consulting fees with a fair value of \$216,750.

The securities mentioned above were not registered under the Securities Act of 1933, as amended (the “Securities Act”), and qualified for exemption under Section 4(2) of the Securities Act because the issuance of the securities did not involve a public offering. The offering was not a “public offering” as defined in Section 4(2) due to the insubstantial number of persons involved in the transaction, size of the offering, manner of the offering and number of securities offered.

**(d) Securities Authorized For Issuance Under Equity Compensation Plans**

During the year ended December 31, 2004, and as subsequently amended, the Company adopted the Stock Option Plan (the “Plan”) in order to attract and retain qualified employees, directors, independent contractors or agents of SilverSun Technologies, Inc. Under the Plan, the Board of Directors (the “Board”), in its discretion may grant stock options (either incentive or non-qualified stock options) to employees, directors, independent contractors or agents to purchase the Company’s common stock at no less than 85% of the market price on the date the option is granted. Options generally vest over four years and have a maximum term of ten years. As of December 31, 2011, there were approximately 554,000 warrants to purchase shares of Class A common stock outstanding. None of these warrants was exercised during 2011.

The following table sets forth information as of December 31, 2011 with respect to compensation plans (including individual compensation arrangements) under which our common shares are authorized for issuance, aggregated as follows:

Plan category	All compensation plans previously approved by security holders; and All compensation plans not previously approved by security holders		Number of securities remaining available for future issuance
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	
	(a)	(b)	(c)
Equity compensation plans approved by security holders	0	\$ 0.00	0
Equity compensation plans not approved by security holders.	1,698(1) (2)	\$ 28.976	4,450(3)
Total	1,698	\$ 28.976	4,450

- (1) Consists of options to purchase 41 Class A common shares of SilverSun Technologies, Inc. issued to unrelated third parties for contractual services and fees related to investor relations transactions of the Company. These options have an exercise price of \$126.77 per share. These options will expire on July 31, 2014.
- (2) Consists of warrants to purchase 1,657 Class A common shares of SilverSun Technologies, Inc. issued to unrelated third parties for professional consulting services to the Company. These warrants have an exercise price of \$27.165 per share. These warrants will expire on July 11, 2012.
- (3) Represents the balance of shares authorized and unissued under the 2004 Stock Incentive Plan.

**Transfer Agent**

Our transfer agent is Fidelity Transfer Company at 8915 South 700 East , Sandy, Utah 84070..

**Item 6. Selected Financial Data.**

Not applicable.

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

This discussion and analysis of our financial condition and results of operations includes "forward-looking" statements that reflect our current views with respect to future events and financial performance. We use words such as "expect," "anticipate," "believe," and "intend" and similar expressions to identify forward-looking statements. You should be aware that actual results may differ materially from our expressed expectations because of risks and uncertainties inherent in future events and you should not rely unduly on these forward looking statements. We will not necessarily update the information in this discussion if any forward-looking statement later turns out to be inaccurate. This discussion and analysis of financial condition and results of operations should be read in conjunction with our Financial Statements included in this filing. Management is uncertain that it can generate sufficient cash to sustain its operations in the next twelve months, or beyond. We can give no assurances that we will be able to generate sufficient revenues to be profitable, obtain adequate capital funding or continue as a going concern.

### December 31, 2011 compared to December 31, 2010

#### Overview

In June 2011, the Company changed its name to SilverSun Technologies, Inc. The Company focuses on the business software and information technology consulting market, and is looking to acquire other companies in this industry. SWK Technologies, Inc. ("SWK Technologies"), the Company's subsidiary and the surviving company from the acquisition and merger with SWK, Inc., is a New Jersey-based information technology company, value added reseller, and master developer of licensed accounting and financial software published by Sage Software. SWK Technologies also publishes its own proprietary supply-chain software, the Electronic Data Interchange (EDI) solution "MAPADOC." SWK Technologies sells services and products to various end users, manufacturers, wholesalers and distribution industry clients located throughout the United States, along with network services provided by the Company.

On June 2, 2006, SWK Technologies completed the acquisition of certain assets of AMP-Best Consulting, Inc. of Syracuse, New York. AMP-Best Consulting, Inc. is an information technology company and value added reseller of licensed accounting software published by Sage Software. AMP-Best Consulting, Inc. sells services and products to various end users, manufacturers, wholesalers and distribution industry clients located throughout the United States, with special emphasis on companies located in the upstate New York region.

This year had significant developments that helped change the financial situation of the Company that we hope will provide a basis for our future growth.

1. For the year ended December 31, 2011, sales increased 40.5% to \$10,522,080 and the Company generated an operating profit of \$260,057 as compared to an operating loss of \$937,117 for the same period in the prior year;
2. The Company reduced its liabilities by \$3,712,550;
3. The Company repaid YA Global and recorded a gain of \$1,461,660 on extinguishment of these liabilities.
4. Mr. Mark Meller, the Company's Chief Executive Officer, forgave \$1,338,967 in liabilities due him;
5. The Company completed a 1-for-1,811 reverse stock split of the Company's issued and outstanding shares of Class A Common Stock; and
6. The Company negotiated a line of credit with a commercial bank.

#### *Revenues*

All revenues reported by the Company are derived from the sales and service of Sage Software, MAPADOC, and other third-part software products to various end users, manufacturers, wholesalers and distribution industry clients located throughout the United States, along with consulting and customer support and network services provided by the Company.

Revenues for the year ended December 31, 2011, increased \$3,035,377 (40.5%) to \$10,522,080, as compared to \$7,486,703 for the year ended December 31, 2010. These sales were all generated by the Company's operating subsidiary, SWK Technologies. This increase is primarily due to a significant increase in business as a result of strong marketing efforts and competitive pricing as well as the Company's investment in its Sage ERP X3 practice. The largest increases were for consulting services and software sales. Management continues to focus on marketing and sales across all its product lines.

#### *Gross Profit*

Gross profit for the year ended December 31, 2011, increased \$1,672,553 (56.7%) to \$4,500,116, as compared to \$2,872,563, for the year ended December 31, 2010. For the year ended December 31, 2011, the gross profit percentage was 42.8%, as compared to 38.4% for the year ended December 31, 2010. The mix of products being sold by the Company changes from time to time and sometimes causes the overall gross margin percentage to vary. Sales of the larger Sage Software products carry a lower gross margin percentage while consulting revenues generate a higher gross profit. The change in sales mix for the year ended December 31, 2011, resulted in gross profit being higher as a percent of sales as compared to the year ended December 31, 2010. This increase is primarily due the increase in consulting revenues.



### *Operating Expenses*

Total operating expenses increased \$415,379(10.9%) to \$4,225,059, for the year ended December 31, 2011, as compared to \$3,809,680 for the year ended December 31, 2010. This increase is mainly attributed to an increase in general and administrative professional and consulting fees, administrative salaries and marketing expenses.

### *Income (Loss) from Operations*

Total income from operations was \$260,057 for the year ended December 31, 2011 as compared to a loss of \$937,117 for the year ended December 31, 2010 due to the aforementioned reasons.

### *Other Income (Expense)*

Total other income for the year ended December 31, 2011 was \$2,433,874, as compared to \$368,612 for the year ended December 31, 2010. This change is primarily attributed to the gain on the extinguishment of debt and derivative liability.

### *Net Income (Loss)*

For year ended December 31, 2011, the Company had net income of \$2,708,931, as compared to a net loss of \$568,505 for the year ended December 31, 2010. This change is primarily attributed to the improvement in operations and the gain on the extinguishment of debt and derivative liability.

### **Liquidity and Capital Resources**

We are currently seeking additional operating income opportunities through potential acquisitions or investments. Such acquisitions or investments may consume cash reserves or require additional cash or equity. Our working capital and additional funding requirements will depend upon numerous factors, including: (i) strategic acquisitions or investments; (ii) an increase to current company personnel; (iii) the level of resources that we devote to sales and marketing capabilities; (iv) technological advances; and (v) the activities of competitors.

In addition to developing new products, obtaining new customers and increasing sales to existing customers, management plans to increase its business and profitability by entering into collaboration agreements, buying assets, and acquiring companies in the business software and information technology consulting market with solid revenue streams, established customer bases that generate positive cash flow.

On December 30, 2005, the Company entered into a Securities Purchase Agreement with YA Global Investments, L.P (YA Global). Pursuant to such purchase agreement, YA Global purchased \$2,359,047 of secured convertible debentures, which are convertible into shares of the Company's Class A common stock. Two such debentures were issued on December 30, 2005 for an aggregate of \$1,759,047, interest payable at the rate of 7.5% per annum, and included a debenture was issued on May 6, 2006 equal to \$600,000 with interest payable at the rate of 7.5% per annum (the "YA Global Debentures").

On November 9, 2010, the YA Global Convertible Debentures to YA Global were amended with the maturity date being extended to December 31, 2011. This amendment required an initial payment of \$175,000 due on January 28, 2011, with additional monthly payments of \$10,000 to be made for the following eleven months ending December 1, 2011. The remaining principal and all accrued interest is due on December 31, 2011. This agreement also modified and fixed the conversion price at \$.0001, but is also subject to price protection features. The YA Global Debentures are also not convertible during 2011, provided that the payments required by the amended agreement have been made in a timely fashion. During the first three months of 2011, the Company made payments in the amount of \$205,000 in accordance with the terms of the amendment. In April 2011, the Company paid YA Global \$530,000 to satisfy any and all obligations owed to YA Global, including outstanding principal, accrued interest and liquidated damages. As a result, the Company recorded a gain on the extinguishment of debt in the amount of \$1,461,660 and is recorded as other income in the accompanying statement of operations.

On April 11, 2011, the Company entered into two promissory notes (each a "Note" and together the "Notes"), each in the face amount of \$275,000 (the "Loans"), with two accredited investors. Each Note bears 7% interest and has a maturity date of September 15, 2011. These notes are secured by all of the Company's assets. As partial consideration for the Loans, the Company issued two shares of Series A convertible preferred stock, par value \$1.00 per share (the "Series A Convertible Preferred Stock"), one share to be issued to each investor mandatorily convertible into Class A Common Stock equal to 1% of the outstanding common stock at the time of conversion (no later than January 15, 2012).

In October the Company negotiated a line of credit from a bank. The agreement included a borrowing base calculation tied to accounts receivable with a maximum availability of \$750,000. Interest on outstanding balances is payable daily at an interest rate that is two and three quarter percentage points (2.75%) above the Prime Rate. The Company's interest rate was 6% at December 31, 2011. The Company paid a \$5,000 documentation fee for this loan. The line was collateralized by substantially all of the assets of the Company and is personally guaranteed by the Company's Chief Executive Office, Mr. Mark Meller. The credit facility required the Company to pay a monitoring fee of 0.315% of eligible collateral to be paid monthly. An annual facility fee equal to one percent (1%) of the Maximum Credit is assessed upon the initial funding, annually thereafter. The term of the agreement is for three years and expires in October 2014. As of December 31, 2011, the Company has no outstanding balance against this line.

During the year ended December 31, 2011, the Company had a net increase in cash of \$129,378. The Company's principal sources and uses of funds were as follows:

*Cash used in operating activities*

The Company provided \$905,906 in cash for operating activities for the year ended December 31, 2011, as compared to using \$38,177 of cash for operating activities for the year ended December 31, 2010. This increase in cash used in operating activities is primarily attributed to the increased operating income for the year ended December 31, 2011, and an increase in cash from deferred revenues partially offset by an increase in accounts receivable.

*Cash used in investing activities*

Investing activities for the year ended December 31, 2011 used cash of \$40,653, as compared to using \$31,725 of cash for the year ended December 31, 2010. This increase in cash used is attributed to the increase in purchases of property, plant and equipment.

*Cash provided by financing activities*

Financing activities for the year ended December 31, 2011 used cash of \$735,000, as compared to using \$126,236 of cash for the year ended December 31, 2010. This increase in cash used is primarily attributed to the payoff of YA Global convertible debentures.

**Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate these estimates, including those related to bad debts, inventory obsolescence, intangible assets, payroll tax obligations, and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of certain assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

We have identified below the accounting policies, revenue recognition and software costs, related to what we believe are most critical to our business operations and are discussed throughout Management's Discussion and Analysis of Financial Condition or Plan of Operation where such policies affect our reported and expected financial results.

### *Revenue Recognition*

Revenue is recognized when persuasive evidence of an agreement exists, delivery has occurred, the amount is fixed or determinable, and cash is received.

The Company recognizes revenues from consulting and support services as the services are performed.

The assessment of collectability is critical in determining whether revenue should be recognized. As part of the revenue recognition process, we determine whether trade receivables are reasonably assured of collection based on various factors. Revenue and related costs are deferred if we are uncertain as to whether the receivable can be collected. Revenue is deferred but costs are recognized when we determine that the collection of the receivable is unlikely. Hardware and software revenues are recognized when the product is shipped to the customer. The Company separates the software component and the professional services component into two distinct parts for purposes of determining revenue recognition. In that situation where both components are present, software sales revenue is recognized when the cash is received and the product is delivered, and professional service revenue is recognized as the service time is incurred.

With respect to the sale of software license fees in accordance with GAAP, the Company generally recognizes revenue when all of the following criteria are met: (1) persuasive evidence of an arrangement exists generally evidenced by a signed, written purchase order from the customer, (2) delivery of the software product on Compact Disk (CD) or other means to the customer has occurred, (3) the perpetual license fee is fixed or determinable and (4) collectability, which is assessed on a customer-by-customer basis, is probable.

With respect to customer support services, upon the completion of one year from the date of sale, considered to be the warranty period, the Company offers customers an optional annual software maintenance and support agreement for subsequent one-year periods. Sales of purchased maintenance and support agreements are recorded as deferred revenue and recognized over the respective terms of the agreements.

### *Derivative Liabilities*

The Company accounts for its embedded conversion features in its convertible debentures in accordance FASB ASC 815-10, which requires a periodic valuation of their fair value and a corresponding recognition of liabilities associated with such derivatives, and FASB ASC 815-40 Section 05, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock. The recognition of derivative liabilities related to the issuance of convertible debt is applied first to the proceeds of such issuance as a debt discount, at the date of issuance, and the excess of derivative liabilities over the proceeds is recognized as "Loss on Valuation of Derivative" in other expense in the accompanying financial statements. Any subsequent increase or decrease in the fair value of the derivative liabilities is recognized as "Other expense" or "Other income", respectively. The financial statements for the period include the recognition of the derivative liability on the underlying securities issuable upon conversion of the Convertible Debentures with YA Global Investments. Such liability was extinguished in 2011 as a result of the YA Global debenture extinguishment.

### *Accounts receivable*

The Company performs ongoing credit evaluations of its customers and adjusts credit limits based on customer payment and current credit worthiness, as determined by review of their current credit information. The Company continuously monitors credits and payments from its customers and maintains provision for estimated credit losses based on its historical experience and any specific customer issues that have been identified. While such credit losses have historically been within our expectation and the provision established, the Company cannot guarantee that it will continue to receive positive results.

## **Off Balance Sheet Arrangements**

During fiscal 2011, we did not engage in any material off-balance sheet activities or have any relationships or arrangements with unconsolidated entities established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, we have not guaranteed any obligations of unconsolidated entities nor do we have any commitment or intent to provide additional funding to any such entities.

### **Item 7A. Quantitative and Qualitative Disclosures about Market Risk.**

We do not hold any derivative instruments and do not engage in any hedging activities.

### **Item 8. Financial Statements.**

Our financial statements are contained in pages F-1 through F-23 which appear at the end of this Annual Report.

### **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. Controls and Procedures.**

#### *(a) Evaluation of Disclosure and Control Procedures*

The Company's disclosure controls and procedures are designed to ensure (i) that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms; and (ii) that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our principal executive officer and principal financial officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2011, and concluded that the disclosure controls and procedures were effective as a whole.

*(b) Management's Report on Internal Control Over Financial Reporting*

The Company's management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Generally Accepted Accounting Principles ("GAAP").

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance of such reliability and may not prevent or detect misstatements. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has conducted, with the participation of our Chief Executive Officer and our Principal Accounting Officer, an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2011. Management's assessment of internal control over financial reporting used the criteria set forth in SEC Release 33-8810 based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control over Financial Reporting – Guidance for Smaller Public Companies*. Based on this evaluation, Management concluded that our system of internal control over financial reporting was effective as of December 31, 2011, based on these criteria.

*(c) Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

**PART III****Item 10. Directors, Executive Officers, and Corporate Governance.**

The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers at March 26, 2012:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Officer and/or Director Since</u>
Mark Meller	52	Chairman, President, Chief Executive Officer, Chief Financial Officer and Director	2003
Stanley Wunderlich	61	Director	2011

**Mark Meller.**

Mr. Mark Meller has been the President, Chief Financial Officer and Director of the Company since September 15, 2003, and was further appointed Chief Executive Officer on September 1, 2004. He became Chairman of the Board on May 10, 2009. From October 2004 until February 2007, Mr. Meller was the President, Chief Executive Officer, Chief Financial Officer and Director of Deep Field Technologies, Inc. Since December 15, 2004, Mr. Meller has been the President, Chief Executive Officer, Chief Financial Officer and Director of MM2 Group, Inc. From August 29, 2005 until August 2006, Mr. Meller was the President, Chief Executive Officer and Chief Financial Officer of iVoice Technology, Inc. Since 1988, Mr. Meller has been Chief Executive Officer of Bristol Townsend and Co., Inc., a New Jersey based consulting firm providing merger and acquisition advisory services to middle market companies. From 1986 to 1988, Mr. Meller was Vice President of Corporate Finance and General Counsel of Crown Capital Group, Inc, a New Jersey based consulting firm providing advisory services for middle market leveraged buy-outs (LBO's). Prior to 1986, Mr. Meller was a financial consultant and practiced law in New York City. He is a member of the New York State Bar.

**Stanley Wunderlich**

Mr. Stanley Wunderlich has over 40 years of experience in Wall Street as a business owner and consultant. Mr. Wunderlich is a founding partner and has been Chairman and Chief Executive Officer of Consulting for Strategic Growth 1, specializing in investor and media relations and the formation of capital for early-growth stage companies both domestic and international, from 2000 through the present. Mr. Wunderlich has a Bachelor's degree from Brooklyn College.

**Board of Directors**

Directors are elected at our annual meeting of shareholders and serve for one year until the next annual meeting of shareholders or until their successors are elected and qualified.

**Nominating Committee**

The Company does not have a standing nominating committee or a committee performing similar functions.

There are no agreements or understandings for the officer or director to resign at the request of another person and the above-named officers are not acting on behalf of nor will act at the direction of any other person. As of the fiscal year ended December 31, 2011, the Company's Audit Committee has two members, one of which is independent.

For the year ended December 31, 2011, the Board held no meetings but acted by Unanimous Written Consent [●] times.

**Audit Committee**

During 2011, the Audit Committee consisted solely of Mr. Mark Meller, the Company's Chief Executive Officer and President. The Audit Committee has no independent members and no member that may be deemed a financial expert as defined in §228.401(e) of the regulations promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended. Due to the Company's limited resources, it cannot attract a financial expert to sit on its Board of Directors. Management is responsible for the Company's internal controls and the financial reporting process. The Audit Committee's responsibility is to monitor corporate financial reporting and external audits, although the member of the Audit Committee is not engaged in the practice of auditing or accounting. The Audit committee did not meet in 2011. The Board of Directors approved an Audit Committee Charter. As of this date, the Audit Committee operates pursuant to this Audit Committee Charter.

## AUDIT COMMITTEE REPORT

The following is the Audit Committee's report submitted to the Board of Directors for the fiscal year ended December 31, 2011. The Audit Committee has:

- reviewed and discussed the Company's audited financial statements with Friedman LLP, the Company's independent registered accounting firm;
- discussed with Friedman LLP the matters required to be discussed by Statement on Auditing Standards No. 114, as may be modified or supplemented; and
- received from Friedman the written disclosures and the letter regarding their independence as required by Independence Standards Board Standard No. 1, as may be modified or supplemented, and discussed the auditors' independence with them.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE  
Mark Meller, CEO and President

*The Audit Committee report shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under these acts.*

### Family Relationships

There are no family relationships among our directors, executive officers, or persons nominated or chosen by the Company to become directors or executive officers.

### Subsequent Executive Relationships

No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past five years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past five years. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past five years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past five years.

None of our directors or executive officers or their respective immediate family members or affiliates are indebted to us.

### Legal Proceedings

None of the members of the board of directors or other executives has been involved in any bankruptcy proceedings, criminal proceedings, any proceeding involving any possibility of enjoining or suspending members of our board of directors or other executives from engaging in any business, securities or banking activities, and have not been found to have violated, nor been accused of having violated, any Federal or State securities or commodities laws.

