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

FORM 10 - Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

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

For the transition period from ___________________________

000-54987
(Commission File Number)

Strategic Environmental & Energy Resources, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**02-0565834**
(State or other jurisdiction of incorporation)	*(IRS Employer Identification Number)*

751 Pine Ridge Road, Golden, CO 80403
(Address of principal executive offices including zip code)

303-277-1625
(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer ☐	Accelerated filer ☐	
Non-accelerated filer ☐	Smaller reporting company ☒	Emerging Growth Company ☐

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

As of October 31, 2017 the Registrant had **56,338,575** shares outstanding of its $.001 par value common stock.

Strategic Environmental & Energy Resources, Inc.

Quarterly Report on FORM 10-Q For The Period Ended

September 30, 2017

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Item 1. Financial Statements

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2017	December 31, 2016
ASSETS	Unaudited	*
Current assets:		
Cash	$ 149,500	$ 233,200
Accounts receivable, net of allowance for doubtful accounts of $235,500 and $235,500, respectively	933,800	1,188,100
Notes receivable, net	453,800	—
Costs and estimated earnings in excess billings on uncompleted contracts	—	13,600
Assets held for sale	—	1,024,600
Prepaid expenses and other current assets	406,300	518,500
Total current assets	1,943,400	2,978,000
Property and equipment, net	2,222,800	2,805,100
Intangible assets, net	644,000	738,000
Notes receivable, net of current portion	807,700	—
Other assets	60,000	16,400
TOTAL ASSETS	$ 5,677,900	$ 6,537,500
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,425,300	$ 1,643,500
Accrued liabilities	1,243,800	1,381,000
Billings in excess of costs and estimated earnings on uncompleted contracts	600,100	1,090,800
Deferred revenue	134,800	188,300
Payroll taxes payable	992,000	993,300
Customer deposits	—	330,000
Liabilities held for sale	—	603,100
Current portion of notes payable and capital lease obligations	425,000	571,800
Notes payable - related parties, including accrued interest	11,800	11,800
Total current liabilities	4,832,800	6,813,600
Deferred revenue, non-current	146,800	283,600
Notes payable and capital lease obligations, net of current portion	1,715,200	1,751,500
Total liabilities	6,694,800	8,848,700
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock; $.001 par value; 5,000,000 shares authorized; -0- shares issued		
Common stock; $.001 par value; 70,000,000 shares authorized; 56,338,575 and 54,525,079 shares issued and outstanding 2017 and 2016, respectively	56,100	54,500
Common stock subscribed	25,000	25,000
Additional paid-in capital	20,616,500	19,077,600
Stock subscription receivable	(25,000)	(25,000)
Accumulated deficit	(19,404,700)	(19,273,500)
Total stockholders' equity	1,267,900	(141,400)
Non-controlling interest	(2,284,800)	(2,169,800)
Total equity	(1,016,900)	(2,311,200)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,677,900	$ 6,537,500

**These numbers were derived from the audited financial statements for the year ended December 31, 2016. See accompanying notes.*

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Revenue:	2017	2016	2017	2016
Products	$ 717,300	$ 1,749,100	$ 4,268,800	$ 3,454,500
Services	413,000	167,600	1,803,000	2,423,800
Licensing	453,100	41,900	596,900	170,000
Total revenue	1,583,400	1,958,600	6,668,700	6,048,300
Operating expenses:				
Products costs	506,700	1,322,800	2,912,800	2,388,300
Services costs	561,100	478,500	2,069,600	2,109,800
Solid waste costs	345,500	79,800	455,800	245,400
General and administrative expenses	783,800	413,100	2,077,500	1,381,200
Salaries and related expenses	548,300	459,300	1,587,500	1,709,600
Total operating expenses	2,745,400	2,753,500	9,103,200	7,834,300
Income (Loss) from operations	(1,162,000)	(794,900)	(2,434,500)	(1,786,000)
Other income (expense):				
Interest expense	(256,000)	(55,700)	(1,212,500)	(255,200)
Loss contingency	—	(48,000)	—	(48,000)
Other	40,000	(32,400)	34,100	(3,900)
Total non-operating expense, net	(216,000)	(136,100)	(1,178,400)	(307,100)
Net loss from continuing operations	(1,378,000)	(931,000)	(3,612,900)	(2,093,100)
Net income from discontinued operations	215,400	57,200	693,700	397,600
Gain recognized on sale of rail operations	2,672,900	—	2,672,900	—
Discontinued operations, net of tax	2,888,300	57,200	3,366,600	397,600
Net income (loss) before earnings from equity method joint ventures	1,510,300	(873,800)	(246,300)	(1,695,500)
Income from equity method joint ventures	—	—	—	15,700
Net income (loss)	1,510,300	(873,800)	(246,300)	(1,679,800)
Less: Net loss attributable to non-controlling interest	(23,900)	(83,600)	(115,100)	(223,100)
Net income (loss) attributable to SEER common stockholders	$ 1,534,200	$ (790,200)	$ (131,200)	$ (1,456,700)
Net loss per share from continuing operations	$ (.02)	$ (.02)	$ (.06)	$ (.04)
Discontinued operations	$ .05	$ .00	$ .06	$ .01
Net income (loss) per share, basic and diluted	$ .03	$ (.02)	$ *	$ (.03)
Weighted average shares outstanding – basic and diluted	55,457,053	54,525,079	54,902,947	54,263,765

See accompanying notes.

*Less than $0.01.

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30, 2017	2016
Cash flows from operating activities:		
Net loss	$ (246,300)	$ (1,695,500)
Income from discontinued operations	3,366,600	397,600
Net loss from continuing operations	(3,612,900)	(2,093,100)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Provision for doubtful accounts receivable	—	3,900
Depreciation and amortization	595,300	570,900
Stock-based compensation expense	94,000	84,000
Non-cash expense for interest, common stock issued for debt penalty	1,009,000	—
Non-cash expense for interest, warrants – accretion of debt discount	6,200	101,700
Non-cash expense for extension of warrants	83,600	—
Warrants issued for services	31,300	—
Stock issued in satisfaction of settlement	174,000	—
Gain on settlement	(102,300)	—
Gain on disposition of assets	—	(25,600)
Changes in operating assets and liabilities:		
Accounts receivable	254,300	148,200
Costs in Excess of billings on uncompleted contracts	13,600	204,000
Prepaid expenses and other assets	160,500	(95,900)
Accounts payable and accrued liabilities	(278,700)	(361,400)
Billings in excess of revenue on uncompleted contracts	(490,700)	112,500
Deferred revenue	(127,900)	47,800
Payroll taxes payable	(1,300)	17,100
Net cash provided by operating activities	(2,192,000)	(1,285,900)
Cash flows from investing activities:		
Insurance proceeds from property damage	—	59,000
Purchase of property and equipment	(240,800)	(177,300)
Purchase of intangibles	(15,500)	(37,500)
Proceeds from sale of discontinued operations, net of costs	2,285,500	—
Distributions for notes receivable	(300,000)	—
Net cash used in investing activities	1,729,200	(155,800)
Cash flows from financing activities:		
Payments of notes and capital lease obligations	(980,900)	(559,600)
Payments of related party notes payable and accrued interest	—	(20,000)
Proceeds from convertible debt	—	250,000
Proceeds from short-term notes	750,000	400,000
Proceeds from exercise of warrants	—	25,000
Proceeds from warrant extensions	148,600	29,900
Proceeds from the sale of common stock and warrants, net of expenses	—	400,000
Net cash provided by (used in) financing activities	(82,300)	525,300
Net cash flows from discontinued operations	461,400	801,600
Net decrease in cash	(83,700)	(114,800)
Cash at the beginning of period	233,200	257,100
Cash at the end of period	$ 149,500	$ 142,300
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 197,600	$ 207,600
Discount on convertible debt	$ —	$ 4,900
Financing of prepaid insurance premiums	$ 438,300	$ 278,600
Issuance of common stock for other assets	$ —	$ 720,000

See accompanying notes.