### Compliance with Section 16(A) of the Exchange Act

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who beneficially own 10% or more of a class of securities registered under Section 12 of the Exchange Act to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Directors, executive officers and greater than 10% stockholders are required by the rules and regulations of the SEC to furnish the Company with copies of all reports filed by them in compliance with Section 16(a).

Based solely on our review of certain reports filed with the Securities and Exchange Commission pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, the reports required to be filed with respect to transactions in our common stock during the fiscal year ended December 31, 2011, were timely.

**Code of Ethics.**

The Company has adopted a Code of Ethics for adherence by its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller to ensure honest and ethical conduct; full, fair and proper disclosure of financial information in the Company's periodic reports filed pursuant to the Securities Exchange Act of 1934; and compliance with applicable laws, rules, and regulations. Any person may obtain a copy of our Code of Ethics by mailing a request to the Company at the address appearing on the front page of this Annual Report on Form 10-K.

**Item 11. Executive Compensation.**

The following table sets forth compensation information for services rendered by certain of our executive officers in all capacities during the last two completed fiscal years. The following information includes the dollar value of base salaries and certain other compensation, if any, whether paid or deferred. The executive officers of the company did not receive any stock award, option award, non-equity incentive plan compensation, or nonqualified deferred compensation earnings during the last two completed fiscal years.

**Summary Compensation Table**

<u>Name and Position(s)</u>	<u>Year</u>	<u>Salary(\$)</u>	<u>Bonus</u>	<u>Stock Awards</u>	<u>All Other Compensation</u>	<u>Total Compensation</u>
Mark Meller (1) President, Chief Executive Officer, Chief Financial Officer and Director	2011	\$ 250,000(3)	\$ 0	\$ 0	\$ 0	\$ 250,000
	2010	\$ 328,632(2)	\$ 0	\$ 0	\$ 0	\$ 328,632

(1) Mr. Meller has served as our President, Chief Executive Officer and Chief Financial Officer since September 13, 2003. Mr. Meller employment contract is for a term of five-years at a base salary of \$180,000 in the first year with annual increases based on the Consumer Price Index every year thereafter. On September 1, 2010, the Company entered Amendment No. 1 to the Employment Agreement whereby the term of the Employment Agreement was extended to September 15, 2017.

(2) \$252,797 was accrued and unpaid in fiscal year 2010.

(3) On September 15, 2003, the Company entered into an employment agreement with Mr. Meller. He will serve as the Company's President and Chief Financial Officer for a term of five years. As consideration, the Company agreed to pay Mr. Meller the sum of \$180,000 the first year with a 10% increase every year thereafter, as well as a monthly travel expense allowance of \$600 and an auto allowance of \$800. The employment agreement with Mr. Meller also provides for a severance payment to him of three hundred percent (300%), less \$100,000 of his gross income for services rendered to the Company in each of the five prior calendar years should his employment be terminated following a change in control, as defined in the employment agreement. Mr. Meller shall also be paid the sum of \$350,000 upon the completion of the Spin-Off, and compensation retroactive to August 1, 2003, at the annual rate dictated by the terms of the employment agreement, as a result of SilverSun technologies acquiring SWK, Inc. on June 2, 2004.

On June 29, 2011, Mr. Meller forgave outstanding liabilities representing unpaid salary, unpaid expense and auto allowances, and the one-time payment in connection with a previous transaction in the amount of \$1,338,967. Such amount is recorded as a contribution of capital in Additional Paid-In Capital in the accompanying balance sheet. As of December 31, 2011, Mr. Meller also waived any deferred salary.

See "Certain Relationships and Related Transactions" below

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END**

The Company had no outstanding equity awards at the end of the most recent completed fiscal year.



## Compensation of Directors

Under the Agreement with Mr. Wunderlich, Director, Mr. Wunderlich is to be paid a stipend of one thousand dollars (\$1,000) per month, payable at the end of each fiscal quarter. Notwithstanding the foregoing, the first Stipend shall be in the amount of three thousand dollars (\$3,000) and was paid on July 26, 2011 pursuant to the Original Director Agreement. Additionally, Mr. Wunderlich shall receive warrants (the "Warrants") to purchase such number of shares of the Company's Class A common stock, par value \$0.0001 (the "Common Stock"), as shall equal (the "Formula") (A) \$20,000 divided by (B) the closing price of the Common Stock on the OTC Markets on the date of grant of the Warrant. The exercise price of the Warrant shall be the closing price on the date of the grant of such Warrant (the "Grant Date") plus \$0.01. The Warrant shall be fully vested upon receipt thereof (the "Vesting Date"). For the duration of the directorship term, on the three month anniversary of the Vesting Date, and for each successive three month period thereafter, Wunderlich shall receive a warrant exercisable for the number of shares of Common Stock resulting from the application of the Formula on the applicable Grant Date. The first Warrant shall be issued no earlier than October 26, 2011. Except with respect to the first Stipend, the Stipend and the Warrants shall be pro-rated based on the actual number of days during such quarter that Wunderlich served on the Board.

### *Employment Contracts*

On September 15, 2003, the Company entered into an employment agreement with Mr. Meller. He will serve as the Company's President and Chief Financial Officer for a term of five years. As consideration, the Company agreed to pay Mr. Meller the sum of \$180,000 the first year with a 10% increase every year thereafter, as well as a monthly travel expense allowance of \$600 and an auto allowance of \$800. The employment agreement with Mr. Meller also provides for a severance payment to him of three hundred percent (300%), less \$100,000 of his gross income for services rendered to the Company in each of the five prior calendar years should his employment be terminated following a change in control, as defined in the employment agreement. Mr. Meller shall also be paid the sum of \$350,000 upon the completion of the Spin-Off, and compensation retroactive to August 1, 2003, at the annual rate dictated by the terms of the employment agreement, as a result of SilverSun Technologies acquiring SWK, Inc. on June 2, 2004

Mr. Meller has agreed to defer payment of a portion of the monies due and owing him representing fixed compensation, which has been accrued on the Company's balance sheet, and the one-time payment in connection with the Spin-off, until such time as the Board of Directors determines that the Company has sufficient capital and liquidity to make such payments. Pursuant to an agreement between the Company and Mr. Meller has further agreed, however, to accept payment or partial payment, from time to time, as determined in the sole discretion of the Board of Directors in the form of cash, the Company's Class A Common Stock and/ or the Company's Class B Common Stock. Amounts owed to him can be converted into (i) one share of our Class B common stock for each dollar owed, or (ii) the number of shares of our Class A common stock calculated by multiplying the amount owed times 1975.

On September 1, 2010, the Company entered into Amendment No. 1 to the Employment Agreement with Mark Meller, President and Chief Executive Officer of the Company, whereby the term of the Employment Agreement was extended to September 15, 2017.

## **Item 12. Security Ownership of Certain Beneficial Owners and Management.**

The following tables set forth certain information regarding the beneficial ownership of our voting securities as of March 26, 2012 of (i) each person known to us to beneficially own more than 5% of the applicable class of voting securities, (ii) our directors, (iii) and each named executive officer and (iv) all directors and executive officers as a group. As of March 26, 2012 there were a total of 116,413,069 shares of Class A common stock outstanding. Each share of Class A common stock is entitled to one vote on matters on which holders of common stock are eligible to vote. The column entitled "Percentage of Total Voting Stock" shows the percentage of total voting stock beneficially owned by each listed party.

The number of shares beneficially owned is determined under rules promulgated by the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under those rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of March 26, 2012, through the exercise or conversion of any stock option, convertible security, warrant or other right. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of capital stock listed as owned by that person or entity.

<b>Name and Address (1)</b>	<b>Beneficial Relationship to Company</b>	<b>Outstanding Class A Common Stock</b>	<b>Percentage of Ownership of Common Stock (3)</b>
Mark Meller	Chief Executive Officer, Chief Financial Officer, President and Chairman	76,602,302(1)	57.7%
Stanley Wunderlich	Director	-	-%
<b>Officers and Directors (2 persons)</b>			
	-	<b>76,602,302</b>	<b>57.7%</b>

1)Includes 14,431,299 shares of our Class A common stock issuable upon conversion of \$8,307 of the remaining amount of the Convertible Debenture due to Meller. On May 17, 2011, the Board of Directors of the Company and the stockholders holding in the aggregate a majority of the outstanding capital stock of the Company entitled to vote approved by written consent the change in the conversion ratio at which the Class B Common Stock, from fifty percent (50%) of the lowest price ever paid for the issuance of Class A Common Stock to a fixed conversion of one thousand nine hundred seventy five (1,975) shares of Class A Common Stock for each one (1) share of Class B Common Stock (the "Ratio Change"). Therefore, the Meller Note could convert into 16,406,305 Class A Common Stock upon the election of the note holder.

### Description of Securities

On May 17, 2011, the Board of Directors (the "Board") of SilverSun Technologies, Inc. (the "Company") and the stockholders holding in the aggregate a majority of the outstanding capital stock of the Company entitled to vote (the "Majority"), approved by written consent: (i) the decrease in the number of authorized shares of Class A common stock, par value \$.00001 per share (the Class A Common Stock"), of the Company from ten billion (10,000,000,000) shares of Class A Common Stock to seven hundred and fifty million (750,000,000) shares of Class A Common Stock (the "Authorized Class A Share Decrease"); (ii) the change in the conversion ratio at which the Class B common stock, par value \$.00001 per share (the "Class B Common Stock"), of the Company converts into Class A Common Stock from (A) fifty percent (50%) of the lowest price ever paid for the issuance of Class A Common Stock for each one share of Class B Common Stock being converted to (B) one thousand nine hundred seventy five (1,975) shares of Class A Common Stock for each one (1) share of Class B Common Stock (the "Ratio\_Change"); (iii) the cancellation (the "Cancellation") of the entire class of Class C Common Stock, par value \$.00001 per share (the "Class C Common\_Stock"); and (iv) the change in the name of the Company from "Trey Resources, Inc." to "SilverSun Technologies, Inc." (the "Name Change").

After receiving the consent of the Board and the Majority, the Company filed on June 27, 2011 the Fourth Amended and Restated Certificate of Incorporation (the "Amended Certificate") with the Secretary of State of the State of Delaware to reflect the (i) Authorized Class A Share Decrease, (ii) Ratio Change, (iii) Cancellation and (iv) the Name Change.

On June 28, 2011, the Board of the Company adopted by resolution an amendment (the "Amendment") to the Bylaws of the Company to allow the Company, in the event that fractional equity interests are created, to issue one (1) full share of capital stock of the Company in lieu of a fractional share of capital stock in the event that fractional equity interests are created. Prior to the Amendment, the Bylaws only allowed the Company to: (i) arrange for the disposition of fractional interests by those entitled thereto; (ii) pay in cash the fair value of a fraction of a share as of the time when those entitled to receive such fractional shares are determined; or (iii) issue scrip or warrants in registered form (represented by a certificate or uncertificated) or bearer form (represented by a certificate) which entitles the holder to receive one (1) full share of capital stock upon the surrender of such scrip or warrant.

Pursuant to our certificate of incorporation, as amended, we are authorized to issue up to: 750,000,000 shares of Class A common stock, par value \$.00001 per share; 50,000,000 shares of Class B common stock, par value \$.00001 per share and 1,000,000 shares of preferred stock, par value of \$1.00 per share. Below is a description of SilverSun Technologies' outstanding securities, including Class A common stock, Class B common stock, options, warrants and debt.

### **Class A Common Stock**

Each holder of our Class A Common Stock is entitled to one vote for each share held of record. Holders of our Class A Common Stock have no preemptive, subscription, conversion, or redemption rights. There are 750,000,000 shares authorized and 116,328,291 issued and outstanding at March 26, 2012. Upon liquidation, dissolution or winding-up, the holders of Class A Common Stock are entitled to receive our net assets pro rata. Each holder of Class A Common Stock is entitled to receive ratably any dividends declared by our board of directors out of funds legally available for the payment of dividends. We have not paid any dividends on our Common Stock and do not contemplate doing so in the foreseeable future. We anticipate that any earnings generated from operations will be used to finance our growth.

### **Class B Common Stock**

Each share of Class B Common Stock has voting rights equal to 100 shares of Class A Common Stock. Holders of Class B Common Stock are entitled to receive dividends in the same proportion as the Class B Common Stock conversion and voting rights have to Class A Common Stock. There are 50,000,000 shares authorized and there were no shares issued and outstanding as of March 26, 2012, nor does the Company have any plans to issue Class B Common Stock in the immediate future. Upon our liquidation, dissolution, or winding-up, holders of Class B Common Stock will be entitled to receive distributions. The Class B common stock, par value \$.00001 per converts to one thousand nine hundred seventy five (1,975) shares of Class A Common Stock for each one (1) share of Class B Common Stock.

### **Preferred Stock**

The Company's certificate of incorporation authorizes the issuance of 1,000,000 shares of Preferred Stock, par value \$1.00 per share.

Our board of directors is authorized (by resolution and by filing an amendment to our certificate of incorporation and subject to limitations prescribed by the General Corporation Law of the State of Delaware) to issue, from time to time, shares of Preferred Stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences and other rights of the shares of each such series and to fix the qualifications, limitations and restrictions thereon, including, but without limiting the generality of the foregoing, the following:

- the number of shares constituting that series and the distinctive designation of that series;
- the dividend rate on the shares of that series, whether dividends are cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;
- whether that series has voting rights, in addition to voting rights provided by law, and, if so, the terms of those voting rights;
- whether that series has conversion privileges, and, if so, the terms and conditions of conversion, including provisions for adjusting the conversion rate in such events as our board of directors determines;
- whether or not the shares of that series are redeemable, and, if so, the terms and conditions of redemption, including the dates upon or after which they are redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;
- whether that series has a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of that sinking fund;
- the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment of shares of that series; and
- any other relative powers, preferences and rights of that series, and qualifications, limitations or restrictions on that series.

If we liquidate, dissolve or wind up our affairs, whether voluntarily or involuntarily, the holders of Preferred Stock of each series will be entitled to receive only that amount or those amounts as are fixed by the certificate of designations or by resolution of the board of directors providing for the issuance of that series.

As of December 31, 2011, the Company has issued the following shares of Preferred Stock:

The Company issued to each holder of the Promissory Notes (as defined below) one (1) share of Series A Convertible Preferred Stock, having the rights, preferences, privileges, powers and restrictions set forth in the Certificate of Designation filed with the Secretary of State of Delaware. The Company has the right to convert, at its sole option, each share of Series A Convertible Preferred Stock into Class A Common Stock equal to 1% of the outstanding shares of Class A Common Stock at the time of conversion. Each one share of Series A Preferred Stock shall entitle the Series A Holder to voting rights equal to 2,666,667,000 votes of Class A Common Stock.

On September 23, 2011, SilverSun Technologies, Inc., entered into a Series B preferred stock purchase agreement (the "Preferred Stock Purchase Agreement") with the Company's Chief Executive Officer, Mr. Mark Meller (the "Series B Holder"), pursuant to which the Series B Holder was issued the only one (1) authorized share of Series B Preferred Stock, par value \$0.001 per share (the "Series B Preferred Stock"). The Series B Holder was issued one (1) share of Series B Preferred Stock as partial consideration for such Series B Holder's agreement to personally guarantee the repayment of two Promissory Notes (the "Notes"), dated April 11, 2011, each in the principal face amount of \$275,000, for an aggregate principal sum of \$550,000 the terms of which are incorporated by reference herein as Exhibit 10.14.

The Series B Preferred Stock has the rights, privileges, preferences and restrictions set for in the Certificate of Designation (the "Certificate of Designation") filed by the Corporation with the Secretary of State of the State of Delaware ("Delaware Secretary of State") on September 23, 2011 and incorporated herein by reference to Exhibit [●]

Each one (1) share of the Series B Preferred shall have voting rights equal to (x) the total issued and outstanding Common Stock and preferred stock eligible to vote at the time of the respective vote divided by (y) forty nine one-hundredths (0.49) minus (z) the total issued and outstanding Common Stock and preferred stock eligible to vote at the time of the respective vote. For the avoidance of doubt, if the total issued and outstanding Common Stock eligible to vote at the time of the respective vote is 5,000,000, the voting rights of the Series B Preferred Stock shall be equal to 5,204,082 (e.g.  $(5,000,000 / 0.49) - 5,000,000 = 5,204,082$ ).

### **Options and Stock Awards**

During the fiscal year ended December 31, 2004, the Company adopted the SilverSun Technologies, Inc. 2004 Stock Incentive Plan (the "Stock Incentive Plan") to: (i) provide long-term incentives and rewards to employees, directors, independent contractors or agents the Company and its subsidiaries; (ii) assist the Company in attracting and retaining employees, directors, independent contractors or agents with experience and/or ability on a basis competitive with industry practices; and (iii) associate the interests of such employees, directors, independent contractors or agents with those of the Company's stockholders. The Board of Directors authorized the issuance of up to 2.4 million shares of Class A common stock under the Stock Incentive Plan. In 2005, the Board of Directors amended this plan to increase the authorized number of shares to 20 million Class A Common Stock. In 2007, the Board of Directors amended this plan to increase the authorized number of shares to 87.9 million Class A Common Stock.

During the fiscal year ended December 31, 2007, the Company adopted the SilverSun Technologies, Inc. 2007 Consultant Stock Incentive Plan (the "Consultant Plan") to: (i) provide long-term incentives, payment in stock in lieu of cash and rewards to consultants, advisors, attorneys, independent contractors or agents ("Eligible Participants") of SilverSun Technologies, Inc. ("the Company") and its subsidiaries; (ii) assist the Company in attracting and retaining independent contractors or agents with experience and/or ability on a basis competitive with industry practices; and (iii) associate the interests of such independent contractors or agents with those of the Company's stockholders. Total shares issuable under this plan may not exceed twenty (20) percent of the issued and outstanding shares of the Company's Class A Common Stock.

No securities were issued pursuant to the 2004 Plan and 2007 Plans for the years ended December 31, 2011 and 2010.

During the fiscal year ended December 31, 2004, and as amended, the Company adopted the SilverSun Technologies, Inc. 2004 Directors' and Officers' Stock Incentive Plan (the "Directors' and Officers' Plan") is to (i) provide long-term incentives and rewards to officers and directors the Company and its subsidiaries; (ii) assist the Company in attracting and retaining officers and directors with experience and/or ability on a basis competitive with industry practices; and (iii) associate the interests of such officers and directors with those of the Company's stockholders. The Board of Directors authorized the issuance of up to 2,400,000 shares of Class A common stock under the Directors' and Officers' Plan. In 2005, the Board of Directors amended this plan to increase the authorized number of shares to 20,000,000 shares of Class A Common Stock.

No securities were issued pursuant to the 2004 D&O Plan for the years ended December 31, 2011 and 2010.

## Item 13. Certain Relationships and Related Transactions.

### Related Party Notes and Accounts Due

On September 15, 2003, the Company entered into an employment agreement with Mr. Meller. He will serve as the Company's President and Chief Financial Officer for a term of five years. As consideration, the Company agreed to pay Mr. Meller the sum of \$180,000 the first year with a 10% increase every year thereafter, as well as a monthly travel expense allowance of \$600 and an auto allowance of \$800. The employment agreement with Mr. Meller also provides for a severance payment to him of three hundred percent (300%), less \$100,000 of his gross income for services rendered to the Company in each of the five prior calendar years should his employment be terminated following a change in control, as defined in the employment agreement. Mr. Meller shall also be paid the sum of \$350,000 upon the completion of the Spin-Off, and compensation retroactive to August 1, 2003, at the annual rate dictated by the terms of the employment agreement, as a result of SilverSun technologies acquiring SWK, Inc. on June 2, 2004

On June 29, 2011, Mr. Meller forgave outstanding liabilities representing unpaid salary, unpaid expense and auto allowances, and the one-time payment in connection with a previous transaction in the amount of \$1,338,967. Such amount is recorded as a contribution of capital in Additional Paid-In Capital in the accompanying balance sheet.

Mr. Meller has agreed to waive payment of a portion of the monies due representing fixed compensation. Pursuant to an agreement between the Company and Mr. Meller, Mr. Meller has further agreed, however, to accept payment or partial payment, from time to time, as determined in the sole discretion of the Board of Directors in the form of cash, the Company's Class A Common Stock and/ or the Company's Class B Common Stock. Amounts owed to him can be converted into (i) one share of our Class B common stock for each dollar owed, or (ii) the number of shares of our Class A common stock calculated by multiplying (x) the sum of the liability being extinguished by 1,975. As of December 31, 2011 and 2010 amounts due to Mr. Meller would convert into -0- and 9,700,000 million shares of Class A Common Stock, respectively.

On September 1, 2010, the Company entered into Amendment No. 1 to the Employment Agreement with Mark Meller, President and Chief Executive Officer of the Company, whereby the term of the Employment Agreement was extended to September 15, 2017.

During the year ended December 31, 2010, the Company issued 83,638 shares of Class A Common stock to Mr. Meller for repayment of \$1,515 in deferred compensation with a fair value of \$27,779. The difference in the fair value and the amount of deferred compensation repaid was charged to general and administrative expense in the amount of \$27,264 and included in operating expenses in the statement of operations.

Total amounts owed to Mr. Meller as of December 31, 2011 and December 31, 2010, representing unpaid salary, unpaid expense and auto allowances, accrued interest, and the one-time payment in connection with a previous transaction, totaled \$6,335 and \$1,293,941.

On October 19, 2010, the Company borrowed \$45,000 in exchange issuing a promissory note to Mr. Mark Meller, the Company's Chief Executive Officer. This note is not collateralized, and carries an interest rate of 3% per annum on the unpaid balance. The note and interest are due January 1, 2012. In the event of (a) default in payment of any installment of principal or interest hereof as the same becomes due and such default is not cured within ten (10) days from the due date after the Holder provides the Maker written notice of default, then the Holder may, without further notice, declare the remainder of the principal sum, together with all interest accrued thereon, at once due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time. The unpaid principal of this Promissory Note and any part thereof, accrued interest and all other sums due under this Promissory Note shall bear interest at the rate of Ten Percent (10%) percent per annum after default until paid. The outstanding balances at December 31, 2011 and 2010 were \$20,000 and \$45,000, plus accrued interest of \$1,454 and \$274, respectively.

### *Director Independence*

The common stock of the Company is currently quoted on the OTCBB, an exchange which currently does not have director independence requirements. On an annual basis, each director and executive officer will be obligated to disclose any transactions with the Company in which a director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest in accordance with Item 407(a) of Regulation S-K. Following completion of these disclosures, the Board will make an annual determination as to the independence of each director using the current standards for "independence" that satisfy both the criteria for the Nasdaq and the American Stock Exchange.

As of December 31, 2011, the Board determined that Mr. Wunderlich is independent.

**Item 14. Principal Accountant Fees and Services.**

The following table sets forth fees billed to the Company by the Company's independent auditors for (i) services rendered for the audit of the Company's annual financial statements and the review of the Company's quarterly financial statements, (ii) services rendered that are reasonably related to the performance of the audit or review of the Company's financial statements that are not reported as Audit Fees, and (iii) services rendered in connection with tax preparation, compliance, advice and assistance.

<b>Services</b>	<b>2011</b>	<b>2010</b>
Audit Fees	\$ 41,500	\$ 34,000
Audit - Related Fees	-	-
Tax fees	\$ 18,000	\$ 7,620
All Other Fees	-	-
Total	<u>\$ 59,500</u>	<u>\$ 41,620</u>

Prior to engaging our accountants to perform a particular service, our Audit Committee obtains an estimate for the service to be performed. All of the services described above were approved by the Audit Committee in accordance with its procedures.

**PART IV****Item 15. Exhibits.**

(a)

<b>Exhibit No.</b>	<b>Description</b>
3.1	Second Amended Certificate of incorporation of SilverSun Technologies, Inc., filed September 5, 2003 (incorporated herein by reference to Exhibit 3.1 of the registration statement on Form SB-2, filed with the SEC on November 25, 2003).
3.2	By-laws of iVoice, Inc., a New Jersey corporation, incorporated herein by reference to Exhibit 3.2 of the Registrant's Form 10-QSB for the period ended March 31, 2003.
3.3	Fourth Amended and Restated Certificate of incorporation of SilverSun Technologies, Inc., (incorporated herein by reference to Exhibit 3.1 on Form 8-K, dated June 27, 2011, filed with the SEC on June 30, 2011).
3.4	Amendment to the Bylaws of the Company ( incorporated herein by reference to Exhibit 3.2 on Form 8-K, dated June 27, 2011, filed with the SEC on June 30, 2011)
4.1	iVoice Acquisition 1, Inc. 5% Convertible Debenture due March 20, 2005 issued to Elma S. Foin (incorporated herein by reference to Exhibit 4.2 of the registration statement on Form SB-2, filed with the SEC on December 22, 2003).
4.2	iVoice Acquisition 1, Inc. 5% Convertible Debenture due March 20, 2005 issued to Darryl A. Moy (incorporated herein by reference to Exhibit 4.2 of the registration statement on Form SB-2, filed with the SEC on December 22, 2003).
4.3	iVoice Acquisition 1, Inc. 5% Convertible Debenture due March 20, 2005 issued to Henry Tyler (incorporated herein by reference to Exhibit 4.2 of the registration statement on Form SB-2, filed with the SEC on December 22, 2003).
4.4	SilverSun Technologies, Inc. 7.5% Secured Convertible Debenture, for a value of \$600,000, due December 30, 2007 to YA Global (f/k/a/ Cornell Capital Partners, LP).
4.5	SilverSun Technologies, Inc. 7.5% Secured Convertible Debenture, for a value of \$1,159,047, due December 30, 2007 to YA Global (f/k/a/ Cornell Capital Partners, LP).
4.6	Certificate of Designation of Series A Convertible Preferred Stock, incorporated herein by reference to Exhibit 4.1 on Form 8-K, dated May 4, 2011, filed with the SEC on May 12, 2011.
4.7	Certificate of Designation of Series B Preferred Stock, incorporated herein by reference to Exhibit 4.1 on Form 8-K, dated September 23, 2011, filed with the SEC on September 27, 2011.
10.1	Employment Agreement, dated January 1, 2003, between iVoice Acquisition 1, Inc. and Jerome Mahoney. (incorporated herein by reference to Exhibit 10.8 of the Registration Statement on Form SB-2 filed on November 25, 2003).
10.2	Employment Agreement, dated September 15, 2003, between SilverSun Technologies, Inc. and Mark Meller. (incorporated herein by reference to Exhibit 10.8 of the Registration Statement on Form SB-2 filed on November 25, 2003).
10.3	Equity Line of Credit Agreement dated January 24, 2003 between Cornell Capital Partners, LP, and iVoice Acquisition 1, Inc. (incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, filed with the SEC on May 12, 2003)
10.4	Registration Rights Agreement dated January 24, 2003 between Cornell Capital Partners, LP, and iVoice Acquisition 1, Inc. (incorporated herein by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, filed with the SEC on May 12, 2003).
10.5	Stock Purchase Agreement dated January 24, 2003 between iVoice Acquisition 1, Inc. and listed Buyers (incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, filed with the SEC on May 12, 2003).
10.6	Placement Agreement dated January 24, 2003 between iVoice Acquisition 1, Inc. and Cornell Capital Partners LP. (incorporated herein by reference to Exhibit 10.5 of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, filed with the SEC on May 12, 2003).
10.7	Termination Agreement dated December 30, 2005 between YA Global (f/k/a/ Cornell Capital Partners, LP). and SilverSun Technologies, Inc.
10.8	Escrow Agreement dated December 30, 2005 between David Gonzalez, Esq. And SilverSun Technologies, Inc.
10.9	Securities Purchase Agreement dated December 30, 2005 between YA Global (f/k/a/ Cornell Capital Partners, LP). and SilverSun Technologies, Inc.
10.10	Investor Rights Agreement dated December 30, 2005 between YA Global (f/k/a/ Cornell Capital Partners, LP). and SilverSun Technologies, Inc.
10.11	Amended and Restated Security Agreement dated December 30, 2005 between YA Global (f/k/a/ Cornell Capital Partners, LP). and SilverSun Technologies, Inc.
10.12	Securities Purchase Agreement dated May 6, 2009 by and among SilverSun Technologies, SWK Technologies, Inc., Jeffrey D. Roth and Jerome R. Mahoney. (incorporated herein by reference to Exhibit 10.1 on Form 10-K, dated May 9, 2009, filed with the SEC on May 26, 2009).
10.13	Termination Settlement Agreement dated May 6, 2009 by and among SilverSun Technologies, SWK Technologies, Inc., Jeffrey D. Roth and Jerome R. Mahoney. (incorporated herein by reference to Exhibit 10.1 on Form 10-K, dated May 9, 2009, filed with the SEC on May 26, 2009).
10.14	Promissory notes, dated April 11, 2011 among SilverSun Technologies, Inc and accredited investors (incorporated herein by reference to Exhibit 10.1 on Form 8-K, dated April 11, 2011, filed with the SEC on April 15, 2011).
10.15	Form of Preferred Stock Purchase Agreement (incorporated by reference to Exhibit 10.2 on the Company's current report on Form 8-K filed with the commission on May 12, 2011).
10.16	Amended Agreement by and between the Company and Mr. Stanley Wunderlich (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with commission on August 3, 2011).
10.17	Form of Warrant (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with commission on August 3, 2011).
10.18*	<a href="#">Loan and Security Agreement by and between the Company, its subsidiary SWK Technologies, Inc and a commercial lender.</a>
10.19*	<a href="#">Audit Committee Charter</a>
14.1	Code of Ethics incorporated by reference to Exhibit 14.1 filed with the Registrant's Form 10-KSB for the fiscal year ended

December 31, 2003.

- 31.1 \* [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herein.](#)
- 32.1 \* [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herein.](#)
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF XBRL Taxonomy Extension Definition Linkbase
- 101.LAB XBRL Taxonomy Extension Label Linkbase
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase

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\* 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.

**SILVERSUN TECHNOLOGIES, INC.**

Dated: March 29, 2012

By: */s/ Mark Meller*

\_\_\_\_\_  
Chief Executive Officer  
(Principal Executive Officer)  
Chief Financial Officer  
(Principal Accounting Officer)

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

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Date</u></b>
<u>/s/ Mark Meller</u> Mark Meller	Chief Executive Officer, Chief Financial Officer, President, and Chairman	March 29, 2012
<u>/s/ Stanley Wunderlich</u> Stanley Wunderlich	Director	March 29, 2012

**PART F/S**

**INDEX TO FINANCIAL STATEMENTS**

**AUDITED FINANCIAL STATEMENTS**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
SilverSun Technologies, Inc.

We have audited the accompanying consolidated balance sheets of SilverSun Technologies, Inc. and Subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2011. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards established by 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 audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2011 and 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/Friedman LLP  
East Hanover, NJ  
March 29, 2012

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31,**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 233,722	\$ 104,344
Accounts receivable, net	881,217	489,280
Inventories	11,617	15,285
Prepaid expenses and other current assets	198,852	189,718
Total current assets	<u>1,325,408</u>	<u>798,627</u>
Property, plant and equipment, net	137,948	156,621
Deposits and other assets	57,921	65,866
Total assets	<u>\$ 1,521,277</u>	<u>\$ 1,021,114</u>
<b>LIABILITIES &amp; STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,260,045	\$ 1,096,201
Accrued interest	7,675	660,501
Due to related parties	6,335	1,293,341
Convertible debentures payable	-	1,319,000
Derivative liability	-	1,177,845
Convertible promissory note – related party, net of discount of \$4,250	46,750	-
Capital leases	64,367	55,565
Notes payable to related parties	20,000	45,000
Deferred revenue	1,015,750	486,019
Total current liabilities	<u>2,420,922</u>	<u>6,133,472</u>
Commitments and Contingencies		
Stockholders' deficit:		
Preferred Stock, \$1.00 par value; authorized 1,000,000 shares; no shares issued and outstanding	-	-
Series A Preferred Stock, \$1.00 par value; authorized 2 shares 2 shares issued and outstanding	22,886	-
Series B Preferred Stock, \$1.00 par value; authorized 1 share 1 share issued and outstanding	1	-
Common stock:		
Class A – par value \$.0001, authorized 750,000,000 shares; 4,456,912 and 4,723,119 shares issued and outstanding	446	472
Class B Common Stock, 0 issued and outstanding	-	-
Additional paid-in capital	9,326,572	7,845,651
Accumulated deficit	(10,296,756)	(12,913,304)
Total SilverSun stockholders' deficit	<u>(946,851)</u>	<u>(5,067,181)</u>
Non-controlling interest in SWK Technologies, Inc.	47,206	(45,177)
Total stockholders' deficit	<u>(899,645)</u>	<u>(5,112,358)</u>
Total liabilities and stockholders' deficit	<u>\$ 1,521,277</u>	<u>\$ 1,021,114</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>For the Years Ended</b>	
	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Revenues:		
Software product, net	\$ 1,902,417	\$ 1,220,875
Service, net	8,619,663	6,265,828
Total revenues, net	<u>10,522,080</u>	<u>7,486,703</u>
Cost of revenues:		
Product	969,130	608,352
Service	5,055,330	4,005,788
Total cost of revenues	<u>6,024,460</u>	<u>4,614,140</u>
Gross profit	<u>4,497,620</u>	<u>2,872,563</u>
Operating expenses:		
Selling expenses	1,843,824	1,546,107
General and administrative expenses	2,296,718	2,180,693
Depreciation and amortization	97,011	82,880
Total operating expenses	<u>4,237,553</u>	<u>3,809,680</u>
Income (loss) from operations	<u>260,067</u>	<u>(937,117)</u>
Other income (expense):		
Gain on revaluation of derivatives	362,035	483,081
Gain from extinguishment of debt and Derivative liability	2,228,939	-
Interest expense, net	(142,110)	(114,469)
Total other income (expense)	<u>2,448,864</u>	<u>368,612</u>
Income (loss) from operations before income taxes	2,708,931	(568,505)
Provision for income taxes	-	-
Net income (loss)	2,708,931	(568,505)
Net income (loss) attributable to non-controlling Interest in SWK Technologies Inc.	<u>92,383</u>	<u>(99,584)</u>
Net income (loss) attributable to SilverSun Technologies, Inc.	<u>\$ 2,616,548</u>	<u>\$ (468,921)</u>
Basic and diluted net income (loss) per share attributable to SilverSun Technologies, Inc. shareholders:		
Basic income (loss) per common share	<u>\$ 0.58</u>	<u>\$ (0.13)</u>
Diluted income (loss) per common share	<u>0.02</u>	<u>\$ (0.13)</u>
Weighted average shares outstanding:		
Basic	<u>4,481,000</u>	<u>3,619,000</u>
Diluted	<u>105,803,000</u>	<u>3,619,000</u>

The accompanying notes are an integral part of these consolidated financial statements.



Preferred Stock	2	22,886	-	-	-	-	-	-	-	22,886
Issuance of Series B Preferred Stock	-	-	1	1	-	-	-	-	-	1
Net income	-	-	-	-	-	-	-	2,616,548	92,383	2,708,931
Balance at December 31, 2011	<u>2</u>	<u>\$ 22,886</u>	<u>1</u>	<u>\$ 1</u>	<u>4,456,912</u>	<u>\$ 446</u>	<u>\$9,326,572</u>	<u>\$ (10,296,756)</u>	<u>\$ 47,206</u>	<u>\$ (899,645)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,**

	<b>2011</b>	<b>2010</b>
<i>Cash flows from operating activities:</i>		
Net income (loss)	\$ 2,708,931	\$ (568,505)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	97,011	82,879
Gain on revaluation of derivative	(362,035)	(483,081)
Amortization of debt discount	69,637	-
Reduction in allowance for bad debts	-	(120,000)
Gain on extinguishment of debt and derivative liability	(2,228,939)	-
Common stock issued for services	80,550	186,252
Return of shares for services not rendered	(65,000)	-
Changes in certain assets and liabilities:		
Accounts receivable	(391,937)	199,629
Inventories	3,668	(15,285)
Prepaid expenses and other assets	17,714	(66,594)
Deposits and other assets	5,937	-
Accounts payable and accrued liabilities	362,749	68,189
Accrued interest	25,929	103,026
Due to related parties	51,960	269,871
Deferred revenues	529,731	305,442
Net cash provided by (used in) operating activities	905,906	(38,177)
<i>Cash flows from investing activities:</i>		
Purchases of equipment	(40,653)	(31,725)
Net cash used in investing activities	(40,653)	(31,725)
<i>Cash flows from financing activities:</i>		
Repayment of notes payable to related parties	(25,000)	(125,716)
Proceeds from notes payable to related party	-	45,000
Proceeds from convertible promissory note – related party	51,000	-
Proceeds from promissory notes	550,000	-
Repayment of promissory notes	(550,000)	-
Repayment of convertible debentures	(735,000)	-
Principal payment under capital lease obligations	(26,875)	(45,520)
Net cash used in financing activities	(735,875)	(126,236)
Net (decrease) increase in cash and cash equivalents	129,378	(196,138)
Cash and cash equivalents, beginning of year	104,344	300,482
Cash and cash equivalents, end of year	\$ 233,722	\$ 104,344
<i>Supplemental Schedule of Cash Flow Information::</i>		
During the year, cash was paid for the following:		
Income taxes	\$ -	\$ -
Interest	\$ 15,145	\$ -
Capital lease obligations	\$ 35,677	\$ 38,776

The accompanying notes are an integral part of these consolidated financial statements.



**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (Continued)**

**SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:**

For the Year Ended December 31, 2011:

- a) SilverSun Technologies, Inc (“the Company”) recorded a derivative liability of \$105,000 related to a conversion feature embedded in the \$51,000 convertible note issued during the period to an executive officer of the Company. The derivative liability was recorded as debt discount and the excess as an expense on the statement of operations as other income (expense).
- b) The Company issued warrants to a Company in exchange for financial services to be provided over one year with a fair value of \$107,398. The Company amortized over the period of service, and recorded \$80,550 through December 31, 2011.
- c) On June 29, 2011, Mr. Meller forgave outstanding liabilities representing unpaid salary, unpaid expense and auto allowances, and a one-time payment in connection with a previous transaction in the amount of \$1,338,967. Such amount is recorded as Additional Paid-In Capital in the accompanying balance sheet. An additional \$99,531 was recorded in Additional Paid-In Capital relating to the Convertible Promissory Note when the conversion price was fixed.

For the Year Ended December 31, 2010:

- a) The Company issued 325,079 shares of Class A common stock for conversion of \$60,900 of principal on convertible debentures with YA Global Investments.
- b) The Company issued 82,827 shares of Class A Common stock for repayment of \$15,000 in accrued expenses with a fair value of value \$19,500. The difference in the market value and \$15,000 of accrued expenses was charged to general and administrative expense in the amount of \$4,500.
- c) The Company issued 83,638 shares of Class A Common stock to Mr. Meller for repayment of \$1,515 in deferred compensation with a fair value of \$28,779. The difference in the fair value and the amount of deferred compensation repaid was charged to general and administrative expense in the amount of \$27,264.
- d) The Company issued 222,908 shares of Class A Common stock for repayment of \$8,074 of legal fees with a fair value of \$52,479. The difference in the fair value and the amount of legal fess repaid was charged to general and administrative expense in the amount of \$44,405.
- e) The Company issued 786,858 shares of Class A Common stock for professional fees and management and financial consulting fees with a fair value of \$216,750.

The accompanying notes are an integral part of these consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 1 - DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION**

Description of Business

SilverSun Technologies, Inc. (the “Company”) is an information technology company, and a value added reseller and master developer for Sage Software’s MAS 90/200/500 and ERP X3 financial and accounting software as well as the publisher of its own proprietary Electronic Data Interchange (EDI) software, “MAPADOC.” The Company focuses on the business software and information technology consulting market, and is looking for other opportunities to grow its business. The Company sells services and products to various end users, manufacturers, wholesalers and distributor industry clients located throughout the United States. In June 2011, the Company changed its name from Trey Resources, Inc. to SilverSun Technologies, Inc. The Company is publicly traded and is currently quoted on the Over-the-Counter Bulletin Board (“OTCBB”) under the symbol “SSNT.” A 1-for-1,811 reverse stock split of the Company’s issued and outstanding shares of Class A Common Stock occurred during the year and has been reflected retro-actively throughout the financial statements.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of SilverSun Technologies, Inc. (the “Company”) and its majority owned subsidiaries, SWK Technologies, Inc. and BTSG Acquisition Corp. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant inter-company transactions and accounts have been eliminated in consolidation.

Noncontrolling Interest

Noncontrolling interest represents third party ownership in the net assets of our consolidated subsidiaries. For financial reporting purposes, the assets and liabilities of our majority owned subsidiaries are consolidated with those of our own, with any third party investor’s interest shown as noncontrolling interest.

On May 6, 2009, the Company sold twenty-five (25) newly issued shares or 20% of the stock of SWK Technologies, Inc. (“SWK”), a subsidiary of SilverSun Technologies, Inc. for a purchase price of \$150,000 to the President of SWK.