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.
Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1 - ORGANIZATION AND FINANCIAL CONDITION

Organization and Going Concern

Strategic Environmental & Energy Resources, Inc. ("SEER," "we," or the "Company"), a Nevada corporation, is a provider of next-generation clean-technologies, waste management innovations and related services. SEER has three wholly-owned subsidiaries in continuing operations, and two majority-owned subsidiaries; all of which together provide technology solutions and services to companies primarily in the oil and gas, refining, landfill, food, beverage & agriculture and renewable fuel industries. The three wholly-owned subsidiaries include: 1) REGS, LLC (d/b/a Resource Environmental Group Services ("REGS")) provides industrial and proprietary cleaning services to refineries, oil fields and other private and governmental entities and the assets and liabilities of three locations of this subsidiary which provided fixed rail car cleaning were sold along with Tactical assets and liabilities in July 2017; 2) MV, LLC (d/b/a MV Technologies) ("MV"), designs and builds biogas conditioning solutions for the production of renewable natural gas and odor control systems primarily for landfill operations, waste-water treatment facilities, oil and gas fields, refineries, municipalities and food, beverage & agriculture operations throughout the U.S.; 3) SEER Environmental Materials, LLC,("SEM"), a materials technology company focused on development of cost-effective chemical absorbents. A fourth wholly-owned subsidiary, Tactical Cleaning Company, LLC ("Tactical"), provided proprietary cleaning services related to railcar tankers, tank trucks and frac tanks to customers from its sites in Colorado and Kansas and substantially all of the assets and liabilities of this subsidiary were sold in July 2017.

The two majority-owned subsidiaries are; 1) Paragon Waste Solutions, LLC ("PWS") and 2) ReaCH4Biogas ("Reach"). PWS is currently owned 54% by SEER (see Note 7) and Reach is owned 85% by SEER.

PWS is developing specific opportunities to deploy and commercialize patented technologies for a non-thermal plasma-assisted oxidation process that makes possible the clean and efficient destruction of solid hazardous chemical and biological waste (*i.e*., regulated medical waste, chemicals, pharmaceuticals and refinery tank waste, *etc*.) without landfilling or traditional incineration and without harmful emissions. Additionally, PWS' technology "cleans" and conditions emissions and gaseous waste streams (*i.e*., volatile organic compounds and other greenhouse gases) generated from diverse sources such as refineries, oil fields, and many others.

Reach (the trade name for BeneFuels, LLC), is currently owned 85% by SEER and focuses specifically on developing renewable biomethane projects that convert raw biogas to pipeline quality gas and/or compressed natural gas ("CNG") for fleet vehicle fuel. Reach had minimal operations for the quarter ended September 30, 2017 and 2016.

Principals of Consolidation

The accompanying consolidated financial statements include the accounts of SEER, its wholly-owned subsidiaries, REGS, MV and SEM and its majority-owned subsidiaries PWS and Reach, since their respective acquisition or formation dates. All material intercompany accounts, transactions, and profits have been eliminated in consolidation. The Company has non-controlling interest in joint ventures, which are reported on the equity method.

Going Concern

As shown in the accompanying consolidated financial statements, the Company has experienced recurring losses, and has accumulated a deficit of approximately $19.4 million as of September 30, 2017, and $19.3 million as of December 31, 2016. For the nine months ended September 30, 2017 we had losses from operations of approximately $3.6 million and for the year ended December 31, 2016, we incurred losses from operations of approximately $4.7 million. The Company had a working capital deficit of approximately $2.9 million at September 30, 2017, a decrease of approximately $1.1 million in the working capital deficit of $4 million at December 31, 2016. REGS, a wholly owned subsidiary, was notified that effective April 1, 2016 it would no longer be providing routine maintenance services to its largest customer but would still be eligible to provide other industrial cleaning services. The loss of revenue from this customer was approximately $2.5 for the year ended December 31, 2016. The Company has limited common shares available for issue which may limit the ability to raise capital or settle debt through issuance of shares. These factors raise substantial doubt about the ability of the Company to continue to operate as a going concern for a period of at least one year after the date of the issuance of our audited financial statements for the period ended December 31, 2016.

NOTE 1 - ORGANIZATION AND FINANCIAL CONDITION, continued

Going Concern, continued

Realization of a major portion of our assets as of September 30, 2017 and December 31, 2016, is dependent upon our continued operations. The Company is dependent on generating additional revenue or obtaining adequate capital to fund operating losses until it becomes profitable. The Company opened an additional rail car cleaning facility in the Midwest (Illinois) and East Coast (Maryland) during 2016 and in the Jersey Coast (Pennsylvania) in 2017 to offset some of the lost revenue previously derived from the refinery sector. Revenue from the new rail car cleaning facilities began in mid-2016 (Illinois), fourth quarter of 2016 (Maryland) and second quarter 2017 (Pennsylvania) and all locations experienced monthly revenue growth during the months leading up to their sale on July 31, 2017. These three rail car cleaning facilities are included with the Tactical rail car cleaning facilities in assets and liabilities held for sale at December 31, 2016, and as discontinued operations for the three and nine months ended September 30, 2017 and 2016. In addition, we have undertaken a number of specific steps to improve operating efficiencies, revenues and income to continue to operate as a going concern. We continue to focus on developing organic growth in our operating companies and improving gross and net margins through increased attention to pricing, cost management and overhead reductions. Critical to achieving profitability will be our ability to license and or sell, permit and operate our CoronaLux™ waste destruction units either through our joint ventures and/or licensees. We have increased our business development efforts to address opportunities identified in expanding markets attributable to increased interest in energy conservation and emission control regulations, particularly the landfill gas and oil field emissions sectors. In addition, the Company is evaluating various forms of financing which may be available to it, i.e., debt and/or equity financing while carefully evaluating the impact on share dilution. There can be no assurance that the Company will secure additional financing for working capital, increase revenues and achieve the desired result of net income and positive cash flow from operations in future years. These financial statements do not give any effect to any adjustments that would be necessary should the Company be unable to report on a going concern basis.

Basis of presentation Unaudited Interim Financial Information

The accompanying interim condensed consolidated financial statements are unaudited. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all of the normal recurring adjustments necessary to present fairly the financial position and results of operations as of and for the periods presented. The interim results are not necessarily indicative of the results to be expected for the full year or any future period.

Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The Company believes that the disclosures are adequate to make the interim information presented not misleading. These consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto included in the Company's Report on Form 10-K filed on April 14, 2017 for the years ended December 31, 2016 and 2015.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make a number of estimates and assumptions related to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of intangible assets; valuation allowances and reserves for receivables and inventory and deferred income taxes; revenue recognition related to contracts accounted for under the percentage of completion method; share-based compensation; and loss contingencies, including those related to litigation. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported consolidated net income (loss).