On January 12, 2012, SilverSun Technologies, Inc. entered into a share exchange agreement (the “Agreement”) with certain shareholders and the President (the “SWK Shareholders”) of SWK Technologies, Inc. Pursuant to the terms of the Agreement, the SWK Shareholders exchanged an aggregate of 25 shares of SWK to the Company for a total of 22,664,678 shares (the “Exchange Shares”) of the Company’s common stock (the “Exchange”). These shares had a fair value of approximately \$612,000 (\$0.027 per share) and will be charged to Additional Paid-in Capital in 2012. Upon consummation of the Exchange, SWK became a wholly-owned subsidiary of the Company.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates include:

1. Revenue recognition of software sales
2. Allowance for doubtful accounts
3. Fair market value of share based payments and other equity instruments

Revenue Recognition

Revenue is recognized when products are shipped, or services are rendered, evidence of a contract exists, the price is fixed or reasonably determinable, and collectability is reasonably assured.

The assessment of collectability is critical in determining whether revenue should be recognized. As part of the revenue recognition process, we determine whether trade receivables are reasonably assured of collection based on various factors. Revenue is deferred but costs are recognized when we determine that the collection of the receivable is unlikely.

Software and hardware revenues are recognized when the product is shipped to the customer. The Company separates the software component and the professional services component into two parts for purposes of revenue recognition. In that situation where both components are present, software sales revenue is recognized when collectability is reasonably assured and the product is delivered and has stand alone value. Professional service revenue is recognized as the service time is incurred.

With respect to customer support services, upon the completion of one year from the date of sale, considered to be the warranty period, the Company offers customers an optional annual software maintenance and support agreement for subsequent one-year periods. Sales of maintenance and support agreements are recorded as deferred revenue and recognized over the respective terms of the agreements, which typically range from three months to one year.

Shipping and handling costs charged to customers are classified as revenue, and the shipping and handling costs incurred are included in cost of sales.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company's cash equivalents at December 31, 2010 consisted of certificates of deposit with maturities of 3 months or less. The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to federally insured limits. At times balances may exceed FDIC insured limits. The Company has not experienced any losses in such accounts.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Concentration of Credit Risk

For the years ended December 31, 2011 and 2010, our top ten customers had approximately \$3,211,000 and \$1,488,000 in sales and these represented 31% and 20%, respectively, of our total sales for the period. Generally, we do not rely on any one specific customer for any significant portion of our revenue base.

For the years ended December 31, 2011 and 2010, purchases from one supplier were approximately 58% or 23%, respectively, of the Company's total cost of revenue.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable and cash and cash equivalents. As of December 31, 2011 the Company believes it has no significant risk related to its concentration of accounts receivable.

Accounts Receivable

Accounts receivable consist primarily of invoices for maintenance and professional services. Payment for software sales are due in advance of ordering from the software supplier. Payments for maintenance and support plan renewals are due before the beginning of the maintenance period. Terms under our professional service agreements are generally 50% due in advance and the balance on completion of the services.

The Company maintains an allowance estimated by considering a number of factors, including the length of time the amounts are past due, the Company's previous loss history, the client's current ability to pay its obligations and the condition of the general economy and the industry as a whole.

Inventory

Inventory consists primarily of pre-packaged software programs that are held for resale to customers. Cost is determined by specific identification related to the purchase order from the software supplier.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets, generally five to seven years. Maintenance and repairs are charged to expense as incurred.

Deferred Revenues

Deferred revenues consist of maintenance service, customer support services, including telephone support and deposits for future consulting services which will be earned as services are performed over the contractual or stated period, which generally ranges from three to twelve months.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Company accounts for income taxes using the assets and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized.

The Company files a U.S. federal income tax return as well as returns for various states. The Company's income taxes have not been examined by any tax authorities for the periods subject to review by such taxing authorities. Uncertain tax positions taken on our tax returns are accounted for as liabilities for unrecognized tax benefits. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in general and administrative expenses in the Consolidated Statements of Operations. There were no liabilities recorded for uncertain tax positions at December 31, 2011 or 2010.

Fair Value Measurement

The Company adopted the provisions of the accounting pronouncement which defines fair value, establishes a framework for measuring fair value and enhances fair value measurement disclosure. Under the provisions of the pronouncement, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The pronouncement establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use on unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Long-Lived Assets

Long-lived assets are reviewed for impairment when circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows estimated by the Company to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment losses were identified or recorded in the years ended December 31, 2011 and 2010.

Stock-Based Compensation

The Company's stock-based compensation is measured at the fair value of the award at its grant based on the estimated number of awards expected to vest and is recorded over the applicable period. For stock options, fair value is determined using an option-pricing model that takes into account the stock price at the grant date, the exercise price, the expected life of the option, the volatility of the underlying stock and the expected dividends on it, and the risk-free interest rate over the expected life of the option.

Earnings per Share

The Company's basic income (loss) per common share is based on net income (loss) for the relevant period, divided by the weighted average number of common shares outstanding during the period. Diluted income per common share is based on net income, divided by the weighted average number of common shares outstanding during the period, including common share equivalents, such as outstanding stock options and warrants to the extent they are dilutive. Diluted loss per share does not include common stock equivalents, as these shares would have an anti-dilutive effect.

For the year ended December 31, 2010, stock warrants to purchase 1,698 shares were excluded from the calculation of diluted net income (loss) per share calculation due to their anti-dilutive effect. For the year ended December 31, 2010, the dilutive effect of convertible debentures exceeded the number of authorized common shares and as a result weighted average shares outstanding, fully diluted, was the maximum authorized number of common shares. These shares were excluded from the calculation of diluted loss per share in 2010 due to their anti-dilutive effect.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Earnings per Share (continued)

The computation of EPS is approximately as follows:

	<b>Year Ended December 31, 2011</b>	<b>Year Ended December 31, 2010</b>
<b>Basic net income (loss) per share:</b>		
Net income (loss) attributable to common stockholders	\$ 2,617,000	\$ (469,000)
Weighted-average common shares outstanding	4,481,000	3,619,000
Basic net income (loss) per share attributable to common stockholders	\$ 0.58	\$ (0.00)
<b>Diluted net income (loss) per share:</b>		
Net income (loss) attributable to common stockholders	\$ 2,617,000	\$ (469,000)
Weighted-average common shares outstanding	4,481,000	3,619,000
Incremental shares attributable to warrants and convertible promissory note	101,322,000	-
Total adjusted weighted-average shares	105,803,000	3,619,2999
Diluted net income (loss) per share attributable to common stockholders	\$ 0.02	\$ (0.00)

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications have had no effect on the financial position, operations or cash flows for the year ended December 31, 2010.

Recent Accounting Pronouncements

No recently issued accounting pronouncements had a material impact on the Company's consolidated financial statements.

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows:

	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Leasehold improvements	\$ 30,557	\$ 30,557
Equipment, furniture and fixtures	700,606	624,276
	731,163	654,833
Less: Accumulated depreciation	(593,215)	(498,212)
Property and equipment, net	<u>\$ 137,948</u>	<u>\$ 156,621</u>

Depreciation and amortization expense for the years ended December 31, 2011 and 2010 was \$95,003 and \$82,879.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 - INCOME TAXES**

Deferred income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial accounting purposes and the amounts used for income tax reporting. Significant components of the Company's deferred tax assets and liabilities are as follows:

Significant components of the Company's deferred tax assets and liabilities are summarized as follows:

	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Deferred tax assets:		
Net operating loss carryforwards	2,823,000	3,328,000
Deferred wages and expenses	-	517,000
Intangibles	358,000	401,000
Derivative liability	-	470,000
Share based payments	32,000	-
Other	16,000	21,000
Deferred tax asset	<u>3,229,000</u>	<u>4,737,000</u>
Less: Valuation allowance	<u>(3,229,000)</u>	<u>(4,737,000)</u>
Net deferred tax asset	<u>-0-</u>	<u>-0-</u>

As of December 31, 2011, the Company has net operating loss carry forwards of approximately \$7,498,000 that can be utilized to offset future taxable income for Federal income tax purposes. Net operating loss carry forwards expire starting in 2025 through 2030. Utilization of these net loss carry forwards is subject to the limitations of Internal Revenue Code Section 382. Because of the current uncertainty of realizing the benefit of the tax carry forward, a valuation allowance equal to the tax benefit for deferred taxes has been established.

During 2011, the Company's Chief Executive Officer, Mr. Meller waived his rights with respect to the deferred wages and expenses owed to him as of December 31, 2010 and through the period of waiver. The Company recorded the waiver as a capital contribution and recorded the gain through additional paid in capital.

The full realization of the tax benefit associated with the carry forward depends predominantly upon the Company's ability to generate taxable income during the carry forward period.

Deferred tax assets and liabilities reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts used for income tax purposes.

A reconciliation of the statutory income tax rate to the effective rate is as follows for the period December 31, 2011 and 2010:

	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Federal income tax rate	34%	(34%)
State income tax, net of federal benefit	6%	(6%)
Permanent differences	-	(10%)
Effective income tax rate	40%	(50%)
Effect on valuation allowance	<u>(40%)</u>	<u>50%</u>
Effective income tax rate	<u>0.0%</u>	<u>0.0%</u>



**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
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**NOTE 4 - INCOME TAXES (Continued)**

Accounting for Uncertainty in Income Taxes. prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 requires that the Company determine whether the benefits of its tax positions are more-likely-than-not of being sustained upon audit based on the technical merits of the tax position. The Company recognizes the impact of an uncertain income tax position taken on its income tax return at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority.

There were no significant uncertain tax positions taken, or expected to be taken, in a tax return that would be determined to be an unrecognized tax benefit taken or expected to be taken in a tax return that should have been recorded on the Company's consolidated financial statements for the year ended December 31, 2011 and 2010.

The federal and state tax returns for the years ending December 31, 2008, 2009 and 2010 are currently open and the tax returns for the year ended December 31, 2011 will be filed by October 15, 2012.

Despite the Company's belief that its tax return positions are consistent with applicable tax laws, one or more positions may be challenged by taxing authorities. Settlement of any challenge can result in no change, a complete disallowance, or some partial adjustment reached through negotiations or litigation.

Interest and penalties related to income tax matters, if applicable, will be recognized as income tax expense. During the years ended December 31, 2011 and 2010 the Company did not incur any expense related to interest or penalties for income tax matters, and no such amounts were accrued as of December 31, 2011 and 2010.

**NOTE 5 – DUE TO RELATED PARTIES**

On September 1, 2010, the Company entered into Amendment No 1 to the Employment Agreement with Mark Meller, President and Chief Executive Officer of the Company, whereby the term of the Employment Agreement was extended to September 15, 2017. As consideration, the Company agreed to pay Mr. Meller the sum of \$180,000 the first year with a 10% increase every year thereafter, as well as a monthly travel expense allowance of \$600 and an auto allowance of \$800. The employment agreement with Mr. Meller also provides for a severance payment to him of three hundred percent (300%), less \$100,000 of his gross income for services rendered to the Company in each of the five prior calendar years should his employment be terminated following a change in control, as defined in the employment agreement. Mr. Meller will also be paid the sum of \$350,000 upon the completion of the Spin-Off, and compensation retroactive to August 1, 2003, at the annual rate dictated by the terms of the employment agreement, as a result of the Company acquiring SWK, Inc. on June 2, 2004.

On June 29, 2011, Mr. Meller forgave outstanding liabilities representing unpaid salary, unpaid expense and auto allowances, and the one-time payment in connection with a previous transaction in the amount of \$1,338,967. Such amount is recorded as a contribution of capital in Additional Paid-In Capital in the accompanying balance sheet.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
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**NOTE 5 – DUE TO RELATED PARTIES (Continued)**

During the year ended December 31, 2010, the Company issued 83,638 shares of Class A Common stock to Mr. Meller for repayment of \$1,515 in deferred compensation with a fair value of \$27,779. The difference in the fair value and the amount of deferred compensation repaid was charged to general and administrative expense in the amount of \$27,264 and included in operating expenses in the statement of operations.

Total amounts owed to Mr. Meller as of December 31, 2011 and December 31, 2010, representing unpaid salary, unpaid expense and auto allowances, accrued interest, and the one-time payment in connection with a previous transaction, totaled \$6,335 and \$1,293,941.

**NOTE 6 – NOTES PAYABLE TO RELATED PARTIES**

On October 19, 2010, the Company borrowed \$45,000 in exchange for issuing a note payable to Mr. Mark Meller (the “Note Payable”). The Note Payable is not collateralized, and carries an interest rate of 3% per annum on the unpaid balance. The Note Payable and interest are due January 1, 2012. In January 2012, Mr. Meller extended the due date of the Note Payable. The outstanding balances at December 31, 2011 and 2010 were \$20,000 and \$45,000, plus accrued interest of \$1,454 and \$274, respectively.

**NOTE 7 - CONVERTIBLE DEBENTURES PAYABLE**

***7.5% \$2,359,000 Convertible Debentures***

On December 30, 2005, the Company entered into a Securities Purchase Agreement with YA Global Investments, L.P (YA Global). Pursuant to such purchase agreement, YA Global purchased \$2,359,047 of secured convertible debentures, which were convertible into shares of the Company’s Class A Common Stock. Two such debentures were issued on December 30, 2005 for an aggregate of \$1,759,047, interest payable at the rate of 7.5% per annum, and included a debenture that was issued on May 6, 2006 equal to \$600,000 with interest payable at the rate of 7.5% per annum (the December 30, 2005 and May 6, 2006 convertible debenture together the “YA Convertible Debentures”). As of December 31, 2010, the YA Convertible Debentures were \$1,319,000.

During 2011, the Company made payments in the amount of \$735,000 to satisfy any and all obligations owed to YA Global, including outstanding principal, accrued interest and accrued liquidated damages. As a result of the restructuring of the debt, the Company recorded a gain on the extinguishment of \$1,461,660, which is presented as other income in the accompanying statement of operations.

Additionally, the Company recorded a gain on the extinguishment of the derivative liability associated with this convertible debenture of approximately \$767,000.

During the year ended December 31, 2010, the Company had issued 325,079 shares of Class A common stock for repayment of \$60,900 of principal on the convertible debenture held by YA Global Investments.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
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**NOTE 8 – CONVERTIBLE PROMISSORY NOTE – RELATED PARTY**

On January 28, 2011, the Company issued a 7% \$51,000 convertible promissory note to Mr. Mark Meller (“Convertible Note”). This note is not collateralized. The note and interest are due January 28, 2012. The Convertible Note is convertible into 100,725,000 Class A Common Stock upon the election of the note holder.

**NOTE 9 - DERIVATIVE LIABILITIES**

***Convertible Debentures***

Conversion features associated with the extinguished Convertible Debentures represented an embedded derivative which the Company had accounted for as a free-standing financial instrument. As of December 31, 2010 the embedded derivative amounted to \$1,177,845. This amount was adjusted to \$767,279 at April 12, 2011, the date of repayment of the YA Global Convertible Debentures. The \$767,279 was recorded as a gain on the extinguishment of the derivative liability since the YA Global Convertible Debentures have been repaid. For the year ended December 31, 2011 the Company recorded a gain on valuation of derivative in the amounts of \$410,566 as compared to a gain on valuation of derivative in the amount of \$483,081 for the year ended December 31, 2010, respectively.

The estimated fair value of the financial instruments has been calculated based on a Black-Scholes pricing model using the following assumptions:

	<b>April 12, 2011</b>	<b>December 31, 2010</b>
Fair market value of stock	\$ 0.00013	\$ 0.00013
Exercise price	\$ 0.0001	\$ 0.0001
Dividend yield	0.00 %	0.00 %
Risk free interest rate	0.24 %	0.29 %
Expected volatility	145.01 %	183.32 %
Expected life	0.71 Year	1 Year

***Convertible Promissory Note***

The conversion feature associated with the Meller Note represents an embedded derivative. At January 28, 2011 the Company recorded the conversion option as a liability, recorded a debt discount of \$51,000, and charged Other Expense - Loss on Valuation of Derivative for \$53,821, resulting primarily from calculation of the conversion price, and a derivative liability of \$104,821. For the year ended December 31, 2011, the Company recorded a Gain on Valuation of Derivative in the amount of \$5,290 from the calculation of the derivative liability.

In May 2011 the conversion feature was modified, which resulted in the extinguishment of this derivative liability in the amount of \$99,531 recorded through additional paid-in capital.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 9 - DERIVATIVE LIABILITIES (Continued)**

The estimated fair value of the embedded derivative had been calculated based on a Black-Scholes pricing model using the following assumptions:

	<u>May 17, 2011</u>	<u>At Inception</u>
Fair market value of stock	\$ 0.00013	\$ 0.00013
Exercise price	\$ 0.00005	\$ 0.00005
Dividend yield	0.00 %	0.00 %
Risk free interest rate	0.41 %	0.24 %
Expected volatility	169.92 %	182.35 %
Expected life	0.83 Year	1 Year

**NOTE 10 – PROMISSORY NOTES**

On April 11, 2011 the Company entered into two promissory notes (the “Notes”) each in the face amount of \$275,000 with two accredited investors, totaling \$550,000. The Notes bears interest at 7% and were paid in full on November 4, 2011. As consideration for the Notes, the Company issued two shares of Series A convertible preferred stock, par value \$1.00 per share (the “Series A Convertible Preferred Stock”) (one share to be issued to each investor mandatorily convertible into Class A Common Stock equal to 1% of the outstanding common stock at the time of conversion (no later than January 15, 2012).

For the year ended December 31, 2011, the Company recorded interest expense of approximately \$20,000. The due date for the Notes was extended to November 4, 2011 when these notes were paid in full

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

*Operating Leases*

The Company leases approximately 7,000 square feet of space in, Livingston, NJ 07039 and pays rent on a month to month basis in the amount of \$6,333, which includes escalation charges for real estate taxes and other common area maintenance. The lease expires March 21, 2016. The Company uses its facilities to house its corporate headquarters and operations and believe that these facilities are suitable for such purpose. Total rent expense under these operating leases for the year ended December 31, 2011 and 2010 was \$87,950 and \$76,000, respectively.

The Company pays rent to an officer of SWK Technologies, Inc for the rental of office space. For the years ended December 31, 2011 and 2010, the Company paid \$25,200.

The following is a schedule of approximate future minimum rental payments for operating leases subsequent to the year ended December 31, 2011.

2012	\$ 75,996
2013	75,996
2014	75,996
2015	78,000
2016	81,000

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)**

*Employment agreements*

See Note 5 to the Financial Statements for information related to the employment agreement of Mark Meller.

**NOTE 12 – STOCKHOLDERS’ EQUITY**

*Series A Convertible Preferred Stock*

The Company issued to the each holder of the Notes one (1) share of Series A Convertible Preferred Stock (“Series A”), having the rights, preferences, privileges, powers and restrictions set forth in the Certificate of Designation filed with the Secretary of State of Delaware. The Company has the right to convert, at its sole option, each share of Series A into Class A Common Stock equal to 1% of the outstanding shares of Class A Common Stock at the time of conversion. The Company valued the Series A Convertible Preferred Stock at \$22,886 representing 1% of the outstanding shares deliverable multiplied by the fair market value of the stock on the date of issuance and recorded as debt discount, which has been amortized to interest expense during 2011. Each one share of Series A shall entitle the Series A Holder to voting rights equal to 2,666,667 votes of Class A Common Stock.

On January 13, 2012, each holder converted the one (1) of the Series A into 1,192,825 shares of Class A Common Stock.

*Series B Preferred Stock*

On September 23, 2011, SilverSun Technologies, Inc., entered into a Series B preferred stock purchase agreement (the “Preferred Stock Purchase Agreement”) with Mr. Mark Meller (the “Series B Holder”), pursuant to which the Series B Holder was issued one authorized share of Series B Preferred Stock (“Series B”), par value \$0.001 per share. The Series B Holder was issued one share of Series B as partial consideration for personally guaranteeing repayment of the Notes.

The Series B Preferred Stock has the rights, privileges, preferences and restrictions set for in the Certificate of Designation (the “Certificate of Designation”) filed by the Corporation with the Secretary of State of the State of Delaware (“Delaware Secretary of State”) on September 23, 2011.

The voting rights of the Series B shall be equal to (x) the total issued and outstanding Common Stock and preferred stock eligible to vote at the time of the respective vote divided by (y) forty nine one-hundredths (0.49) minus (z) the total issued and outstanding Common Stock and preferred stock eligible to vote at the time of the respective vote. For the avoidance of doubt, if the total issued and outstanding Common Stock eligible to vote at the time of the respective vote is 5,000,000, the voting rights of the Series B Preferred Stock shall be equal to 5,204,082 (e.g.  $(5,000,000 / 0.49) - 5,000,000 = 5,204,082$ ).