Revenue Recognition

We recognize revenue related to contract projects and services when all of the following criteria are met: (i) persuasive evidence of an agreement exists, (ii) delivery has occurred or services have been rendered, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. Our revenue is primarily comprised of services related to industrial cleaning and railcar cleaning, which we recognize as services are rendered.

Product revenue generated from projects, which include the manufacturing of products, for removal and treatment of hazardous vapor and gasses is accounted for under the percentage-of-completion method for projects with durations in excess of three months and the completed-contract method for all other projects. Total estimated revenue includes all of the following: (1) the basic contract price, (2) contract options, and (3) change orders. Once contract performance is underway, we may experience changes in conditions, client requirements, specifications, designs, materials and expectations regarding the period of performance. Such changes are "change orders" and may be initiated by us or by our clients. In many cases, agreement with the client as to the terms of change orders is reached prior to work commencing; however, sometimes circumstances require that work progress without obtaining client agreement. Revenue related to change orders is recognized as costs are incurred if it is probable that costs will be recovered by changing the contract price. The Company does not incur pre-contract costs. Under the percentage-of-completion method, we recognize revenue primarily based on the ratio of costs incurred to date to total estimated contract costs. Provisions for estimated losses on uncompleted contracts are recorded in the period in which the losses are identified and included as additional loss. Provisions for estimated losses on contracts are shown separately as liabilities on the balance sheet, if significant, except in circumstances in which related costs are accumulated on the balance sheet, in which case the provisions are deducted from the accumulated costs. A provision as a liability is reported as a current liability.

For contracts accounted for under the percentage-of-completion method, we include in current assets and current liabilities amounts related to construction contracts realizable and payable. Costs and estimated earnings in excess of billings on uncompleted contracts represent the excess of contract costs and profits recognized to date over billings to date, and are recognized as a current asset. Billings in excess of costs and estimated earnings on uncompleted contracts represents the excess of billings to date over the amount of contract costs and profits recognized to date, and are recognized as a current liability.

The Company's revenues from waste destruction licensing agreements are recognized as a single accounting unit over the term of the license. In accordance with Accounting Standards Codification ("ASC") 605, for revenues which contain multiple deliverables, the Company separates the deliverables into separate accounting units if they meet the following criteria: (i) the delivered items have a stand-alone value to the customer; (ii) the fair value of any undelivered items can be reliably determined; and (iii) if the arrangement includes a general right of return, delivery of the undelivered items is probable and substantially controlled by the seller. Deliverables that do not meet these criteria are combined with one or more other deliverables into one accounting unit. Revenue from each accounting unit is recognized based on the applicable accounting literature, primarily ASC 605.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Research and Development

Research and development ("R&D") costs are charged to expense as incurred. R&D expenses consist primarily of salaries, project materials, contract labor and other costs associated with ongoing product development and enhancement efforts. R&D expenses were $5,400 and $149,100 for the nine months ended September 30, 2017 and 2016, respectively.

Income Taxes

The Company accounts for income taxes pursuant to *Accounting Standards Codification* ("ASC") 740, *Income Taxes,* which utilizes the asset and liability method of computing deferred income taxes. The objective of this method is to establish deferred tax assets and liabilities for any temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

ASC 740 also provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized. During the nine months ended September 30, 2017 and 2016 the Company recognized no adjustments for uncertain tax positions.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. No interest and penalties related to uncertain tax positions were recognized at September 30, 2017 and December 31, 2016. The Company expects no material changes to unrecognized tax positions within the next twelve months.

The Company has filed federal and state tax returns through December 31, 2016. The tax periods for the years ending December 31, 2010 through 2016 are open to examination by federal and state authorities.

Recently issued accounting pronouncements

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU's) to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all new or revised ASU's.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following:

	September 30, 2017	December 31, 2016
Field and shop equipment	$ 2,085,000	$ 1,907,500
Vehicles	689,700	690,000
Waste destruction equipment, placed in service	927,100	1,299,500
Waste destruction equipment, not placed in service	656,200	712,100
Furniture and office equipment	322,700	319,700
Leasehold improvements	10,000	10,000
Building and improvements	21,200	21,200
Land	162,900	162,900
	4,874,800	5,122,900
Less: accumulated depreciation and amortization	(2,652,000)	(2,317,800)
Property and equipment, net	$ 2,222,800	$ 2,805,100

NOTE 3 - PROPERTY AND EQUIPMENT, continued

Depreciation expense for the three months ended September 30, 2017 and 2016 was $165,900 and $165,600, respectively and for the nine months ended September 30, 2017 and 2016 was $485,800 and $502,600, respectively. For the three months ended September 30, 2017 depreciation expense included in cost of goods sold and selling, general and administrative expenses was $136,600 and $29,300 respectively. For the nine months ended September 30, 2017 depreciation expense included in cost of goods sold and selling, general and administrative expenses was $407,500 and $78,300, respectively. For the three months ended September 30, 2016 depreciation expense included in cost of goods sold and selling, general and administrative expenses was $132,800 and $29,300 respectively. For the nine months ended September 30, 2016 depreciation expense included in cost of goods sold and selling, general and administrative expenses was $430,100 and $72,500, respectively.

Accumulated depreciation on leased CoronaLux™ units included in accumulated depreciation and amortization above is $422,500 and $271,700 as of September 30, 2017 and 2016, respectively.

Property and equipment included the following amounts for leases that have been capitalized at:

	September 30, 2017	December 31, 2016
Vehicles, field and shop equipment	$ 318,300	$ 462,700
Less: accumulated amortization	(211,500)	(222,800)
	$ 106,800	$ 239,900

NOTE 4 – INTANGIBLE ASSETS

Intangible assets were comprised of the following:

	September 30, 2017		
	Gross carrying amount	Accumulated amortization	Net carrying value
Goodwill	$ 277,800	$ —	$ 277,800
Customer list	42,500	(42,500)	—
Technology	1,087,400	(721,200)	366,200
Trade name	54,900	(54,900)	—
	$ 1,462,600	$ (818,600)	$ 644,000

	December 31, 2016		
	Gross carrying amount	Accumulated amortization	Net carrying value
Goodwill	$ 277,800	$ —	$ 277,800
Customer list	42,500	(42,500)	—
Technology	1,069,500	(609,300)	460,200
Trade name	57,300	(57,300)	—
	$ 1,447,100	$ (709,100)	$ 738,000

The estimated useful lives of the intangible assets range from seven to ten years. Amortization expense was $24,400 and $25,200 for the three months ended September 30, 2017 and 2016, respectively and $109,500 and $68,200 for the nine months ended September 30, 2017 and 2016, respectively.

NOTE 5 - ACCRUED LIABILITIES

Accrued liabilities were comprised of the following:

	September 30, 2017	December 31, 2016
Accrued compensation and related taxes	$ 477,700	$ 644,800
Accrued interest	45,900	58,900
Accrued litigation claims	143,400	277,500
Other	576,800	399,800
Total Accrued Liabilities	$ 1,243,800	$ 1,381,000

NOTE 6 - UNCOMPLETED CONTRACTS

Costs, estimated earnings and billings on uncompleted contracts are as follows:

	September 30, 2017	December 31, 2016
Revenue Recognized	$ —	$ 324,500
Less: Billings to date	—	(310,900)
Costs and estimated earnings in excess of billings on uncompleted contracts	$ —	$ 13,600
Billings to date	$ 2,669,600	$ 3,063,500
Revenue recognized	(2,069,500)	(1,972,700)
Billings in excess of costs and estimated earnings on uncompleted contracts	$ 600,100	$ 1,090,800

NOTE 7– INVESTMENT IN PARAGON WASTE SOLUTIONS LLC

In 2010, the Company and Black Stone Management Services, LLC (“Black Stone”) formed PWS, whereby a total of 1,000,000 membership units were issued, 600,000 membership units to the Company and 400,000 membership units to Black Stone. Fortunato Villamagna, who serves as President of our PWS subsidiary, is a managing member and Chairman of Black Stone. In June 2012, the Company and Blackstone each allocated 10% of their respective membership units in PWS to Mr. J John Combs III, an officer and shareholder of the Company and Mr. Michael Cardillo, a shareholder of the Company and an officer of a subsidiary. There was no value attributable to the units at the time of the allocation. At June 30, 2017 and December 31, 2016, the Company owned 54% of the membership units, Black Stone owned 26% of the membership units, an outside third party 10% of the membership units and two related parties (as noted above), each owned 5% of the membership units.

In August, 2011, we acquired certain intellectual property in regards to waste destruction technology (the “IP”) from Black Stone in exchange for 1,000,000 shares of our common stock valued at $100,000. We estimated the useful life of the IP at ten years, which was consistent with the useful life of other technology included in our intangible assets, and management’s initial assessment of the potential marketability of the IP.

Since its inception through September 30, 2017, we have provided approximately $6 million in funding to PWS for working capital and the further development and construction of various prototypes and commercial waste destruction units. No members of PWS have made capital contributions or other funding to PWS other than SEER. The intent of the operating agreement is that we will provide the funding as an advance against future earnings distributions made by PWS.

NOTE 7– INVESTMENT IN PARAGON WASTE SOLUTIONS LLC, continued

Licensing Agreements

In 2014, Sterall ordered a total of six CoronaLux™ units, of which one unit was delivered during the year ending December 31, 2014, and five units have been pending delivery since that time. Sterall paid a non-refundable placement fee of $236,300 for the unit delivered in 2014 which the Company has been recognizing over the term of the agreement. Sterall also paid a deposit of $330,000 for the five units ordered leaving a balance of $851,500 still owed. The Company fully reserved the amount owed. In July 2017, the Company and Sterall signed a Settlement Agreement and Mutual Release which allows Sterall to keep the one unit delivered in 2014 and another unit also on site, in exchange for the Company's retention of the $330,000 deposit paid by Sterall and the issuance of 300,000 shares of restricted common stock. Sterall also forfeits all rights to operate the CoronoLux technology anywhere in the U.S. territories, but is granted an exclusive right to operate the systems in the limited and sole territory of Haiti for a period of 10 years in exchange for a 5% royalty payable to the Company on gross revenue derived from any source arising out of or related to the operation of the CoronoLux technology.

On February 22, 2014, SEER and PWS entered into an Agreement with Daniel McAteer & Associates ("DMA") to develop, permit and exploit the PWS waste destruction technology in Ireland and United Kingdom ("Limited Territory"). The Agreement called for the formation of a Joint Venture to be owned 50% by SEER and 50% by DMA. In accordance with the agreement, DMA was to pay a one-time license fee of $350,000 for an exclusive license for the limited purpose of medical waste destruction in the Limited Territory. On June 10, 2014 Paragon Waste (UK) Ltd ("Paragon UK", "UK Joint Venture"), was formed in accordance with the laws of Northern Ireland. A total of 300,100 shares were issued upon formation, 100 Ordinary A voting shares were issued, of which PWS received 50 Ordinary A shares and 300,000 Ordinary B non-voting shares were issued. In 2015, the Agreement with DMA was amended to where Paragon UK purchased the CoronaLux™ unit from PWS for $350,000. Operations to date of the Paragon UK Joint Venture have been limited to formation, the delivery of a CoronaLux™ unit with a third party in the United Kingdom and application and permitting efforts with regulatory entities. As of September 30, 2017, a balance of $176,000 is still owed and has been fully reserved by the Company.

On March 4, 2014, PWS entered into a Licensing and Equipment Lease Agreement with eCycling International of South Carolina, LLC ("eCycling"). The License Agreement grants to eCycling the use of the PWS Technology and the CoronaLux™ waste destruction units for an initial term of five years and requires a payment of $176,875 as a non-refundable initial licensing fee and distributions of 50% of net operating profits, as defined in the agreement, in lieu of continuing royalty payments for the use of the licensed technology. eCycling originally paid the $176,875 placement fee to PWS and an additional $176,875 per the amended agreement during the year ended December 31, 2016 and the revenue is being recognized over the term of the Agreement. eCycling is still in the process of permitting the unit, and therefore, has not yet generated any NOP.

On November 17, 2014, PWS entered into an Exclusive Licensing and Equipment Lease Agreement, for a limited license territory, with Medical Waste Services, LLC ("MWS"). The License Agreement grants to MWS the use of the PWS Technology and the CoronaLux™ waste destruction units for an initial term of seven years and requires a payment of $225,000 as a non-refundable initial licensing fee and distributions of 50% of net operating profits, as defined in the agreement, in lieu of continuing royalty payments for the use of the licensed technology. PWS and Medical Waste Services, LLC ("MWS") formed a contractual joint venture to exploit the PWS medical waste destruction technology. MWS has received approval from the California Department of Public Health and a restricted permit from the South Coast Air Quality Management District ("SCAQMD") to operate the CoronaLux™ unit licensed by MWS at its facility in Southern California. Operations to date have included the destruction of medical waste under a temporary operating permit issued by SCAQMD since May 2015 and efforts to obtain a full operating permit from SCAQMD were successful and SCAQMD issued a 'Notice of Intent to Issue Permit to Operate' in March 2017. In August 2017, the full operating permit had been reviewed and verbally approved by SCAQMD, however, the Company has not yet received the full operating permit as of September 30, 2017.

In February 2015, PWS entered into a License Agreement with Particle Science Tech of Environmental Protection, Inc ("Particle") a US subsidiary of Xinhua Energy Environmental Technology Co., Ltd ("Xinhua"), a large multi-national environmental company based in China. The agreement provides for the exclusive rights to distribute PWS's patented technology in China, Hong Kong, Macau and the Taiwan territories ("Territory"). The grant was for both the medical waste, as well as the refinery vertical markets within the Territory. The Agreement calls for, among other things, the formation of a U.S. joint venture company, ("P&P Company", to be owned 50/50 by PWS and Particle) and an obligation by Xinhua to fund all necessary and reasonable capital requirements to permit and roll out the PWS technology in the Territory as well as staff and manage the JV Entity's operations. In 2015, PWS sold a CoronaLux™ unit to Xinhua for $430,500.

NOTE 7– INVESTMENT IN PARAGON WASTE SOLUTIONS LLC, continued

Upon the occurrence of certain events and timely performance by Xinhua, a second placement fee of $350,000 is required to be paid and, upon that second payment, it will then be granted exclusive manufacturing rights to produce the units to be deployed in the Territory.

Payments received for non-refundable licensing and placement fees have been recorded as deferred revenue in the accompanying consolidated balance sheets at September 30, 2017 and December 31, 2016 and are recognized as revenue ratably over the term of the contract.

NOTE 8 - PAYROLL TAXES PAYABLE

In 2009 and 2010, REGS, a subsidiary of the Company, became delinquent for unpaid federal employer and employee payroll taxes, accrued interest and penalties were incurred related to these unpaid payroll taxes.

Two of the officers of REGS also have personal liability exposure for a portion of the taxes if REGS does not pay them.