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 12 – STOCKHOLDERS’ EQUITY (Continued)**

*Common Stock*

On May 17, 2011, the Company filed an Information Statement with the Securities and Exchange Commission, pursuant to Section 14C of the Securities Exchange Act of 1934, to the holders of Class A Common Stock (the “Series A Stockholders”) of SilverSun Technologies, Inc. to notify such Series A Stockholders that the Company received a unanimous written consent in lieu of a meeting of the holders of Series A. Each share of Series A has the equivalent of five billion (5,000,000,000) votes of Class A Common Stock. Currently, there are two holders of Series A (up to January 13, 2012), each holding one share of Series A Preferred, resulting in the Series A holding in the aggregate approximately 55.4% of the total voting power of all issued and outstanding voting capital of the Company (the “Majority Stockholders”). The Series A Stockholders consented to perform the following during 2011:

1. A 1-for-1,811 reverse stock split of the Company’s issued and outstanding shares of Class A Common Stock;
2. A decrease in the number of authorized shares of Class A Common Stock from ten billion (10,000,000,000) shares of Class A Common Stock to seven hundred and fifty million (750,000,000) shares of Class A Common Stock;
3. An amendment to the par value of blank check preferred stock from a par value \$1.00 per share to a par value \$0.001 per share.
4. A change in the conversion ratio at which the Class B Common Stock, par value \$.00001 per share of the Company converts into Class A Common Stock from (i) fifty percent (50%) of the lowest price ever paid for the issuance of Class A Common Stock for each one share of Class B Common Stock being converted to (ii) 1,975 shares of Class A Common Stock for each one share of Class B Common Stock;
5. The cancellation of Class C Common Stock, par value \$.00001 per share.;
6. A change in the name of the Company from Trey Resources, Inc. to SilverSun Technologies, Inc.

**NOTE 13 - STOCK OPTIONS AND WARRANTS**

2005 Stock Incentive Plan

The Company adopted the 2005 Stock Incentive as amended Plan (the “2005 Plan”) in order to attract and retain qualified employees, directors, independent contractors or agents of the Company. Under the Plan, the Board of Directors (the “Board”), in its discretion may grant stock options (either incentive or non-qualified stock options) to employees, directors, independent contractors or agents to purchase the Company’s common stock at no less than 50% of the fair market price on the date the option is granted. Options generally vest over four years and have a maximum term of ten years.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
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**NOTE 13 - STOCK OPTIONS AND WARRANTS (Continued)**

2007 Consultant Stock Incentive Plan

The Company adopted the 2007 Consultant Stock Incentive Plan (the "2007 Plan") to: (i) provide long-term incentives, payment in stock in lieu of cash and rewards to consultants, advisors, attorneys, independent contractors or agents ("Eligible Participants") of the Company; (ii) assist the Company in attracting and retaining independent contractors or agents with experience and/or ability on a basis competitive with industry practices; and (iii) associate the interests of such independent contractors or agents with those of the Company's stockholders. Total shares issuable under this plan may not exceed twenty (20) percent of the issued and outstanding shares of the Company's Class A Common Stock

2004 Directors' and Officers' Stock Incentive Plan

The Company adopted the 2004 Directors' and Officers' Stock Incentive Plan (the "2004 D&O Plan") in order to provide long-term incentive and rewards to officers and directors of the Company and subsidiaries and to attract and retain qualified employees, directors, independent contractors or agents of the Company. Under the Plan, the Board, in its discretion may grant stock options (either incentive or non-qualified stock options) to employees, directors, independent contractors or agents to purchase the Company's common stock at no less than 50% of the market price on the date the option is granted. Options generally vest over four years and have a maximum term of ten years.

No securities were issued under these plans for the years ended December 31, 2011 and 2010, and there were no options issued or outstanding as of December 31, 2011 and 2010.

Warrants Outstanding

During 2011 the Company issued approximately 552,000 warrants for services with a fair value of approximately \$107,000. The estimated fair value of the warrant has been calculated based on a Black-Scholes pricing model using the following assumptions: a) fair market value of stock of \$0.22638; b) exercise price of \$0.1811; c) Dividend yield of 0%; d) Risk free interest rate of 0.30%; e) expected volatility of 230.47%; f) Expected life of 1.5 years..

Unexpired warrants outstanding are as follows as of December 31, 2011:

<u>Expiration Date</u>	<u>Exercise Price</u>	<u>Shares</u>
July 11, 2012	27.17	2,000
November 7, 2012	0.18	552,000
		<u>554,000</u>

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
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**NOTE 13 - STOCK OPTIONS AND WARRANTS (Continued)**

The following table summarizes the warrants transactions:

	<u>Warrants Outstanding</u>	<u>Weighted Average Exercise Price</u>
Balance, January 1, 2010	2,000	\$ 29.572
Granted	-	\$ .000
Exercised	-	\$ .000
Canceled	-	\$ .000
Balance, December 31, 2010	<u>2,000</u>	<u>\$ 29.572</u>
Granted	552,000	\$ .1811
Exercised	-	\$ .0000
Canceled	-	\$ .0000
Balance, December 31, 2011	<u>554,000</u>	<u>\$ .2711</u>
Outstanding and Exercisable, December 31, 2011	<u>554,000</u>	<u>\$ .2694</u>
Outstanding and Exercisable, December 31, 2010	<u>2,000</u>	<u>\$ 28.976</u>

**NOTE 14 – LINE OF CREDIT**

In October 2011 the Company negotiated a line of credit from a bank. The agreement included a borrowing base calculation tied to accounts receivable with a maximum availability of \$750,000. As of December 31, 2011, the availability under this line was approximately \$533,000 based upon eligible collateral at December 31, 2010. Interest on outstanding balances is payable daily at an interest rate that is two and three quarters percentage points (2.75%) above the Prime Rate. The Company's interest rate was 6% as of December 31, 2011. The line is collateralized by substantially all of the assets of the Company and is guaranteed by the Company's CEO. The credit facility required the Company to pay a monitoring fee of 0.315% of eligible collateral to be paid monthly. An annual facility fee equal to one percent (1%) of the Maximum Credit is assessed upon the initial funding, annually thereafter. The term of the agreement is for three years and expires in October 2014. As of December 31, 2011 there was no outstanding balance open under this agreement.



**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
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**NOTE 15 – FAIR VALUE MEASUREMENTS**

The Company's current financial assets and liabilities approximate fair value due to their short term nature and include cash, accounts receivable, accounts payable, capital leases and various short-term borrowings.

The following table provides a summary of the changes in fair value of the Company's level 3 financial liabilities from December 31, 2010 through December 31, 2011 as well as the portion of gains or losses included in income attributable to unrealized gains or losses related to the liability held at December 31, 2011:

<b>Fair value, December 31, 2010</b>	\$ (1,177,845)
<b>Total gains or losses included in earnings:</b>	
Net change in unrealized gain (loss), net	415,856
New issuances	(104,821)
Debt extinguishment	767,279
Meller promissory note	99,531
	-
<b>Fair value, December 31, 2011</b>	<u><u>\$ -</u></u>

Gains and losses from the change in derivative liabilities are included in other income (expense) on the statement of operations.

**NOTE 16 – SUBSEQUENT EVENT**

***Series A Preferred Stock - Conversion***

In 2012, each holder of the Series A Preferred Stock converted into approximately 1,193,000 shares of Class A Common Stock, which resulted in a total aggregated issuance of approximately 2,386,000

***Letter of Intent – HighTower, Inc.***

On March 26, 2012, the Company signed a letter of intent to acquire the assets of HighTower, Inc., a leading Chicago-based reseller of Sage Software products. It is anticipated that the transaction, which is subject to the signing of definitive agreements and customary closing conditions, will close within the next 30 days. The final terms of the agreement are being finalized.



**LOAN  
AND  
SECURITY AGREEMENT**

**Between**



**As Lender**

**and**

**SilverSun Technologies, Inc.  
fka Trey Resources, Inc. and  
SWK Technologies, Inc.**

**as Borrowers**

**and**

**Mark M. Meller**

**as Guarantor**

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## LOAN AND SECURITY AGREEMENT

(ABL)

THIS LOAN AND SECURITY AGREEMENT is entered into and made October 26, 2011, by

(“Lender”), and SilverSun Technologies, Inc. fka Trey Resources, Inc. a Delaware corporation, and SWK Technologies, Inc., a Delaware corporation (individually and collectively referred to hereinafter as “Borrower”).

1. **Definitions.** All capitalized terms not herein defined shall have the meaning set forth in the Uniform Commercial Code (“UCC”). As used herein, the term:

“Accounting Standards” means: (i) in the case of financial statements and reports, conformity with generally accepted accounting principles, fully and fairly representing the financial condition as of the date thereof and the results of operations for the period or periods covered thereby, consistent with other financial statements of that company previously delivered to Lender; and (ii) in the case of calculations, definitions, and covenants, generally accepted accounting principles consistent with those used in the preparation of financial statements of Borrower and Guarantor previously delivered to Lender.

“Accounts” means any and all accounts as defined in the UCC, accounts receivable, any and all amounts owing to Borrower under any rental agreement or lease, payments on construction contracts, promissory notes, or on any other indebtedness, any rights to payment customarily or for accounting purposes classified as accounts receivable, and all rights to payment, proceeds or distributions under any contract of Borrower, presently existing or hereafter created, however created or evidenced, and all proceeds thereof.

“Account Debtor” means any Person obligated for payment of any Account.

“Advance Rate” means that percentage of the face amount of Eligible Accounts which may be advanced by Lender to Borrower as a Loan or series of Loans under the terms of this Loan Agreement, which advance rate percentage is more fully set forth on Schedule A attached hereto.

“Advances” means any Loan proceeds or other sums loaned, advanced or charged to Borrower under the terms of this Loan Agreement.

“Borrower” means SilverSun Technologies, Inc. aka SilverSun Technologies, Inc. fka Trey Resources, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors, and, if permitted, assigns and SWK Technologies, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors, and, if permitted, assigns.

“Borrower’s Deposit Account” means any demand deposit account maintained by Borrower or represented by an officer or director of Borrower to be maintained by Borrower, and any other account of Borrower into which Borrower directs Lender to make advances or payments of any Obligations owed by Lender to Borrower.

“Borrowing Base Certificate” means that certain borrowing base certificate referenced in Sections 2.4 and 7.6 (iii) herein.

“Business Day” means any day not a Saturday, Sunday, legal holiday in the State of Utah, or day on which state or national banks in the State of Utah are authorized to close.

“Clearance Days” means three (3) Business Days.

“Collateral” means any collateral now or hereafter described in any Security Documents, including without limitation, any financing statement, continuation statement, financing change statement, amendment or similar filing or registration statement filed against Borrower naming Lender as the secured party, and any mortgage, deed, deed of trust, or other security instrument, and shall include all of Borrower’s right, title and interest in, to and under the following property, now owned or hereafter acquired:

(i) All Accounts, Chattel paper, General Intangibles (including, but not limited to, tax refunds, registered and unregistered patents, trademarks, service marks, copyrights, trade names, trade secrets, customer lists and licenses), Documents, Instruments, securities, deposit accounts and certificates of deposit;

(ii) All Goods, including, but not limited to, all Eligible Inventory (the term “Eligible Inventory” shall include all raw materials, work in progress and finished goods, which are subject to no security interest, lien, or encumbrance of any nature whatsoever with priority over the security interest created by the Loan Documents, except any liens for current taxes and assessments which are not delinquent, but excluding inventory which, in the sole discretion of Lender, is damaged, stale, out-dated, obsolete, or otherwise unacceptable to Lender), wherever located.

(iii) All Equipment and fixtures, wherever located, and all additions, substitutions, replacements (including spare parts), and accessions thereof and thereto;

(iv) All books and records relating to all of the foregoing property and interests in property, including, without limitation, all computer programs, printed output and computer readable data in the possession or control of the Borrower, any computer service bureau or other third party;

(v) All Investment property;

(vi) All Real Property identified in any mortgage, deed, deed of trust or other security or encumbrance instrument executed by or for the benefit of Borrower, in favor of or for the benefit of Lender;

(vii) All Proceeds of the foregoing, including but not limited to, all insurance proceeds, all claims against third parties for loss or destruction of or damage to any of the foregoing, and all income from the lease or rental of any of the foregoing.

“Effective Date” shall mean the date the parties intend this Loan Agreement to become binding and enforceable, which is the date this Loan Agreement is accepted and executed by Lender at set forth in Lender’s signature block of this Loan Agreement.

“Eligible Account” means an Account of Borrower which meets the following specifications at the time it is created and at all times thereafter until collected in full.

(a) The Account meets all applicable representations and warranties concerning the Collateral set forth in the Loan Documents.

(b) The Account is due and payable not more than sixty (60) days from the date of the invoice evidencing the Account, and is not more than ninety (90) days past the date of invoice.

(c) The Account is a bona fide obligation of the Account Debtor for the amount identified on the records of Borrower, and there have been no payments, deductions, credits, payment terms, or other modifications or reductions in the amount owing on such Account except (i) as shown on the face of the invoice, (ii) discounts allowed in the ordinary course of business which have been disclosed in the Borrowing Base Certificate; and (iii) as otherwise shown on the records of Borrower and disclosed to Lender prior to Lender making any advance based upon the Account.

(d) There are no defenses or setoffs to payment of the Account which can be asserted by way of defense or counterclaim against Borrower or Lender, and to the best knowledge of the Borrower the Account will be timely paid in full by the Account Debtor.

(e) Performance of all services giving rise to the Account has been completed and all goods giving rise to the Account have been delivered, and Borrower has possession of or has submitted to Lender shipping or delivery receipts for all such goods.

(f) All services performed and goods sold which give rise to the Account have been rendered or sold in compliance with all applicable laws, ordinances, rules and regulations, and were performed or sold in the ordinary course of Borrower's business.

(g) There have been no extensions, modifications, or other agreements relating to payment of the Account except as otherwise shown on the face of the invoice and disclosed in writing to Lender prior to Lender making any advance based upon the Account.

(h) The Account Debtor is located or authorized to do business within the United States or Canada (excluding the Province of Quebec) and maintains an office and transacts business in the United States of America, and the Account is payable exclusively in U.S. currency, or the Account is backed by a letter of credit or credit insurance in a form and issued by a bank or insurer, as the case may be, acceptable to Lender in Lender's sole discretion.

(i) No proceeding has been commenced or petition filed under any bankruptcy or insolvency law by or against the Account Debtor; no receiver, trustee or custodian has been appointed for any part of the property of the Account Debtor; and no property of the Account Debtor has been assigned for the benefit of creditors.

(j) If twenty-five percent (25%) or more of the Accounts owing to Borrower by any particular Account Debtor do not meet the specifications of Paragraph (b) of this definition of Eligible Accounts, all Accounts owing by such Account Debtor shall not be Eligible Accounts.

(k) The Account is not owing by an Account Debtor for whom the terms of sale by Borrower are cash on delivery or otherwise considered or treated as a cash sale.

(l) The Borrower does not owe an account payable to the Account Debtor which could be set off against the Borrower's receivable Account.

(m) If the total of all outstanding Accounts owing by any single Account Debtor to Borrower equals twenty-five percent (25%) or more of the total outstanding current Accounts owing to Borrower, the amount of Accounts owing by that Account Debtor which equal or exceed this twenty-five percent (25%) requirement shall not be Eligible Accounts unless Lender has received satisfactory credit information concerning the account debtor and Lender has agreed in writing to accept the amount in excess of this twenty-five percent (25%) requirement as Eligible Accounts.

(n) The Account is not subject to any type of retainage by the Account Debtor.

(o) The Account does not arise from goods placed on consignment, guaranteed sale, or other terms by reason of which the payment by the Account Debtor may be conditional.

(p) The Account is not owing by an employee, officer, or director of Borrower.

(q) The Account is not owing by a parent, subsidiary, sister company, or other company related to or an affiliate of Borrower.

(r) The Account is not owing by an Account Debtor deemed by Lender in its sole discretion to be unacceptable.

(s) The Account is not related to maintenance plans whereby the Borrower's customer is allowed to pay on extended terms involving future services. Lender will consider as an Eligible Account, the portion of Accounts related to maintenance plans that are currently due.

**"Equity Interest(s)"** means the stock, membership interest, partnership interest, and each and every other form of legal and/or beneficial ownership in or to any business entity or concern.

**"Event of Default"** shall have the meaning set forth in Section 8.1 (Events of Default).

**"Facility"** means the loan or line of credit facility established for Borrower by Lender pursuant to the terms of this Loan Agreement.

**"Fees"** means those fees, costs and expenses chargeable to Borrower pursuant to Section 2.5 herein.

**"Guarantee"** means each guarantee described in Section 4 (Guarantee), and any and all schedules, exhibits, amendments, addendums, modifications, replacements, additions, or restatements hereto, whether presently existing or created in the future.

**"Guarantor"** means each Person guaranteeing the payment and performance of the Obligations, which Persons are more fully set forth and identified on Schedule A attached hereto, and their respective successors and authorized assigns.

**"Lender"** means Transportation Alliance Bank Inc., its successors, and assigns.

**"Loan"** means the loan(s) to be made pursuant to this Loan Agreement, as more fully described in Section 2 (Loan Description) hereof.

**"Loan Agreement"** means this Loan and Security Agreement, together with any schedules, exhibits, amendments, addendums, modifications, replacements, additions, or restatements hereto, whether presently existing or created in the future.

**"Loan Documents"** means the Loan Agreement, Promissory Note, Guarantee, Security Documents, all other agreements and documents contemplated by any of the aforesaid documents, and all schedules, exhibits, amendments, addendums, modifications, replacements, additions, or restatements thereto, whether presently existing or created in the future.

**"Lockbox"** shall have that meaning ascribed thereto in Section 2.4(c)

of this Agreement.

**"Material Adverse Effect"** means: (i) a material adverse change in, or a material adverse effect upon the operations, business, assets, property, liabilities (actual or contingent) or financial condition of the Borrower or any Guarantor; (ii) a material impairment of the rights and remedies of Lender under the Loan Documents; (iii) a material impairment of the ability of the Borrower or any Guarantor to perform any of their respective Obligations under the Loan Documents; or (iv) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or any Guarantor of any of the Loan Documents to which they are a party.

**"Maximum Available Credit"** an amount equal to the face amount of all Eligible Accounts multiplied by the Advance Rate, less all outstanding unpaid Advances, and less all other interest, fees, charges, penalties and other amounts due and owing to Lender under the Loan Documents, provided however, such maximum available credit amount shall never exceed the Maximum Credit Amount except as provided in Section 2.6 herein.

**"Maximum Credit Amount"** means the amount set forth in Schedule A attached hereto, or such other amount as Lender shall deem appropriate in its sole discretion, representing the maximum amount of Advances which may be made to Borrower under the Loan Documents.

**"Notation"** means the following notation: "Please remit any and all payment amounts to SilverSun Technologies, Inc. aka SilverSun Technologies, Inc. fka Trey Resources, Inc. and SWK Technologies, Inc., at P.O. Box 151013, Ogden, Utah 84415."

**"Obligations"** means all present and future obligations owing by Borrower to Lender pursuant to the Loan Documents, whether or not for the payment of money, whether or not evidenced by any note or other instrument, whether direct or indirect, absolute or contingent, due or to become due, joint or several, primary or secondary, liquidated or unliquidated, secured or unsecured, original or renewed or extended, whether arising before, during or after the commencement of any bankruptcy, insolvency or other similar proceeding in which Borrower is a debtor or an insolvent debtor.

**"Organizational Documents"** means, in the case of a corporation, its Articles of Incorporation and By-Laws; in the case of a general partnership, its Articles of Partnership; in the case of a limited partnership, its Articles of Limited Partnership; in the case of a limited liability company, its Articles of Organization and Operating Agreement or Regulations, if any; in the case of a limited liability partnership, its Articles of Limited Liability Partnership; or alternatively, in each case, the legal equivalent thereof in the jurisdiction of its organization, together with schedules, exhibits, amendments, addendums, modifications, replacements, additions, or restatements of the foregoing, which are in effect.

**"Permitted Acquisitions"** means: (a) acquisitions by Borrower of assets (other than Equity Interests) of another Person, and/or (b) acquisitions by Borrower of no less than eighty percent (80%) of the issued and outstanding Equity Interests of another Person; provided however, that no such acquisition shall constitute a Permitted Acquisition unless:

- (i) in the event of acquired assets under Section (a) above, all such assets must be assets used in the same general line of business in which Borrower is engaged at the time of the acquisition;
- (ii) in the case of acquired Equity Interests under Section (b) above, the acquired entity is and shall at all times during the

term of this Agreement remain a subsidiary of Borrower or be merged into Borrower, as the case may be.

- (iii) at the time of the consummation of such acquisition, and after giving effect thereto and to the requirements of this Agreement and the other Loan Documents:
  - (1) No Material Adverse Effect, Default or Event of Default exists or would result therefrom;
  - (2) Borrower shall be, and shall remain in full compliance with all financial covenants;
  - (3) the total aggregate consideration (in whatever form, and including, without limitation, the assumption of debt) paid or payable by Borrower in connection with all acquisitions during the term of this Agreement pursuant to Sections (a) and (b) of this definition is collectively less than One Million Dollars (\$1,000,000.00).
- (iv) Bank shall have received a certificate, in form and substance satisfactory to Bank, from a knowledgeable Senior Officer of Borrower, certifying to all matters set forth in Sections (i) through (iii) of this definition.