In May 2013, REGS filed an Offer in Compromise (“OIC”) with the IRS. While the OIC was under review by the IRS, the requirement to pay $25,000 a month under the Installment Plan was suspended. REGS was informed by its legal counsel that the IRS had accepted REGS’ OIC. However, by a letter dated March 27, 2014, REGS was notified that the OIC had been rejected. REGS then appealed that rejections decision. However, that appeal has been denied. As a result, the Installment Plan is terminated. In June 2014, REGS received notices of intent to levy property or rights to property from the IRS for the amounts owed for the past due payroll taxes, penalty and interest. The IRS has not taken any current action against REGS and REGS continues to be represented by its legal counsel.

As of September 30, 2017, and December 31, 2016, the outstanding balance due to the IRS was $992,000, and $993,300, respectively.

Other than this outstanding payroll tax matter arising in 2009 and 2010, all state and federal taxes have been paid by REGS in a timely manner.

NOTE 9 – DEBT

Debt as of September 30, 2017 and December 31, 2016, was comprised of the following:

	2017	2016
Convertible notes payable, interest at 8% per annum, unpaid principal and interest maturing 3 years from note date between August 2018 and October 2019, convertible into common stock at the option of the lenders at a rate of $0.70 per share; one convertible note for $250,000 has a personal guarantee of an officer of the Company.	1,605,000	1,605,000
Debt discount on convertible notes	(9,200)	(14,900)
Secured short term note payable dated October 24, 2016 with principal and interest due 60 days from issuance. The note requires a one-time fee in the amount of $10,000 to compensate for the first two weeks of the term and each week thereafter (weeks 3-8) a fee of $1,000 shall be due and owing accruing on the first day of the week. A fee of 100,000 shares of restricted common stock shall be issued as a penalty for each month or prorated for any two-week portion of any month the note is outstanding for months 3 through 6, and a fee of 200,000 shares of restricted common stock shall be issued to lender for each month or prorated for each two-week portion of any month the note is outstanding beginning in month 7 until paid in full. The note is secured by specific customer accounts receivables and a personal guarantee of an officer of the Company. This note was paid in full in April 2017. The penalty period for shares to be issued was reached and the Company issued 350,000 shares of its common stock under the terms of this agreement. The shares were valued at $245,000 recorded as interest expense.	—	200,000

NOTE 9 – DEBT, continued

Secured short term note payable dated December 1, 2016 with principal and interest due 60 days from issuance. The note requires a one-time fee in the amount of $10,000 to compensate for the first two weeks of the term and each week thereafter (weeks 3-8) a fee of $1,000 shall be due and owing accruing on the first day of the week. A fee of 100,000 shares of restricted common stock shall be issued as a penalty for each month or prorated for any two-week portion of any month the note is outstanding for months 3 through 6, and a fee of 200,000 shares of restricted common stock shall be issued to lender for each month or prorated for each two-week portion of any month the note is outstanding beginning in month 7 until paid in full. The note is secured by specific customer accounts receivables and a personal guarantee of an officer of the Company. This note was paid in full in August 2017. The penalty period for shares to be issued was reached and the Company issued 800,000 shares of its common stock under the terms of this agreement. The shares were valued at $531,000 recorded as interest expense.	—	200,000
Secured short term note payable dated January 23, 2017 with principal and interest due 60 days from issuance. The note requires a one-time fee in the amount of $10,000 to compensate for the first two weeks of the term and each week thereafter (weeks 3-8) a fee of $1,000 shall be due and owing accruing on the first day of the week. A fee of 100,000 shares of restricted common stock shall be issued as a penalty for each month or prorated for any two-week portion of any month the note is outstanding for months 3 through 6, and a fee of 200,000 shares of restricted common stock shall be issued to lender for each month or prorated for each two-week portion of any month the note is outstanding beginning in month 7 until paid in full. The note is secured by specific customer accounts receivables and a personal guarantee of an officer of the Company. This note was paid in full in August 2017. The penalty period for shares to be issued was reached and the Company issued 150,000 shares of its common stock under revised terms of the agreement. The shares were valued at $105,000 recorded as interest expense. No additional shares will be issued by the Company.	—	—
Secured short term note payable dated March 30, 2017 with principal and interest due 60 days from issuance. The note requires a one-time fee in the amount of $10,000 to compensate for the first two weeks of the term and each week thereafter (weeks 3-8) a fee of $1,000 shall be due and owing accruing on the first day of the week. A fee of 100,000 shares of restricted common stock shall be issued as a penalty for each month or prorated for any two-week portion of any month the note is outstanding for months 3 through 6, and a fee of 200,000 shares of restricted common stock shall be issued to lender for each month or prorated for each two-week portion of any month the note is outstanding beginning in month 7 until paid in full. The note is secured by specific customer accounts receivables and a personal guarantee of an officer of the Company. This note was paid in full in August 2017. The penalty period for shares to be issued was reached and the Company recorded 200,000 shares of its common stock under the terms of this agreement. The shares were valued at $128,000 recorded as interest expense. Additional shares will be issued by the Company under the terms of the agreement.	—	—

NOTE 9 – DEBT, continued

Secured short term note payable dated September 13, 2017 with principal and interest due 60 days from issuance. The note requires a one-time fee in the amount of $15,000 to compensate for the first two weeks of the term and each week thereafter (weeks 3-8) a fee of $1,500 shall be due and owing accruing on the first day of the week. A fee of 100,000 shares of restricted common stock shall be issued as a penalty for each month or prorated for any two-week portion of any month the note is outstanding for months 3 through 6, and a fee of 200,000 shares of restricted common stock shall be issued to lender for each month or prorated for each two-week portion of any month the note is outstanding beginning in month 7 until paid in full. The note is secured by the future sale of CoronaLux units and a personal guarantee of an officer of the Company.	300,000	—
Note payable dated October 13, 2015, interest at 8% per annum, payable in 24 monthly installments of principal and interest $4,523, due October 1, 2017. Secured by certain assets of SEM and guaranteed by SEER and MV. This note was paid in full in October 2017.	4,500	43,600
Note payable dated October 13, 2015, interest at 8% per annum, payable in 60 monthly installments of principal and interest $4,562, due October 1, 2020. Secured by real estate and other assets of SEM and guaranteed by SEER and MV	148,700	180,000
Note payable insurance premium financing, interest at 4.25% per annum, payable in 10 installments of $44,706, due November 1, 2017	42,000	—
Capital lease obligations, secured by certain assets, maturing through March 2019	49,200	109,600
Total notes payable and capital lease obligations	2,140,200	2,323,300
Less: current portion	(425,000)	(571,800)
Notes payable and capital lease obligations, long-term, including debt discount	$ 1,715,200	$ 1,751,500

NOTE 10 – RELATED PARTY TRANSACTIONS

Notes payable, related parties

Related parties accrued interest due to certain related parties as of September 30, 2017 and December 31, 2016 are as follows:

	2017	2016
Accrued interest	$ 11,800	$ 11,800
	$ 11,800	$ 11,800

We believe the stated interest rates on the related party notes payable represent reasonable market rates based on the note payable arrangements we have executed with third parties.