**"Person"** means any individual, corporation, limited liability company, partnership, trust, and/or any other legal entity or organization.

**"Promissory Note"** means the promissory note to be executed by Borrower pursuant to Section 2.3 (*Promissory Note*), and any and all schedules, exhibits, amendments, addendums, modifications, renewals, extensions, replacements, or restatements thereof, whether presently existing or created in the future, the original Effective Date of which shall be the same as the Effective Date of this Loan Agreement.

**"Security Documents"** means all security agreements, assignments, pledges, financing statements, deeds of trust, mortgages, and other documents which create or evidence any security interest, assignment, lien or other encumbrance in favor of Lender to secure any or all of the Obligations, and all schedules, exhibits, amendments, addendums, modifications, renewals, extensions, replacements, or restatements thereof, whether presently existing or created in the future.

**"Senior Officer"** means, with the president, vice-president or secretary of Borrower appointed by Borrower's governing board, or such other person of senior management having absolute authority to make representations, warranties, and otherwise bind Borrower in transactions and/or contracts involving Borrower and any Person, including without limitation, the matters for which a Senior Officer is required to act under the terms of this Agreement.

**"SilverSun Debt Repayment"** means a Lender required repayment by Borrower of that certain debt of Borrower to its parent company, SilverSun Technologies, Inc. fka Trey Resources, Inc., the total amount of which debt is the sum of Four Hundred Twenty Five Thousand Dollars (\$425,000.00), which shall be repaid with proceeds from Lender's initial Advance to Borrower under the terms of this Agreement.

**"Subordinate Debt"** means any notes or obligations due from Borrower to any person or entity which are subordinate, in a form acceptable to Lender, in all respects to the Obligations of Borrower to Lender, as well as any other Obligations which Borrower has to Lender.

## 2. Loan Description

**2.1 Loan Terms.** Upon fulfillment of all conditions precedent set forth in this Loan Agreement, and so long as no Event of Default exists

which has not been timely cured or waived and no other breach has occurred under the Loan Documents which has not been timely cured or waived, Lender agrees to loan to Borrower an amount equal to or less than the Maximum Available Credit. The Loan shall be a revolving loan payable in full upon the date and upon the terms and conditions provided in the Promissory Note. Lender and Borrower intend the Loan to be in the nature of a line of credit under which Borrower may repeatedly draw funds on a revolving basis in accordance with the terms and conditions of this Loan Agreement and the Promissory Note. The right of Borrower to receive Advances, and the obligation of Lender to pay Advances shall not accrue until all of the conditions set forth in Section 5 (*Conditions to Loan Disbursements*) have been fully satisfied, and shall terminate: (i) upon occurrence of an Event of Default; or (ii) upon maturity of the Promissory Note (unless the Promissory Note is renewed or extended by Lender, in which case such termination shall occur upon the maturity of the final renewal or extension of the Promissory Note). Upon such termination, any and all amounts owing to Lender pursuant to the Loan Documents shall thereupon be due and payable in full.

**2.2 Term; Effective Date.** This Loan Agreement shall be effective as of the Effective Date, and will continue in full force and effect for the Original Term as set forth in Schedule A attached hereto. Thereafter, this Loan Agreement shall be further extended automatically for successive periods of one (1) year (each a "**Renewal Term**"), unless either party shall give the other Party written notice of its intention to terminate at least ninety (90) days prior to the expiration of the Original Term or any Renewal Term, as applicable, whereupon this Agreement shall terminate upon such stated termination date. Upon termination, Borrower shall immediately pay all Obligations to Lender.

**2.3 Promissory Note.** The Loan shall be evidenced by a Promissory Note in the amount of the Maximum Credit Amount. The Promissory Note shall be executed and delivered to Lender upon execution and delivery of this Loan Agreement.

#### **2.4 Borrowing and Operational Procedures.**

**(a) Borrower Requests for Advances.** Borrower shall give Lender written notice of any Advances requested under the Loan Documents.

**(b) Borrowing Base Certificate.** Borrower shall execute and deliver to Lender at the time of each request for an Advance, monthly, and at such other frequency as Lender may request from time to time, a Borrowing Base Certificate in the form attached hereto as Schedule B, the terms of which are incorporated herein by this reference. The Borrowing Base Certificate shall describe all Accounts created or acquired by Borrower. Borrower hereby grants to Lender a security interest in and to all such Accounts and Collateral. Borrower acknowledges and agrees that Borrower's failure to execute and deliver any such Borrowing Base Certificate to Lender shall not affect or limit Lender's security interest or other rights in and to the Accounts or the Collateral. Borrower hereby acknowledges and agrees not to sell, factor or otherwise finance its Accounts except with Lender.

**(c) Lockbox.** Unless otherwise instructed by Lender, Borrower shall submit invoices on Accounts to Account Debtors and effectuate collection of such Accounts for Lender, provided however, that Borrower does, and shall at all times hereafter irrevocably direct any and all Account Debtors obligated on any Account to remit all past, present and future payment amounts on such Accounts to a post office box, lock box or blocked account (hereafter "**Lockbox**") as Lender may establish and/or designate to Borrower. Borrower agrees that, before sending any invoice evidencing an Account to any Account Debtor, Borrower shall mark such

invoice with the Notation, or such other notation as Lender shall have advised Borrower in writing. Except as specifically set forth herein, Borrower shall not accept direct payment for any Account and in the event an Account Debtor makes payment to Borrower on an Account, Borrower shall immediately deliver such payment to Lender. If payment is made in cash, such payment shall be immediately delivered to Lender. If payment is made by check or similar instrument, such instrument shall be immediately delivered to Lender in the form received without negotiation and any payments received by Borrower on any Account shall be held in trust by Borrower for Lender.

**(d) Lender's Rights.** Borrower acknowledges and agrees that Lender or its designee may in the Event of Default: (a) notify any and all Account Debtors that the Accounts have been assigned to Lender or of Lender's security interest therein; (b) collect all Accounts directly and charge the collection costs and expenses to the Facility, (c) verify with any entity and by any means deemed necessary or appropriate by Lender, the validity and amount or any other matter relating to any Account, (d) in the name of Lender, Borrower, or otherwise, enforce payment and collect by legal proceedings or otherwise the Accounts and take control in any manner any cash or non-cash items of payments or proceeds of Accounts; and (e) require Borrower to give notice of Lender's security interest in the Accounts, and/or the existence of any other Obligation owed by Borrower to Lender, all in a form and format acceptable to Lender, to any Account Debtor or other obligor with notice requiring such Account Debtor or other obligor to pay the Account or other obligation directly to Lender at such address as may be designated by Lender.

**(e) Account Dispute Notifications.** Borrower shall immediately notify Lender of any material dispute between Borrower and an Account Debtor concerning any Account, and of any bankruptcy filing, lien, garnishment or other legal action concerning said Accounts. However, Borrower shall not, without Lender's prior written consent, materially compromise or materially adjust any Account or grant any additional material discounts, allowances or credits thereon.

**(f) Application of Payments.** All checks, instruments or any other forms of payment received by Lender in connection with any Account or Obligation will be credited to the Facility or other applicable Obligation, subject to final collection, upon identification and receipt by Lender, provided, however, that for the purposes of calculation of interest, such conditional credit will be made in accordance with the calculation of Clearance Days, as calculated by Lender in its discretion, or such other period of time deemed necessary or appropriate by Lender to allow for the collection of verified funds on such Account proceeds. Lender is hereby authorized to receive and open all such payments and retain such amounts as are owing to Lender and Borrower authorizes Lender to accept, endorse and deposit on behalf of Borrower any checks tendered by an Account Debtor "in full payment" of its obligation to Borrower. Borrower shall not assert against Lender any claim arising therefrom, irrespective of whether such action by Lender effects an accord and satisfaction of Borrower's claims, under Section 3-311 of the Uniform Commercial Code, or otherwise.

**(g) Borrower Authorizations; Power of Attorney.** Borrower hereby irrevocably authorizes Lender and any designee of Lender, as attorney for Borrower with power to, at Borrower's expense, exercise at any time any of the following powers until all of the Obligations have been paid in full: (i) receive, take, endorse, assign, deliver, accept and deposit, in the name of Lender or Borrower, any and all cash, checks, notes, commercial paper, drafts, money orders, remittances and other instruments and documents relating to the Accounts or Collateral or the proceeds thereof; (ii) take or bring, in the name of Lender or Borrower, all steps, actions, suits or proceedings deemed by Lender necessary or

desirable to effect collection of or other realization upon the Accounts and other Collateral; (iii) after an Event of Default, and under the condition precedent that Lender reasonable and in good faith believes that Borrower has or is currently engaged in fraud, or has abandoned the premises of business, or that Borrower has directed any Account Debtor to make payments directly to Borrower which will materially affect Borrower's interests under this Agreement, change the address for delivery of mail to Borrower and to receive, open and dispose of all mail addressed to Borrower, (iv) after an Event of Default, extend the time of payment of, compromise or settle for cash, credit, return of merchandise, and upon any terms or conditions, any and all Accounts or other Collateral which includes a monetary obligation and discharge or release any Account Debtor or other obligor (including filing of any public record releasing any lien granted to Borrower by such Account Debtor), without affecting any of the Obligations; (v) execute in the name of Borrower and file against Borrower in favor of Lender financing statements or amendments with respect to the Collateral; (vi) pay any sums necessary to discharge any lien or encumbrance which is senior to Lender's security interest in the Collateral, which sums shall be included as Obligations hereunder, and in connection with which sums interest shall accrue and shall be due and payable; (vii) file in the name of Borrower or Lender or both: (a) mechanic's lien or related notices or (b) claims under any payment bond, in connection with goods or services sold by Borrower in connection with the improvement of realty. Borrower ratifies and approves all acts of Lender as attorney. Borrower acknowledges and agrees that in order to satisfy any of the Obligations, Lender is hereby authorized by Borrower to initiate electronic debit or credit entries through the ACH system to Borrower's Account or any other deposit account maintained by Borrower wherever located. Borrower may only terminate this authorization by giving Lender thirty (30) days' prior written notice of termination.

## 2.5 Fees.

(a) **Origination/Annual Fee.** Upon execution and delivery of this Loan Agreement, Borrower shall pay to Lender an origination fee in the amount of one percent (1.00%) of the Maximum Credit Amount. Additionally, on each anniversary of the Effective Date, so long as the Loan has not been terminated, Borrower shall pay to Lender an annual fee in an amount equal to one percent (1.00%) of the Maximum Credit Amount. No portion of any origination fee or annual fee paid shall be refundable in the event of any early termination of this Loan Agreement or upon any termination or reduction of the right of Borrower to request Advances under the Loan Documents. Lender is authorized, upon execution of this Loan Agreement, to advance and disburse to Lender on Borrower's behalf (in the form of an Advance chargeable to Borrower) an amount sufficient to pay the origination fee in full, and thereafter to annually pay the annual fee to Lender. The existence of such right of self payment shall not relieve Borrower from any Obligation to pay the same where such right has not been exercised by Lender.

(b) **Termination Fee.** If Borrower elects to terminate the Loan at any time prior to the maturity of the Promissory Note, Borrower shall provide Lender with at least sixty (60) days prior written notice of Borrower's intent to terminate the Loan. Upon any such termination, or, if payment of the Loan is otherwise accelerated due to an Event of Default, then in addition to any other fees paid or payable by Borrower under the Loan Documents, Borrower shall pay to Lender an early termination fee calculated as follows: (i) if such termination or acceleration occurs within less than one (1) year of the Effective Date, the early termination fee shall be two percent (2.00%) of the Maximum Credit Amount; and (ii) if such termination or acceleration occurs more than one (1) year after the Effective Date, the early termination fee shall be one percent (1.00%) of the Maximum Credit Amount.

(c) **Collateral Monitoring Fee.** Borrower shall pay to Lender a monthly collateral monitoring fee in the amount equal to three hundred fifteen thousandths percent (0.315%) of the Eligible Account.

(d) **Unused Line Fee.** Borrower shall pay to Lender a monthly unused line fee, in the amount of zero percent (0%) per annum of the unused portion of the Maximum Credit Amount, calculated on the daily unused portion of the Maximum Credit Amount. The unused line fee shall be payable monthly, in arrears, and shall be due upon receipt of a statement therefor from Lender.

(e) **Other Fees.** Borrower shall pay to Lender all out-of-pocket expenses incurred by Lender in administering this Agreement, including but not limited to legal fees, accountants' fees, recording fees, wire transfer fees, postage, periodic UCC or tax lien searches, title searches, title insurance, credit investigations, due diligence, and audit fees.

(f) **Payment of Fees.** All Fees payable by Borrower hereunder shall be paid by Borrower, at Lender's sole option, by: (i) deducting said amounts from Borrower requested or Lender initiated Advances; (ii) debiting said amounts from any Borrower's Account; or (iii) Borrower's payment of said amounts in cash or other good funds acceptable to Lender, immediately upon demand therefore by Lender.

2.6 **Limitations on Advances.** Notwithstanding anything to the contrary in the Loan Documents, Borrower may not request or demand that Advances shall be made on the Loan under the Promissory Note in excess of the Maximum Available Credit. Borrower shall at all times maintain Eligible Accounts such that the total, aggregate, principal amount of all Advances at any time outstanding and unpaid does not exceed the Maximum Available Credit. Lender may, in its sole and absolute discretion, and from time to time make Advances resulting in the total, aggregate, principal amount of all Advances outstanding and unpaid exceeding the Maximum Available Credit. In such event, Borrower shall, upon demand by Lender, make payment to Lender in an amount sufficient to make the total amount of Borrower's Obligations under the Loan Documents equal to or less than the Maximum Available Credit.

2.7 **Account Stated.** Lender may submit or make available to Borrower from time to time, statements, data, reports or other account information (collectively the "Statements"), setting forth the status of transactions arising hereunder. All Statements shall be considered correct and binding upon Borrower as an account stated, except to the extent that Lender receives, within sixty (60) days after such Statements are made available to Borrower, written notice from Borrower of any specific exceptions by Borrower to any particular Statement; provided however, the Statements shall be binding against Borrower as to any items to which Borrower has not expressly objected.

## 3. Security for Loan

3.1 **Collateral.** The Loan, Promissory Note, and all Obligations of Borrower arising under the Loan Documents shall be secured by the Collateral.

### Intentionally Omitted

4. **Guarantee.** Upon execution and delivery of this Loan Agreement, Borrower shall cause each Guarantor to execute and deliver to Lender a Guarantee in a form acceptable to Lender.

## 5. Conditions to Loan Disbursements.



**5.1 Conditions Precedent.** Lender's obligation to make Advances is expressly subject to, and shall not arise until all of the conditions set forth below have been satisfied and all documents referred to below are in a form and substance acceptable to Lender.

(a) All of the Loan Documents, together with all other documents contemplated between the parties or required by Lender to be delivered to Lender prior to funding have been fully executed and delivered to Lender.

(b) All of the documents contemplated by the Loan Documents which require filing or recording have been properly filed and recorded so that all of the liens and security interests granted to Lender in connection with the Loan Documents are properly created and perfected and have a priority acceptable to Lender.

(c) All other conditions precedent provided in or contemplated by the Loan Documents or any other agreement or document between the parties have been fully satisfied or waived in a writing signed by Lender.

(d) As of the date of each Advance, the following shall be true and correct: (i) all representations and warranties made by Borrower and each Guarantor in the Loan Documents are true and correct; and (ii) no Event of Default has occurred which has not been cured or waived and no conditions exist and no event has occurred, which, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

(e) A pre-Advance Collateral audit may be conducted by Lender or an independent third party with results acceptable to Lender.

All conditions precedent set forth in this Loan Agreement and any other Loan Documents are for the sole benefit of Lender and may be unilaterally waived by Lender at Lender's sole option.

**5.2 No Default, Adverse Change, False or Misleading Statement.** Lender's obligation to make Advances at any time pursuant to the Loan Documents may, in Lender's sole discretion, be suspended or terminated upon the occurrence of any Event of Default, any event which could have a Material Adverse Effect, or upon any determination by Lender that any of Borrower's or any Guarantor's representations made in any of the Loan Documents were when made, or have subsequently become, false or materially misleading. Upon the exercise of such discretion, Lender may in its sole discretion: (i) suspend any further performances by Lender under the Loan Documents until such events, conditions or defaults are remedied by Borrower or waived in writing by Lender; or (ii) terminate the Loan, and be relieved of all further obligations under the Loan Documents (provided that in the event of such termination, Borrower shall remain liable to Lender for all outstanding Obligations under the Loan Documents).

## **6. Borrower Representations and Warranties**

**6.1 Organization and Qualification.** Each Borrower which is a corporation, limited liability company, partnership, or other legal entity other than an individual, hereby represents and warrants, on behalf of itself, that: (i) it is duly organized and existing under the laws of the State of its organization; (ii) that it is, and shall at all times during the term of the Loan be in good standing in the state of its organization, and be registered as a foreign corporation in each jurisdiction in which it conducts business where the conduct of its business requires foreign entity registration under applicable law; (iii) it is, and shall at all times during the term of the Loan remain duly qualified to do business in each jurisdiction where the conduct of its business requires qualification; (iv) it has, and shall at all times during the term of the Loan retain, the full power and authority to own its property and assets, and to conduct the business in which it engages, and

to enter into and perform its Obligations under the Loan Documents; (v) it has delivered to Lender accurate and complete copies of its Organizational Documents which are, and shall at all times during the term of the Loan remain, operative and in effect, and that such Organizational Documents have not been amended or modified from the form, or since the time last provided to Lender, and shall not be amended without Lender's prior written approval not to be unreasonably withheld; (vi) that the officers, directors, general partners, limited partners, managers, managing members and/or members, are as represented to Lender.

**6.2 Authorization.** Borrower represents and warrants that the execution, delivery, and performance by Borrower of the Loan Documents has: (i) been duly authorized by all necessary action on the part of Borrower, (ii) is not inconsistent with Borrower's Organizational Documents and resolution of Borrower's governing body, persons, or authority, where applicable; (iii) does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract, agreement, or other instrument or dealings to which Borrower is a party or by which it is bound. Borrower further represents and warrants that upon execution and delivery thereof, the Loan Documents will constitute the legal, valid, and binding agreements and Obligations of Borrower, enforceable in accordance with their respective terms.

**6.3 No Governmental Approval Necessary.** Borrower represents and warrants that no consent by, approval of, giving of notice to, registration with, or taking of any other action with respect to or by any federal, state, or local governmental authority or organization is required for Borrower's execution, delivery, or performance of the Loan Documents, or for said Person's execution, delivery performance of the Loan Documents to the extent set forth therein.

**6.4 Accuracy of Financial Statements.** Borrower represents and warrants that: (i) all of its financial statements heretofore or hereafter delivered to Lender have been and will be, at the time of their delivery to Lender, prepared in accordance with Accounting Standards; (ii) all of its financial statements heretofore or hereafter delivered to Lender do, and will, at the time of their delivery to Lender, fully and fairly materially represent Borrower's financial condition as of the date thereof and the results of Borrower's operations for the period or periods covered thereby, and are and will be consistent with other financial statements previously delivered to Lender; (iii) since the dates of the most recent financial statements delivered to Lender, there has been no event which would have a Material Adverse Effect on its financial condition; (iv) all of its pro forma financial statements heretofore or hereafter delivered to Lender have been, and will be, at the time of their delivery to Lender, prepared consistently with Borrower's actual financial statements, and have and will fully and fairly materially represent Borrower's anticipated financial condition and the anticipated results of Borrower's operation for the period or periods covered thereby.

**6.5 No Pending or Threatened Litigation.** Borrower represents and warrants that to Borrower's knowledge there are no actions, suits, or proceedings pending or threatened against or affecting Borrower in any court or before any governmental commission, board, or authority which, if adversely determined, would have a Material Adverse Effect.

**6.6 Full and Accurate Disclosure.** Borrower represents and warrants that this Loan Agreement, the financial statements referred to herein, any loan application submitted to Lender, and all other statements and documents furnished by Borrower to Lender in connection therewith contain no untrue statement of a material fact and omit no material fact necessary to make the statements contained therein or herein not misleading. Borrower represents and warrants that it has not failed to

disclose in writing to Lender any fact that would have a Material Adverse Effect

**6.7 Compliance with USA Patriot Act.** Borrower represents and warrants that it is not subject to any statute, rule, law, regulation, ordinance, order, restriction, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower, or from otherwise conducting business with Borrower.

**6.8 Compliance Other Applicable Law.** Borrower represents and warrants that it has complied with all applicable statutes, rules, regulations, ordinance, law, orders, and restrictions of any domestic or foreign government, or any instrumentality or agency thereof having jurisdiction over the conduct of Borrower's business or the ownership of its properties, which may have a Material Adverse Effect.

**6.9 Operation of Business.** Borrower represents and warrants that Borrower now possesses, and shall at all times during the term of the Loan possess, all licenses, permits, franchises, patents, copyrights, trademarks, and trade names, and/or other rights required to conduct its business substantially as now conducted and as presently proposed to be conducted, and Borrower is not in violation of any valid rights of others with respect to any of the foregoing.

**6.10 Payment of Taxes.** Borrower represents and warrants that Borrower has filed all tax returns (federal, state, and local) required to be filed, and has paid all withholding taxes, payroll taxes, employee taxes, income taxes, and all other taxes, assessments, governmental charges and levies of every kind whatsoever (including without limitation, all interest and penalties pertaining thereto), incurred or assessed in regards to Borrower's assets, business, employees and income, except such as are not yet due, or as are being contested in good faith by proper proceedings and as to which adequate reserves are maintained.

**7. Borrower's Covenants.** Borrower makes the following agreements and covenants, which shall continue so long as any Loan Document is in effect, and for so long as Borrower is indebted to Lender for any Obligations arising out of, identified in, or contemplated by the Loan Documents.

**7.1 Use of Proceeds.** Borrower shall use the proceeds of the Loan solely for Borrower's general working capital purposes and the SilverSun Debt Repayment. Borrower shall not, directly or indirectly, use any of the proceeds of the Loan for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, or to extend credit to any person or entity for the purpose of purchasing or carrying any such margin stock or for any purpose which violates, or is inconsistent with, Regulation X of said Board of Governors, or for any other purpose not permitted by Section 7 of the Securities Exchange Act of 1934, as amended, or by any of the rules and regulations respecting the extension of credit promulgated thereunder. Loan proceeds shall not be conveyed or transferred to, or used for the direct or indirect benefit of, any subsidiary, affiliate or parent entity of Borrower, except as may occur indirectly through Borrower's permitted use of proceeds for its own general working capital purposes.

**7.2 Compliance with USA Patriot Act.** Borrower shall: (a) not be or become subject at any time to any statute, rule, law, regulation, ordinance, order, restriction, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower; and (b) provide documentary and other evidence of Borrower's identity as may be

requested by Lender at any time to enable Lender to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

**7.3 Continued Compliance with Applicable Law.** Borrower shall: (i) conduct its business in a lawful manner and in material compliance with all applicable federal, state, and local laws, ordinances, rules, regulations, and orders; (ii) maintain all licenses, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, necessary or advisable to conduct its business, and shall not violate any valid rights of others with respect to any of the foregoing; and (iii) engage in a business of the same general type as now conducted, and shall not engage in any business not authorized by and not in accordance with its Organizational Documents and other governing documents.

**7.4 Prior Consent for Amendment or Change.** Borrower shall not modify, amend, waive, or otherwise alter, or fail to enforce, its Organizational Documents or other governing documents without Lender's prior written consent.

**7.5 Tax Filings; Payment of Taxes and Obligations.** Borrower shall: (i) timely file all tax returns (federal, state, and local) required to be filed, (ii) pay when due all withholding taxes, payroll taxes, employee taxes, income taxes, and all other taxes, assessments, governmental charges and levies of every kind whatsoever (including without limitation, all interest and penalties pertaining thereto), incurred or assessed in regards to Borrower's assets, business, employees and income, and (iii) pay when due all other material obligations of whatever nature or source, except in each case, such as are not yet due, or as are being contested in good faith by proper proceedings and as to which adequate reserves are maintained. If Lender deems itself to be insecure under the terms of the Loan Documents, Lender may require Borrower to post a bond in an amount not less than the amount being contested by Borrower.

**7.6 Financial Statements and Reports.** Borrower shall provide Lender with such financial statements and reports or direct Lender to the relevant publically filed document as Lender may reasonably request from time to time. All audited financial statements and reports shall be prepared in accordance with Generally Accepted Accounting Standards. All unaudited financial statements and reports shall fully and fairly represent Borrower's financial condition as of the date thereof and the results of Borrower's operations for the period or periods covered thereby and shall be consistent with other financial statements previously delivered to Lender. All reports shall be in a form acceptable to Lender. Unless otherwise directed by Lender, Borrower shall provide the following financial statements and reports to Lender or direct Lender to the relevant publically filed document:

(i) one (1) copy of the annual balance sheet and statements of income and retained earnings of SilverSun Technologies, Inc. fka Trey Resources, Inc. as of and for the year then ended, all in reasonable detail, including a statement of contingent liabilities, and stating in comparative form the figures for the corresponding date and period in the previous fiscal year plus a statement of cash flows, each compiled in accordance with Generally Accepted Accounting Standards and audited by an independent certified public accountant selected by SilverSun Technologies, Inc. fka Trey Resources, Inc., and each of which is otherwise in a form acceptable to Lender, to be delivered to Lender or directed to the relevant publically filed document as soon as available, but in any event not less than one hundred five (105) days after the end of each fiscal year. One (1) copy of the annual balance sheet and statements of income and retained earnings of SWK Technologies, Inc. as of and for the year then ended, all in reasonable detail, including a statement of contingent

liabilities, and stating in comparative form the figures for the corresponding date and period in the previous fiscal year plus a statement of cash flows, each compiled in accordance with Generally Accepted Accounting Standards and reviewed by an independent certified public accountant selected by SWK Technologies, Inc., and each of which is otherwise in a form acceptable to Lender, to be delivered to Lender as soon as available, but in any event not less than one hundred five (105) days after the end of each fiscal year. Such annual audited financial statements for SilverSun Technologies, Inc. fka Trey Resources, Inc. shall include both consolidated statements as well as consolidating worksheet, certification by the chief financial officer and chief executive officer of SilverSun Technologies, Inc. fka Trey Resources, Inc., that the annual financial statements fully and fairly represent SilverSun Technologies, Inc. fka Trey Resources, Inc.'s financial condition as of the date thereof and the results of operations for the period covered thereby, and are consistent with other financial statements previously delivered to Lender.

(ii) Within twenty (20) days after the end of each calendar month, in a form provided by or acceptable to Lender, monthly financial statements for each calendar month. The monthly financial statements shall include a certification by the chief financial officer or chief executive officer of Borrower that the monthly financial statements fully and fairly represent Borrower's financial condition as of the date thereof and the results of operations for the period covered thereby, and are consistent with other financial statements previously delivered to Lender.

(iii) At the time of any request for an Advance, and at such other frequency as Lender may request from time to time, and in any event not less frequently than once a month (to be provided within fifteen (15) days after the end of each calendar month), and in a form provided by or acceptable to Lender, a Borrowing Base Certificate demonstrating that the outstanding balance on the Loan is in compliance with the terms and conditions of this Loan Agreement. Unless otherwise directed by Lender, the Borrowing Base Certificate shall be in the form attached hereto as Schedule B.

(iv) Within fifteen (15) days after the end of each calendar month, in a form provided by or acceptable to Lender, a Compliance Certificate signed by chief financial officer or chief executive officer of Borrower certifying and demonstrating that (i) the Borrower is in compliance with all financial covenants of this Loan Agreement; and (ii) that no Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, has occurred and that there has been no material, adverse change in the financial or other condition of Borrower since the date of this Loan Agreement.

(v) Within fifteen (15) days after the end of each calendar month, and/or at such other frequency as Lender may request from time to time, in a form acceptable to Lender, a monthly accounts receivable aging report, describing all Borrower's Accounts, including, without limitation, total Accounts balance, current Accounts due, Accounts thirty (30) to sixty (60) days past due, Accounts sixty (60) to ninety (90) days past due, and all Accounts over ninety (90) days or more past due.

(vi) Within fifteen (15) days after the end of each calendar month, in a form provided by or acceptable to Lender, a monthly accounts payable aging report within ten (10) days of the end of each calendar month, providing information relating to total payable balance, current payables due, payables thirty (30) to sixty (60) days past due and all payables over sixty (60) days past due, in a form acceptable to Lender.

(vii) In the event the Collateral includes Eligible Inventory, then within fifteen (15) days of the end of each calendar month, and/or at such other frequency as Lender may request from time to time, in a form

provided by or acceptable to Lender, a monthly report of all Eligible Inventory on hand.

(viii) Within fifteen (15) days of the end of each calendar quarter, Borrower shall submit to Lender, per Lender's request, a list of the names, addresses and phone numbers of all account debtors on Borrower's accounts.

Borrower hereby authorizes Lender to verify Borrower's Accounts through written or verbal verification methods with the Account Debtors or other third parties at the discretion of Lender. Borrower shall promptly notify Lender in writing upon any Eligible Account or other Collateral ceasing to be or being determined to have been incorrectly identified as an Eligible Account or eligible Collateral.

**7.8 Insurance.** Borrower shall maintain insurance with financially sound and reputable insurance companies or associations (as reasonably approved by Lender) in such amounts and covering such risks as are usually carried by companies engaged in the same or a substantially similar business and reasonably similarly situated.

**7.9 Inspection.** Borrower shall at any reasonable time and from time to time permit Lender or any representative of Lender to examine and make copies of the records and books of account of, and visit and inspect the properties and assets of, Borrower, and to discuss the business, affairs, finances, insurance, and Accounts of Borrower with any of Borrower's officers and directors and with Borrower's independent accountants.

**7.10 Maintenance of Records and Properties.** Borrower shall keep adequate records and books of account in which complete entries will be made in accordance with Accounting Standards. Borrower shall maintain, keep and preserve all of its properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

**7.11 Notice of Claims.** Borrower shall promptly notify Lender in writing of all actions, suits or proceedings filed or threatened against or affecting Borrower in any court or before any governmental commission, board, or authority which, if adversely determined: (i) may result in a judgment, adverse determination, or other detriment against Borrower in excess of Fifty Thousand Dollars (\$50,000.00), or (ii) may have a Material Adverse Effect.

**7.12 Financial Covenants.** Except as otherwise provided herein, each of the accounting terms used in this Section 7.12 shall have the meanings used in accordance with Accounting Standards.

(a) **Fixed Charge Coverage.** SWK Technologies, Inc. shall be required to maintain at all times a ratio of Operating Cash Flow to Fixed Charges of not less than two to one (2:1) measured as of the last day of each fiscal quarter, for the four (4) most recent quarters just ended. For purposes of this Agreement, "Operating Cash Flow" means the sum of: (i) EBITDA, minus (ii) taxes, minus (iii) dividends, minus (iv) cash used for capital expenditures, all as related to the operations of SWK Technologies, Inc. "Fixed Charges" means the sum of: (A) interest paid, plus, (B) capital leases payments, plus (C) current portion of long term debts, plus (D) repayment of short term debt, all as related to the operations of SWK Technologies, Inc., excluding any monies paid in connection with the SilverSun Debt Repayment.

(b) **Debt to Net Worth.** SWK Technologies, Inc. shall be required to maintain at all times a ratio of Debt to Net Worth not in excess of one point two five to one (1.25:1) beginning with the fiscal quarter ended 12/31/2011, and one point one five to one (1.15:1) for each fiscal

quarter thereafter. For purposes of this Agreement, "Net Worth" means the excess of total assets over total liabilities. "Debt" means SWK Technologies, Inc.'s total liabilities (including, without limitation, capital leases and Letters of Credit), less Subordinate Debt.

(c) SWK Technologies, Inc. shall not declare, make, or book, either directly or indirectly, any Restricted Payment during the Term of this Agreement, or incur any obligation (contingent or otherwise) to do so, except that so long as no Event of Default exists or is imminent immediately prior to or after giving effect to any such Restricted Payment, SWK Technologies, Inc. may make Restricted Payments to SilverSun Technologies, Inc. aka SilverSun Technologies, Inc. fka Trey Resources, Inc. if: (i) SilverSun Technologies, Inc. fka Trey Resources, Inc. is a fully obligated Co-Borrower on the Facility; and (ii) such Restricted Payments do not exceed a maximum aggregate amount of Three Hundred Thousand Dollars (\$300,000.00) annually, measured as of the anniversary dates of the Effective Date of this Agreement. "Restricted Payment" means any payment, dividend, distribution, loan, conveyance, or other transfer of value (whether in cash, securities, or other property) by SWK Technologies, Inc. to SilverSun Technologies, Inc. fka Trey Resources, Inc. or any affiliate or subsidiary of SilverSun Technologies, Inc. fka Trey Resources, Inc. (hereinafter "Consolidated Group"), whether with regard to any capital stock of the Consolidated Group (including, without limitation any sinking funds or similar deposit, on account of the purchase, redemption, retirement acquisition, cancellation or termination of any such capital stock or of any option, warrant or other right to acquire such capital stock), loans, or other advances or other transactions, provided however, the term "Restricted Payment" shall not include the SilverSun Debt Repayment.

**7.13 Negative Pledge.** Borrower will not create, incur, assume, or suffer to exist any mortgage, deed of trust, pledge, lien, security interest, hypothecation, assignment, deposit arrangement, or other preferential arrangement, charge, or encumbrance (including, without limitation, any conditional sale, other title retention agreement, or finance lease) of any nature, upon or with respect to any Collateral, now owned or hereafter acquired, or sign or file, under the Uniform Commercial Code of any jurisdiction, a financing statement under which Borrower appears as debtor with regard to any such Collateral, or sign any security agreement authorizing any secured party thereunder to file such financing statement with regard to such Collateral, except (a) those expressly permitted by this Loan Agreement; (b) liens arising in the ordinary course of business (such as liens of carriers, warehousemen, mechanics, and materialmen) and other similar liens imposed by law for sums not yet due and payable or, if due and payable, those being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained in accordance with Accounting Standards and for which appropriate bonding has been obtained if requested by Lender; (c) easements, rights of way, restrictions, minor defects or irregularities in title or other similar liens which alone or in the aggregate do not interfere in any material way with the ordinary conduct of the business of Borrower or with Borrower's title to such Collateral, and which individually and/or collectively do not materially affect the value of the Real Property; (d) liens for taxes and assessments not yet due and payable or, if due and payable, those being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained in accordance with Accounting Standards and for which bonding has been obtained, if requested by Lender; and (e) those specifically approved in writing by Lender.

**7.14 Mergers, Consolidations, and Purchase and Sale of Assets.** Borrower shall not wind up, liquidate, or dissolve itself, reorganize, merge, or consolidate with or into, or convey, sell, assign, transfer, lease, or otherwise dispose of (whether in one transaction or a series of transactions) all or substantially all of its assets (whether now owned or

hereafter acquired) to any person or entity, or acquire all or substantially all of the assets or the business of any person or entity.

**7.15 Collateral Audits.** Lender or its designee may conduct an audit and field examination of the Collateral up to three (3) times annually, absent an Event of Default, and/or provided such collateral audit does not reveal an Event of Default. All expenses related to the collateral audit and examination shall be paid by Borrower. Upon an Event of Default (or discovery of Event of Default as the result of such collateral audit), Lender or its designee may conduct unlimited audits and all expenses related to the collateral audit and examination shall be paid by Borrower.

## 8. Default

**8.1 Events of Default.** The occurrence of any of the following events shall constitute a default under this Loan Agreement and under the Loan Documents, and shall be termed an "Event of Default":

(a) Borrower fails in the timely payment or performance of any Obligation, covenant, agreement, or liability created by any of the Loan Documents.

(b) Any representation, warranty, or financial statement made by or on behalf of Borrower in any of the Loan Documents, or any document contemplated by the Loan Documents, or given to Lender by Borrower in support of the Loan Documents, is false or misleading in any respect.

(c) Default occurs under, or Borrower fails to comply with, any term Borrower has with Lender.

(d) A default, or an event which, with the passage of time or the giving of notice or both, would constitute a default by Borrower under the Loan Documents

(e) Borrower is dissolved, or ceases a material portion of its business operations, or abandons its business premises for a period of more than five business days.

(f) A receiver, trustee, or custodian is appointed for any part of Borrower's property, or any part of Borrower's property is assigned for the benefit of creditors.

(g) Any proceeding is commenced or petition filed under any bankruptcy or insolvency law by or against Borrower.

(h) Any judgment or regulatory fine is entered against Borrower which may have a Material Adverse Effect upon Borrower or its business.

(i) Borrower becomes insolvent or generally fails to pay its debts as they mature.

(j) Any change occurs in the condition of Borrower or any event occurs which may have a Material Adverse Effect.

(k) Any of the foregoing events occur concerning or with regard to any Guarantor.

**8.2 Cure Periods.** For any other Event of Default other than an Event of Default arising from the failure of Borrower to make a payment to Lender when due, Borrower may cure such default within fifteen (15) Business Days of the receipt of written notice from Lender of such default

("Default Notice"), or if it is commercially unreasonable to cure such default within such fifteen (15) Business Days, then, with Lender's consent, within such longer period of time as is reasonably necessary to accomplish the cure, provided that: (i) Borrower promptly commences such cure upon receipt of the Default Notice; and (ii) such cure period does not exceed sixty (60) days under any circumstances; and (iii) Borrower shall pay to Lender all of Lender's reasonable costs to confirm and ensure that the default has been cured. If an Event of Default is cured to the satisfaction of Lender, provided Borrower immediately pays all of Lender's reasonable damages to date and enforcement costs, including reasonable attorneys' fees, through the date Lender received notice of the cure, Lender shall cease its enforcement actions and remedies, including any acceleration remedy provided herein or elsewhere in the Loan Documents, and the parties shall proceed under the Loan Documents as if no default has occurred. Notwithstanding Lender's obligation to terminate its remedies upon a satisfactory cure as set forth above, Lender shall have no obligation to suspend or delay its enforcement of its rights and remedies under the Loan Documents and at law during any applicable cure period. In no event shall Borrower have the right to cure any Events of Default more than three (3) times collectively during the term of this Agreement.

**8.3 No Waiver of Event of Default.** No course of dealing or delay or failure to assert any Event of Default shall constitute a waiver of that Event of Default or of any prior or subsequent Event of Default.

## **9. Remedies**

**9.1 Remedies upon Event of Default.** Upon the occurrence of an Event of Default, and upon failure of Borrower to timely cure the same where permitted, and at all times thereafter, Lender shall have the following remedies: (i) all or any portion of the Obligations due or to become due from Borrower to Lender, whether arising under this Loan Agreement, the Promissory Note, the Security Documents or any other Loan Document, at the option of Lender and without notice to Borrower of the exercise of such option, shall accelerate and become at once due and payable in full; (ii) Lender shall have the right, immediately and without prior notice or demand, to set off against Borrower's Obligations, whether or not due, all money and other amounts owed by Lender in any capacity to Borrower, including, without limitation, against any Borrower Accounts, and Lender shall be deemed to have exercised such right of setoff and to have made a charge against any such money, amounts or accounts immediately upon occurrence of such Event of Default and failure to timely cure where permitted, even though such charge is entered on Lender's books subsequently thereto; (iii) Lender may terminate this Agreement and any other Loan Documents as appropriate thereto; (iv) Lender shall have all rights and remedies created by or arising from any of the Loan Documents or other agreements between Lender and Borrower, including without limitation, exercising all rights with respect to the Collateral; (v) Lender may notify any Account Debtor of Borrower to make payment on the Account directly to Lender, and may require that any payments received by Borrower on Accounts be held in trust by Borrower for Lender; (vi) Lender may debit any Borrower Deposit Account; and (vii) Lender shall have all other rights and remedies existing at law, in equity, or by statute.

**9.2 Rights and Remedies Cumulative.** The rights and remedies herein conferred are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Lender may have, whether specifically granted herein or hereafter existing at law, in equity, or by statute. Any and all such rights and remedies may be exercised from time to time and as often and in such order as Lender may deem expedient in its sole discretion.

**9.3 No Waiver of Rights.** No delay or omission in the exercise or pursuit by Lender of any right, power, or remedy shall impair any such right, power, or remedy or shall be construed to be a waiver thereof.

## **10. General Provisions**

**10.1 Governing Agreement.** In the event of any conflict or inconsistency between this Loan Agreement and the other Loan Documents, excluding the Promissory Note, the terms, provisions and intent of this Loan Agreement shall govern. The terms of the Promissory Note shall govern with respect to any conflict between such Promissory Note and any other Loan Document.

**10.2 Borrower's Obligations Cumulative.** Every Obligation, covenant, condition, provision, warranty, agreement, liability, and undertaking of Borrower contained in the Loan Documents shall be deemed cumulative and not in derogation or substitution of any of the other Obligations, covenants, conditions, provisions, warranties, agreements, liabilities, or undertakings of Borrower contained herein or therein.