In March 2012, the Company entered into an Irrevocable License & Royalty Agreement with PWS that grants PWS an irrevocable world-wide license to the IP in exchange for a 5% royalty on all revenues from PWS and its affiliates. The term shall commence as of the date of this Agreement and shall continue for a period not to exceed the life of the patent or patents filed by the Company. PWS may sub license the IP and any revenue derived from sub licensing shall be included in the calculation of Gross Revenue for purposes of determining royalty payments due the Company. Royalty payments are due 30 days after the end of each calendar quarter. PWS generated licensing revenues of approximately $127,900 for the nine months ended September 30, 2017 and $205,000 for the year ended December 31, 2016, as such, royalties of approximately $23,600 and $17,200 were due at September 30, 2017 and December 31, 2016, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS, continued

In August 2014, the Company entered into a second Exchange and Acquisition Agreement (“New Technologies Agreement”) with Black Stone for the acquisition of additional intellectual property (“IP”) from Black Stone in exchange for 1,000,000 shares of common stock valued at $1,050,000. In 2015 the Company and Black Stone executed a rescission agreement of the New Technologies Agreement noted above that was effective December 31, 2014. The shares issued by the Company in accordance with the agreement were returned and all acquired IP returned to Black Stone.

In September 2014, the Company entered into an Equity Purchase Agreement (“Equity Agreement”) with a third party (“Seller”) whereby the Company issued 1,200,000 shares of the Company’s common stock, valued at $1,212,000, in exchange for 22.5 membership interest units, representing 15% ownership interest in Sterall, LLC, a Delaware corporation. In March 2015, the Company and the Seller entered into a revised agreement whereby the 1,200,000 shares issued by the Company would be held by the Seller until the completion of an independent third-party valuation. Based on the fair market value of the Purchased Units from the valuation obtained by the Company, an amount of Consideration Shares will be returned to the Company to the extent that the fair market value of the Consideration Shares issued (see below) are greater than the fair market value of the Purchased Units. In no event shall the Company be obligated to issue additional shares as consideration for the Purchased Units. For purposes of this amendment, the fair market value of each Consideration Share will be $0.83333. In the event the parties are unwilling to accept the fair market value of the Purchased Units, as determined by the independent valuation specialist, on or before the Closing Date this Agreement, the transaction covered by this Agreement (the “Contemplated Transaction”) may be rescinded by either Party in writing.

In December 2014, PWS, Sterall, Inc and Sterall LLC entered into a Successor-In-Interest Agreement. The Successor-In-Interest Agreement states that Sterall Inc and Sterall LLC are in the process of consolidating their business under Sterall LLC and all agreements between PWS and Sterall Inc shall be binding in all regards Sterall LLC.

In October 2014, PWS and Medical Waste Services, LLC (“MWS”) formed a contractual joint venture to exploit the PWS medical waste destruction technology. In 2015, MWS licensed and installed a CoronaLux unit at an MWS facility, and subsequently received a limited permit to operate. Operations to date have included the destruction of medical waste. For the nine months ended September 30, 2017 and the year ended December 31, 2016, PWS has recorded $19,000 and $15,700 in income which represents their 50% interest in the net income of the joint venture, respectively. In addition, for the nine months ended September 30, 2017 and the year ended December 31, 2016, PWS billed the joint venture approximately $57,000 and $68,000 in costs incurred on behalf of the joint venture, respectively.

Due to the ability of the Company to rescind the shares issued at the commencement of the transaction the shares were considered contingently issuable shares and as such the 1,200,000 shares not considered issued and outstanding at December 31, 2015. The 15% ownership interest in Sterall was considered contingently held until the conclusion of this transaction.

As of December 31, 2015, an independent appraisal was not performed and the Amended Equity Agreement expired by its terms. The 1,200,000 shares subject to the original Equity Agreement and the Amended Equity Agreement became unrestricted in 2016 and are now considered issued and outstanding. The shares were valued at $720,000 and have been recorded as a long term other asset pending resolution of claims by the parties involved related to the Sterall licensing agreement from September 2013, Sterall equipment deposits of $330,000 from 2014 and the equity purchase agreement noted above. As of December 31, 2016, a settlement has not been reached by the parties however, they continue to negotiate an agreement and an impairment of the long term asset in the amount of $720,000 was recorded by the Company. In July 2017, the Company and Sterall signed a Settlement Agreement and Mutual Release which allows Sterall to keep the one unit delivered in 2014 and another unit also on site, in exchange for the Company’s retention of the $330,000 deposit paid by Sterall and the issuance of 300,000 shares of restricted common stock. (see Note 7)

NOTE 11 – ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

During the third quarter of 2017, we sold our fixed railcar cleaning division which includes substantially all assets and liabilities of Tactical (except for cash) as well as three locations in REGS including Illinois, Maryland and Pennsylvania for a sales price of $2.4 million of proceeds received at the close on July 31, 2017, subject to an adjustment for working capital changes, and guaranteed payments of $1.1 million over the next three years. In addition, the Company is entitled to receive another $1.5 million based on the performance of the fixed railcar cleaning locations, also over the next three years. Accordingly, the carrying value of the assets and liabilities associated with the railcar cleaning locations are presented as “Assets held for sale” and “Liabilities held for sale” on our consolidated balance sheet as of December 31, 2016, and “Discontinued operations” on our consolidated statement of operations for three and nine months ending September 30, 2017 and September 30, 2016, and on our consolidated statement of cash flows for the nine months ending September 30, 2017 and September 30, 2016. The sale was completed on July 31, 2017. For the nine months ended September 30, 2017 we recorded net income from discontinued operations and a gain on the sale of rail operations equal to $693,700 and $2,663,800, respectively.

Assets and liabilities held for sale were comprised of the following:

	September, 2017	December 31, 2016
Accounts receivable, net	$ —	$ 841,800
Property and equipment, net	—	156,200
Other	—	26,600
Total Assets held for sale	$ —	$ 1,024,600
Accounts payable	$ —	$ 513,500
Accrued expenses and other	—	89,600
Total Liabilities held for sale	$ —	$ 603,100

Major classes of line items constituting pretax loss on discontinued operations:

	For the three months ending September 30,		For the nine months ending September 30,	
	2017	2016	2017	2016
Services revenue	$ 757,100	$ 877,800	$ 4,082,200	$ 2,854,100
Services costs	489,800	714,500	3,070,200	2,144,500
General and administrative expenses	23,000	35,400	117,800	118,400
Salaries and related expenses	27,700	70,400	208,900	192,300
Other (income) expense	1,200	300	(8,400)	1,300
Total expenses	541,700	820,600	3,388,500	2,456,500
Operating income	215,400	57,200	693,700	397,600
Income tax benefit	—	—	—	—
Total income from discontinued operations	$ 215,400	$ 57,200	$ 693,700	$ 397,600

NOTE 11 – ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS, continued

Total gain on disposal of rail operations:

		September 30, 2017
Consideration from sale	$	2,400,000
Net present value of future consideration		961,500
Carrying value of net assets*		(574,100)
Gross gain on disposal		2,787,400
Additional costs on disposal		
Commissions		(96,000)
Accounting		(18,500)
		(114,500)
Total gain on sale of rail operations	$	2,672,900

*Carrying value of net assets

Accounts receivable, net	$	1,130,500
Property and equipment, net		177,200
Other		60,200
Total Assets	$	1,367,900
Accounts payable	$	771,900
Accrued expenses and other		21,900
Total Liabilities	$	793,800
Carrying value of net assets	$	574,100

NOTE 12 – EQUITY TRANSACTIONS

2017

During the nine months ended September 30, 2017, the Company issued 200,000 warrants, in connection with consulting services provided, exercisable for 5 years at $0.70 per share and valued at $31,300 using the Black Scholes valuation method.