**10.3 Payment of Expenses and Attorney's Fees.** Borrower shall pay all reasonable expenses of Lender relating to the negotiation, drafting of documents, documentation of the Loan, and administration and supervision of the Loan, including, without limitation, appraisal fees, environmental inspection fees, collateral audit and field examination expenses, title insurance, recording fees, filing fees, and reasonable attorneys' fees and legal expenses, whether incurred in making the Loan, in future amendments or modifications to the Loan Documents, or in ongoing administration and supervision of the Loan. Upon the occurrence of an Event of Default, Borrower agrees to pay all costs and expenses, including reasonable attorneys' fees and legal expenses incurred by Lender in enforcing, or exercising any rights and remedies available to Lender. Borrower agrees to pay all expenses, including reasonable attorneys' fees, costs of court and all other legal expenses, incurred by Lender in any bankruptcy proceedings of any type involving Borrower, Guarantor, the Loan Documents, or the Collateral, including, without limitation, expenses incurred in modifying or lifting the automatic stay, determining adequate protection, use of cash collateral or relating to any plan of reorganization. Borrower's Obligation for payment of attorneys' fees and/or legal costs as provided in this Loan Agreement and/or in any other Loan Document shall include, without limitation, an Obligation for payment of reasonable market rate legal fees, compensation, fees, expenses and costs of Lender's in-house counsel.

**10.4 Right to Perform for Borrower.** Lender may, in its sole discretion and without any duty to do so, elect to discharge taxes, tax liens, security interests, or any other encumbrance upon the Collateral or any other property or asset of Borrower, to pay any filing, recording, or other charges payable by Borrower, or to perform any other Obligation of Borrower under the Loan Documents. Borrower agrees to pay to Lender immediately upon demand pay any costs incurred by Lender in exercising such right of performance.

**10.5 Assignability.** Borrower may not assign or transfer any of the Loan Documents and any such purported assignment or transfer shall be void. Lender may, without Borrower's consent, assign or transfer any of the Loan Documents, and in such event, Lender shall have no further liability under the terms of the Loan Documents.

**10.6 Third Party Beneficiaries.** The Loan Documents are made for the sole and exclusive benefit of Borrower, Lender and Guarantor and their successors and authorized assigns, and are not intended to benefit any

other third party. No third party may claim any right or benefit or seek to enforce any term or provision of the Loan Documents.

**10.7 Governing Law.** The Loan Documents shall be governed by and construed in accordance with the laws of the State of Utah, except to the extent that any such document expressly provides otherwise.

**10.8 Severability of Invalid Provisions.** Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**10.9 Interpretation.** The titles, captions and section headings in this Loan Agreement are inserted for convenience only and shall not be considered part of the Loan Agreement nor used in its interpretation. All references in this Loan Agreement to the singular shall be deemed to include the plural when the context so requires, and vice versa. References in the collective or conjunctive shall also include the disjunctive unless the context otherwise clearly requires a different interpretation.

**10.10 Survival and Binding Effect of Representations, Warranties, and Covenants.** All agreements, representations, warranties, and covenants made herein by Borrower shall survive the execution and delivery of this Loan Agreement and shall continue in effect so long as any Obligation to Lender contemplated by the Loan Documents is outstanding, unpaid, or unperformed, notwithstanding any termination of this Loan Agreement or any other Loan Document. All agreements, representations, warranties, and covenants made herein by Borrower shall survive any bankruptcy proceedings involving Borrower. All agreements, representations, warranties, and covenants in this Loan Agreement shall bind the party making the same, its successors and authorized assigns, and all rights and remedies in this Loan Agreement shall inure to the benefit of and be enforceable by each party for whom made, their respective successors and authorized assigns.

**10.11 Indemnification.** Borrower hereby agrees to indemnify Lender for all liabilities and damages (including without limitation, contract, tort, and equitable claims) which may be awarded against or chargeable to Lender, and for all reasonable attorneys' fees, legal expenses and other expenses incurred in defending such claims, arising from or relating in any manner to the Loan Documents (including all reasonable attorneys' fees, legal expenses and other expenses incurred in defending any such claims brought by Borrower if Borrower does not prevail in such actions). Lender shall have sole and complete control of the defense of any such claims and is hereby given authority to settle or otherwise compromise any such claims as Lender in good faith determines shall be in its best interests.

**10.12 Interest on Expenses and Indemnification, Collateral, Order of Application.** All expenses, out-of-pocket costs, attorneys' fees and legal expenses, amounts advanced in performance of Obligations of Borrower, and indemnification amounts owing by Borrower to Lender under or pursuant to this Loan Agreement, the Promissory Note, and/or any Security Documents shall be due and payable upon demand. If not paid upon demand, all such Obligations shall bear interest at the default rate provided in the Promissory Note from the date of disbursement until paid to Lender, both before and after judgment. Lender is hereby authorized to Advance or disburse funds under the Promissory Note for payment of all such Obligations. Payment of all such Obligations shall be secured by the Collateral and by the Security Documents. All payments and recoveries shall be applied to payment of the foregoing Obligations, the Promissory

Note, and all other amounts owing to Lender by Borrower in such order and priority as determined by Lender. Unless provided otherwise in the Promissory Note, payments on the Promissory Note shall be applied first to Lender's outstanding costs, fees, and expenses, second to accrued interest, and the remainder, if any, to principal.

**10.13 Limitation of Consequential Damages.** Lender, its officers, directors, employees, representatives, agents, and attorneys, shall not be liable to Borrower or to any Guarantor for any consequential, punitive or exemplary damages, arising from or relating to any breach of contract, tort, or other wrong in connection with the negotiation, documentation, administration or collection of the Loan or in any manner relating to the Loan Documents and transactions contemplated therein.

**10.14 Revival Clause.** If the incurring of any debt by Borrower or the payment of any money or transfer of property to Lender by or on behalf of Borrower or Guarantor should for any reason subsequently be determined to be "voidable" or "avoidable" in whole or in part within the meaning of any state or federal law (collectively "voidable transfers"), including, without limitation, fraudulent conveyances or preferential transfers under the United States Bankruptcy Code or any other federal or state law, and Lender is required to repay or restore any such voidable transfers or the amount or any portion thereof, or upon the advice of Lender's legal counsel is advised to do so, then, as to any such amount or property repaid or restored, including all reasonable costs, expenses, and attorneys' fees of Lender related thereto, the liability of Borrower and Guarantor, and each of them, shall automatically be revived, reinstated and restored and shall exist as though the voidable transfers had never been made. The Obligations under this Section 10.14 shall survive the termination of this Loan Agreement and all other Loan Documents.

**10.15 Jury Trial Waiver, Exclusive Jurisdiction of Utah Courts.** BORROWER HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM, WHETHER IN CONTRACT OR IN TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO ANY LOAN DOCUMENTS. BORROWER ACKNOWLEDGES THAT BY EXECUTION AND DELIVERY OF THIS LOAN AGREEMENT AND EACH OTHER LOAN DOCUMENT, BORROWER HAS TRANSACTED BUSINESS IN THE STATE OF UTAH AND BORROWER HEREBY VOLUNTARILY SUBMITS TO, CONSENTS TO, AND WAIVES ANY DEFENSE TO THE JURISDICTION OF COURTS LOCATED IN THE STATE OF UTAH AS TO ALL MATTERS RELATING TO OR ARISING FROM THIS AGREEMENT. EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER, THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF UTAH SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION OF ANY AND ALL CLAIMS, DISPUTES, AND CONTROVERSIES ARISING UNDER OR RELATING TO THE LOAN DOCUMENTS AND/OR THE TRANSACTIONS CONTEMPLATED THEREBY. NO LAWSUIT, PROCEEDING, ALTERNATIVE DISPUTE RESOLUTION, OR ANY OTHER ACTION RELATING TO OR ARISING UNDER THE LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED THEREBY MAY BE COMMENCED OR PROSECUTED IN ANY OTHER FORUM, EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER.

**10.16 Joint and Several Liability.** Borrower and Guarantor shall each be jointly and severally liable for all Obligations and liabilities arising under the Loan Documents.

**10.17 Notices.** All notices required to be given to any party other than Lender shall be deemed given upon the first to occur of: (i) deposit thereof in a receptacle under the control of the United States Postal Service, (ii) transmittal by electronic means, including facsimile, to a receiver under the control of such party, or (iii) actual receipt by such party or an employee or agent of such party. All notices required to be given to Lender hereunder shall be deemed given upon actual receipt by a responsible officer of Lender. For the purposes hereof, notices hereunder

shall be sent to the following addresses, or to such other addresses as each such party may in writing hereafter indicate:

**BORROWER:** SilverSun Technologies, Inc.  
fka Trey Resources, Inc. and  
SWK Technologies, Inc.  
**Address:** 5 Regent Street  
Livingston, NJ 07039  
**Officer:** Mark M. Meller  
**Fax Number:** (973) 758-6120

**LENDER:**  
**Address:**  
  
**Officer:**  
**Fax Number:**

**10.18 Duplicate Originals; Counterpart Execution.** Two or more duplicate originals of the Loan Documents may be signed by the parties, each duplicate of which shall be an original but all of which together shall constitute one and the same instrument. Any Loan Documents may be executed in several counterparts, without the requirement that all parties sign each counterpart. Each of such counterparts shall be an original, but

all counterparts together shall constitute one and the same instrument.

**10.19 Time of Essence.** Time is of the essence of this Loan Agreement.

**10.20 Disclosure of Financial and Other Information.** Borrower and Guarantor hereby consent to Lender disclosing to any other lender who may participate in the Loan any and all information, knowledge, reports, and records, including, without limitation, financial statements, relating in any manner whatsoever to the Loan, Borrower, and Guarantor.

**10.21 Integrated Agreement and Subsequent Amendment.** The Loan Documents constitute the entire agreement between Lender and Borrower and Guarantor, and may not be altered or amended except by written agreement signed by Lender, Borrower, and, if applicable, Guarantor. PURSUANT TO UTAH CODE SECTION 25-5-4, BORROWER AND GUARANTOR ARE NOTIFIED THAT THESE AGREEMENTS ARE A FINAL EXPRESSION OF THE AGREEMENT BETWEEN LENDER, BORROWER AND GUARANTOR AND THESE AGREEMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED ORAL AGREEMENT. All prior and contemporaneous agreements, arrangements and understandings between the parties hereto as to the subject matter hereof are, except as otherwise expressly provided herein, rescinded.

IN WITNESS WHEREOF, the parties do hereby witnesseth the same as of the date first set forth above.

**BORROWER:**  
SilverSun Technologies, Inc. fka Trey Resources, Inc. and  
SWK Technologies, Inc.  
  
By: \_\_\_\_\_  
Name: Mark M. Meller  
Title: CEO of SilverSun Technologies, Inc. fka Trey Resources, Inc. and  
Chairman of SWK Technologies, Inc.

STATE OF \_\_\_\_\_ )  
  )ss  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2011, before me, the undersigned notary, personally appeared Mark M. Meller, who being by me duly sworn did state, that he is the CEO of SilverSun Technologies, Inc. fka Trey Resources, Inc., and Chairman of SWK Technologies, Inc., the corporations that executed the within instrument, and acknowledged to me that such corporation executed the same and that he was authorized to execute said instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

Residing At:  
\_\_\_\_\_

**LENDER:**  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SCHEDULE A  
TO LOAN AND SECURITY AGREEMENT**

**(LOAN ADMINISTRATION)**

**Borrower:** SilverSun Technologies, Inc. fka Trey Resources, Inc. and  
SWK Technologies, Inc.

**Lender:**

**Guarantors:** Mark M. Meller

**Original Term:** 36 months

**Maximum Credit Amount:** \$750,000.00

**Advance Rate:** Eighty percent (80%)

**Initials:** \_\_\_\_\_

**Title:** \_\_\_\_\_



SCHEDULE B  
TO  
LOAN AND SECURITY AGREEMENT

**BORROWING BASE CERTIFICATE**

Date: 10/26/2011

**ACCOUNTS RECEIVABLE COLLATERAL  
ACTIVITY**

1. Beginning Accounts Receivable Balance		\$ -
2. Add Gross Sales	\$ -	
2a. Add: Other Additions	\$ -	
3. Total Purchases		\$ -
4. Less: Collections	\$ -	
4a. Less: Other Subtractions	\$ -	
5. Total Accounts Receivable Closed		\$ -
6. Total Accounts Receivable		\$ -
7. Less: Ineligible Accounts	\$ -	
8. Total Eligible Accounts Receivable		\$ -
9. Advance Rate	85%	
10. Borrowing Base		\$ -

**CREDIT LINE ACTIVITY**

11. Beginning Credit Line Balance		\$ -
12. Less: Collections	\$ -	
13. Add: Funds Drawn	\$ -	
14. Add: Adjustments	\$ -	
15. Ending Credit Line Balance		\$ -
16. Accumulated Accrued Interest	\$ -	
17. Credit Line Balance & Accrued Interest		\$ -

**FUNDS AVAILABILITY**

18. Borrowing Base	\$ -	
19. Maximum Credit Line	\$ -	
20. Available Funds		\$ -
21. Less: Credit Line Balance	\$ -	
22. Less Available Reserves	\$ -	
23. Net Funds Available		\$ -



**TREY RESOURCES, INC.**  
**AUDIT COMMITTEE CHARTER**

This Audit Committee Charter was adopted by the Board of Directors (the “*Board*”) of Trey Resources, Inc. (the “*Company*”) on March 30, 2006, and supersedes all prior delegation of authority to the Audit Committee.

**I. Purpose**

The purpose of the Audit Committee (the “*Committee*”) is to assist the Board with its oversight responsibilities regarding: (i) the accounting and financial reporting process of the Company and the audits of the financial statements of the Company; (ii) the integrity of the Company’s financial statements; (iii) the Company’s compliance with legal and regulatory requirements; (iv) the independent auditor’s qualifications and independence; and (v) the performance of the Company’s internal audit function and independent auditor. The Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “*SEC*”) to be included in the Company’s annual proxy statement.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time or required by law and in all instances subject to the applicable provisions of the New Jersey Business Corporation Act (including, without limitation, Section 14A:6-1. thereof). The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it. Notwithstanding the foregoing, the Committee’s responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements as well as the Company’s financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The independent auditor is responsible for performing an audit of the Company’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosure are complete and accurate and in accordance with generally accepted accounting principles and applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including the Company’s internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services) (the “*internal auditor*”) and the Company’s independent auditor) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

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Further, auditing literature, particularly Statement of Accounting Standards No. 71, defines the term “review” to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term “review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

## **II. Membership**

The Committee shall consist of at least two members of the Board; provided, that if at any time there is a vacancy on the Committee and the remaining members meet all membership requirements, then the Committee may consist of those number of members until the earlier of the Company’s next annual stockholders meeting or one year from the occurrence of the vacancy. Each Committee member must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be expert in financial matters, or in matters involving auditing or accounting. However, at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, either at least one member of the Committee shall be an “audit committee financial expert” within the definition adopted by the Securities and Exchange Commission (the “SEC”) or the Company shall disclose in its periodic reports required pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”) the reasons why at least one member of the Committee is not an “audit committee financial expert.” Each Committee member shall satisfy the independence requirements of the Nasdaq Stock Market and Rule 10A-3(b)(1) under the Exchange Act; provided that if a member of the Committee ceases to be independent for reasons outside the member’s reasonable control, then the member may at the discretion of the Board remain on the Committee until the earlier of the Company’s next annual stockholders meeting or one year from the occurrence of the event that caused the member to cease to be independent. The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board.

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### **III. Meetings and Procedures**

1. The Chair, or in his or her absence, a member designated by the Chair, shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.
2. The Committee shall on a periodic basis meet separately with management, with the internal auditor and with the independent auditor.
3. The Committee shall maintain written minutes of its proceedings which shall be submitted to the Board and retained by the Secretary for inclusion in the Company's records.
4. All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director that is not a member of the Committee.
5. The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
6. The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

### **IV. Powers and Responsibilities**

#### **Interaction with the Independent Auditor**

1. *Appointment and Oversight.* The Committee shall be directly responsible and have sole authority for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of any disagreements between Company management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor shall report directly to the Committee.
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2. *Pre-Approval of Services.* Before the independent auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement in accordance with all applicable legal requirements. Committee pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee regarding the Company's engagement of the independent auditor and the Committee shall be empowered to adopt any and all such policies and procedures as it deems appropriate and in accordance with all applicable legal requirements. The Committee may if it elects delegate to one or more designated members of the Committee the authority to grant pre-approvals as the Committee shall determine appropriate and in accordance with applicable legal requirements.

3. *Independence of Independent Auditor.* The Committee shall, at least annually, review the independence and quality control procedures of the independent auditor and the experience and qualifications of the independent auditor's senior personnel that are providing audit services to the Company. In conducting its review:

- The Committee shall ensure that the independent auditor prepare and deliver, at least annually, a written statement delineating all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard 1. The Committee shall actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.
  - The Committee shall confirm with the independent auditor that the independent auditor is in compliance with the partner rotation requirements established by the SEC.
  - The Committee shall, if applicable, consider whether the independent auditor's provision of other non-audit services to the Company is compatible with maintaining the independence of the independent auditor.
  - Without limiting the independence requirements generally applicable, procedures shall be implemented to ensure that the independent auditor does not audit his or her own work, does not perform management functions and does not act as an advocate for the Company.
- Annual Financial Statements and Annual Audit

4. *Meetings with Management, the Independent Auditor and the Internal Auditor.*

- The Committee shall meet with management, the independent auditor and the internal auditor in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.
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- The Committee shall review and discuss with management and the independent auditor any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities of which the Committee is made aware that do not appear on the financial statements of the Company and that may have a material current or future effect on the Company's financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenues or expenses.
- The Committee shall review and discuss the annual audited financial statements with management and the independent auditor in advance of the issuance of such statements.

5. *Separate Meetings with the Independent Auditor.*

- The Committee shall review with the independent auditor any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company.
- The Committee shall discuss with the independent auditor the report that such auditor is required to make to the Committee regarding: (i) all accounting policies and practices to be used that the independent auditor identifies as critical; (ii) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) all other material written communications between the independent auditor and management of the Company, such as any management letter, reports on observations and recommendations on internal controls, independent auditor's engagement letter, independent auditor's independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any. The Committee shall discuss with the independent auditor any disagreements between the independent auditor and management on financial reporting.
- The Committee shall discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as then in effect.

6. *Recommendation to Include Financial Statements in Annual Report.* The Committee shall, based on the review and discussions in paragraphs 4 and 5 above, and based on the disclosures received from the independent auditor regarding its independence and discussions with the auditor regarding such independence pursuant to subparagraph 3 above, determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-KSB for the fiscal year subject to the audit.

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#### Quarterly Financial Statements

7. *Meetings with Management, the Independent Auditor and the Internal Auditor.* The Committee shall review and discuss the quarterly financial statements with management and the independent auditor in advance of the issuance of such statements.

#### Internal Audit

8. *Appointment.* The Committee shall review the appointment and replacement of the internal auditor.

9. *Separate Meetings with the Internal Auditor.* The Committee shall meet periodically with the Company's internal auditor to discuss the responsibilities, budget and staffing of the Company's internal audit function and any issues that the internal auditor believes warrant audit committee attention. The Committee shall discuss with the internal auditor any significant reports to management prepared by the internal auditor and any responses from management.

#### Other Powers and Responsibilities

10. *Related Party Transactions.* The Committee shall review related party transactions on an ongoing basis.

11. *Correspondence with Regulators.* The Committee shall discuss with management and the independent auditor any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.

12. *Legal Matters.* The Committee shall discuss with the Company's General Counsel or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.

13. *Foreign Operations.* The Committee shall request assurances from management, the independent auditor and the Company's internal auditors that the Company's foreign subsidiaries and foreign affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions.

14. *Complaints.* The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters.

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15. *Reports on Financial Statements.* The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements required by Item 306 of Regulation S-B, for inclusion in each of the Company's annual proxy statements.

16. *Board Reports.* The Committee, through its Chair, shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.

17. *Future Amendments to Charter.* The Committee shall review and reassess this Charter periodically as it deems appropriate and submit any recommended changes to the Board for its consideration.



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

I, Mark Meller, certify that:

- 1) I have reviewed the Report being filed;
- 2) Based on my knowledge, the 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 the Report;
- 3) Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in the Report;
- 4) The small business issuer'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 small business issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- 5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer'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 small business issuer's internal control over financial reporting.

By /s/ Mark Meller  
Mark Meller  
Principal Executive Officer and Principal Accounting Officer

March 29, 2012



**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 SilverSun Technologies, Inc. (the "Company") on Form 10-K for the period ending December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Meller, President, Chief Executive Officer, and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Mark Meller \_\_\_\_\_

Mark Meller

Principal Executive Officer

Principal Accounting Officer

March 29, 2012