During the nine months ended September 30, 2017, the Company issued 300,000 shares of $.001 par value common stock valued at $174,000 in connection with a settlement agreement. (See Note 7)

During the nine months ended September 30, 2017, the Company issued 300,000 shares of $.001 par value common stock valued at $189,000 in connection with the late payment penalty due on short-term notes. (See Note 9)

During the nine months ended September 30, 2017, the Company recorded 700,000 shares of $.001 par value common stock valued at $475,000 as issuable to short-term note holders as required under their respective agreements. (See Note 9)

During the nine months ended September 30, 2017, the Company issued 500,000 shares of $.001 par value common stock valued at $345,000 in connection with the late payment penalty due on short-term notes. (See Note 9)

NOTE 12 – EQUITY TRANSACTIONS, continued

During the nine months ended September 30, 2017, the Company issued 13,496 shares of its $.001 par value common stock upon the cashless exercise of 166,666 common stock options.

During the nine months ended September 30, 2017, the Company issued an option to purchase 1,000,000 shares of its $.001 par value common stock at a strike price of $1.00 to Richard Robertson in connection with his employment agreement dated January 9, 2017. At the date of issuance 100,000 shares vested immediately and the remaining 900,000 options vest over a period of four years in a series of 16 successive equal quarterly vesting of 56,250 options commencing March 31, 2017 and ending December 31, 2020. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted at $102,354. The assumptions used in calculating such value include a risk-free interest rate of 1.89%, expected volatility of 36.87%, an expected life of 5.5 years and a dividend rate of 0.

During the nine months ended September 30, 2017, the Company issued an option to purchase 1,000,000 shares of its $.001 par value common stock at a strike price of $0.70 to Don Moorhead in connection with his agreement dated May 1, 2017. The options vest over a period of two years in a series of 8 successive equal quarterly installments of 125,000 commencing July 1, 2017 and ending April 1, 2019. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted at $231,514. The assumptions used in calculating such value include a risk-free interest rate of 1.84%, expected volatility of 39.17%, an expected life of 4.5 years and a dividend rate of 0.

During the nine months ended September 30, 2017, the Company and certain warrant holders entered into agreements in which the Company agreed to extend the expiration date of then outstanding warrants by 12 months to acquire 2,966,191 shares of common stock of the Company. Certain warrant holders were offered the extensions at no additional cost to the warrant holder, while others agreed to pay the Company approximately $160,760 for the extensions. As of September 30, 2017, one of the warrant holders is making monthly payments with approximately $12,260 remaining outstanding. The Company recorded stock based compensation expense of $83,677 for those warrant holders granted extensions without compensation to the Company.

<u>2016</u>

During the nine months ended September 30, 2016, the Company sold 600,000 shares of $.001 par value common stock at $.50 per share in a private placement, receiving proceeds of $300,000.

During the nine months ended September 30, 2016 the Company (i) issued 100,000 shares of $.001 par value common stock in connection with the payment of a common stock subscription of $25,000.

During the nine months ended September 30, 2016, the Company issued 250,000 shares of its $.001 par value common stock upon exercise of common stock warrants receiving proceeds of $125,000.

During the nine months ended September 30, 2016, the Company treated as issued 1,200,000 shares of its $.001 par value common stock valued at $720,000 in connection with the Sterall transaction (see Note 7).

During the nine months ended September 30, 2016, the Company issued 60,000 common stock options to employees exercisable at $.60 per share.

In the third quarter of 2016, the Company issued $250,000 in convertible debt that is convertible into 357,142 shares of its $.001 par value common stock.

In May 2016, the Company issued 500,000 warrants, in connection with a short-term financing, exercisable at $.50 per share for a period of four years.

On September 30, 2016, the Company issued 50,000 warrants, in connection with a convertible debt issuance, exercisable for five years at $.85 per share and were valued at $4,900 using the Black Scholes valuation method.

<u>Non-controlling Interest</u>

The non-controlling interest presented in our condensed consolidated financial statements reflects a 46% non-controlling equity interest in PWS (see Note 7). Net loss attributable to non-controlling interest, as reported on our condensed consolidated statements of operations, represents the net loss of PWS attributable to the non-controlling equity interest. The non-controlling interest is reflected within stockholders' equity on the condensed consolidated balance sheet.

NOTE 13 – CUSTOMER CONCENTRATIONS

For the three months ended September 30, 2017, the Company had sales from operations to one customer that represented approximately 17% of total sales. For the nine months ended September 30, 2017, the Company did not have sales representing more than 10% to any one customer. The Company had sales from operations to two customers for the three months ended September 30, 2016 that represented approximately 38% of total sales, and had one customer for the nine months ended September 30, 2016 that represented approximately 22% of our total sales. The concentration of the Company's business with a relatively small number of customers may expose us to a material adverse effect if one or more of these large customers were to experience financial difficulty or were to cease being customer for non-financial related issues.

NOTE 14 – NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding. Diluted net loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares. Potentially dilutive securities are excluded from the calculation when their effect would be anti-dilutive. For all years presented in the consolidated financial statements, all potentially dilutive securities have been excluded from the diluted share calculations as they were anti-dilutive as a result of the net losses incurred for the respective years. Accordingly, basic shares equal diluted shares for all years presented.

Potentially dilutive securities were comprised of the following:

	Nine Months Ended September 30,	
	2017	2016
Warrants	8,861,441	9,964,430
Options	2,155,000	990,000
Convertible notes payable, including accrued interest	2,339,091	1,493,505
	13,355,532	12,447,935

NOTE 15 - ENVIRONMENTAL MATTERS AND REGULATION

Significant federal environmental laws affecting us are the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), also known as the "Superfund Act", the Clean Air Act, the Clean Water Act and the Toxic Substances Control Act ("TSCA").

Pursuant to the EPA's authorization of the RCRA equivalent programs, a number of states have regulatory programs governing the operations and permitting of hazardous waste facilities. Our facilities are regulated pursuant to state statutes, including those addressing clean water and clean air. Our facilities are also subject to local siting, zoning and land use restrictions. We believe we are in substantial compliance with all federal, state and local laws regulating our business.

NOTE 16 - SEGMENT INFORMATION AND MAJOR CUSTOMERS

The Company currently has identified three segments as follows:

REGS	Industrial Cleaning
MV and SEM	Environmental Solutions
PWS	Solid Waste

Reach has had minimal operations through September 30, 2017. Substantially all of the assets and liabilities of Tactical, the rail car cleaning segment, was sold July 31, 2017 (Note 11).

The composition of our reportable segments is consistent with that used by our Chief Operating Decision Maker ("CODM") to evaluate performance and allocate resources. All of our operations are located in the U.S. We have not allocated corporate selling, general and administrative expenses, and stock-based compensation to the segments. All intercompany transactions have been eliminated.

Segment information for the three months ended September 30, 2017 and 2016 is as follows:

2017	Industrial Cleaning (2)	Environmental Solutions	Solid Waste	Corporate	**Total (3)**
Revenue	$ 413,000	$ 717,300	$ 453,100	$ —	$ 1,583,400
Depreciation and amortization (1)	87,800	37,000	33,500	28,300	186,600
Interest expense	5,400	3,300	—	247,300	256,000
Stock-based compensation	—	—	—	37,200	37,200
Net income (loss)	(319,900)	(64,700)	(53,200)	(940,200)	(1,378,000)
Capital expenditures (cash and noncash)	179,100	—	—	—	179,100
Total assets	$ 673,400	1,749,800	$ 1,451,800	$ 1,802,900	$ 5,677,900

2016	Industrial Cleaning (2)	Environmental Solutions	Solid Waste	Corporate	**Total (3)**
Revenue	$ 167,600	$ 1,749,100	$ 41,900	$ —	$ 1,958,600
Depreciation and amortization (1)	81,700	42,700	31,500	24,800	180,700
Interest expense	7,600	5,300	—	42,800	55,700
Stock-based compensation	—	—	—	10,900	10,900
Net income (loss)	(558,700)	217,000	(197,800)	(391,500)	(931,000)
Capital expenditures (cash and noncash)	6,300	—	5,200	—	11,500
Total assets	$ 1,118,300	$ 2,349,300	$ 2,914,500	$ 1,083,100	$ 7,465,200

NOTE 16 - SEGMENT INFORMATION AND MAJOR CUSTOMERS, continued

Segment information for the nine months ended September 30, 2017 and 2016 is as follows:

2017	Industrial Cleaning (2)	Environmental Solutions	Solid Waste	Corporate	**Total (3)**
Revenue	$ 1,803,000	$ 4,268,800	$ 596,900	$ —	$ 6,668,700
Depreciation and amortization (1)	257,700	153,400	108,700	75,500	595,300
Interest expense	17,800	12,300	100	1,182,300	1,212,500
Stock-based compensation	—	—	—	94,000	94,000
Net income (loss)	(789,100)	395,700	(252,100)	(2,967,400)	(3,612,900)
Capital expenditures (cash and noncash)	239,500	1,300	—	—	240,800
Total assets	$ 673,400	1,749,800	$ 1,451,800	$ 1,802,900	$ 5,677,900

2016	Industrial Cleaning (2)	Environmental Solutions	Solid Waste	Corporate	**Total (3)**
Revenue	$ 2,423,800	$ 3,454,500	$ 170,100	$ —	$ 6,048,400
Depreciation and amortization (1)	251,100	125,500	96,300	98,000	570,900
Interest expense	25,100	17,500	500	212,100	255,200
Stock-based compensation	—	—	—	84,000	84,000
Net income (loss)	88,500	91,000	(303,400)	(1,022,500)	(1,146,400)
Capital expenditures (cash and noncash)	129,400	12,900	12,100	—	154,400
Total assets	$ 1,118,300	$ 2,349,300	$ 2,914,500	$ 1,083,100	$ 7,465,200

(1) Includes depreciation of property, equipment and leasehold improvement and amortization of intangibles.
(2) Includes mobile rail car cleaning and excludes locations classified as discontinued operations.
(3) Excludes discontinued operations.

NOTE 17 – LITIGATION

In March 2016, a complaint was filed by a lessor of property leased by REGS, a subsidiary of the Company. The month-to-month lease expired February 29, 2016, when REGS vacated the property. The landlord made certain claims including property damage, and loss of rents, attorney fees and other costs totaling approximately $97,000. REGS engaged defense counsel and zealously opposed the claims. In December 2016, the Company and the lessor reached a settlement of $65,000. At September 30, 2017 and December 31, 2016 $0 and $39,000 was outstanding, respectively. The case was dismissed with prejudiced and the matter is closed.

In January 2016, an employee of SEM was involved in a vehicle accident while on Company business. Various actions were filed by the claimants in both state and federal courts. In August 2016, an involuntary proceeding was commenced by one of the claimants against SEM under Chapter 7 of the Bankruptcy code. In September 2016, the case was converted to a Chapter 11 under the Bankruptcy code. During the pendency of all actions, SEM continued to manage its affairs and operate normally. In the fourth quarter of 2016, the parties reached a settlement concerning the distribution of insurance proceeds and all issues of liability. On March 27, 2017, the Bankruptcy Courts confirmed the dismissal of the SEM Chapter 11 case. As part of the bankruptcy proceedings, the Company reached a settlement with claimants and recorded an accrued litigation expense of $212,500 at December 31, 2016. At September 30, 2017 and December 31, 2016 $143,400 and $212,500 was outstanding, respectively. It was agreed among the parties that all pending state and/or federal claims will be dismissed with prejudice.

NOTE 18 - SUBSEQUENT EVENTS

During October 2017, the Company paid one note in full which was secured by certain assets of SEM and guaranteed by SEER and MV.

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

The following discussion is intended to assist you in understanding our business and the results of our operations. It should be read in conjunction with the Condensed Consolidated Financial Statements and the related notes that appear elsewhere in this report as well as our Report on Form 10K filed with the Securities and Exchange Commission on April 14, 2017. Certain statements made in our discussion may be forward looking. Forward-looking statements involve risks and uncertainties and a number of factors could cause actual results or outcomes to differ materially from our expectations. These risks, uncertainties, and other factors include, among others, the risks described in our Annual Report on Form 10K filed with the Securities and Exchange Commission, as well as other risks described in this Quarterly Report. Unless the context requires otherwise, when we refer to "we," "us" and "our," we are describing Strategic Environmental & Energy Resources, Inc. and its consolidated subsidiaries on a consolidated basis.

SEER BUSINESS OVERVIEW

Strategic Environmental & Energy Resources, Inc. ("the Company" or "SEER") was originally organized under the laws of the State of Nevada on February 13, 2002 for the purpose of acquiring one or more businesses, under the name of Satellite Organizing Solutions, Inc ("SOZG"). In January 2008, SOZG changed its name to Strategic Environmental & Energy Resources, Inc., reduced its number of outstanding shares through a reverse stock split and consummated the acquisition of both, REGS, LLC and Tactical Cleaning Company, LLC. SEER is dedicated to assembling complementary service and environmental, clean-technology businesses that provide safe, innovative, cost effective, and profitable solutions in the oil & gas, environmental, waste management and renewable energy industries. SEER currently operates six companies with five offices in the western and mid-western U.S. Through these operating companies, SEER provides products and services throughout the U.S. and has licensed technologies with many customer installations throughout the U.S. Each of the six operating companies is discussed in more detail below. The Company also has non-controlling interests in joint ventures, some of which have no or minimal operations.

The Company's domestic strategy is to grow internally through SEER's subsidiaries that have well established revenue streams and, simultaneously, establish long-term alliances with and/or acquire complementary domestic businesses in rapidly growing markets for renewable energy, waste and water treatment and oil & gas services. The focus of the SEER family of companies, however is to increase margins by securing or developing proprietary patented and patent-pending technologies and then leveraging its 20 plus-year service experience to place these innovations and solutions into the growing markets of emission capture and control, renewable "green gas" capture and sale, compressed natural gas ("CNG") fuel generation, as well as general solid waste and medical/pharmaceutical waste destruction. Many of SEER's current operating companies share customer bases and each provides truly synergistic services, technologies and products as well as annuity type revenue streams.

The Company owns and manages four operating entities, one entity that is classified as discontinued operations, and one entity that has no significant operations to date.

Subsidiaries

REGS, LLC d/b/a Resource Environmental Group Services ("REGS"): **(operating since 1994)** provides general industrial cleaning services and waste management to many industry sectors focusing primarily on oil & gas production (upstream) and refineries (downstream). The Company sold assets and liabilities related to several of REGS' fixed rail car cleaning sites along with Tactical assets and liabilities in July 2017.

Tactical Cleaning Company, LLC ("Tactical"): (operating since 2005) provides cleaning services to the tanker rail car industry with offices in two states and a focus on both food-grade and petroleum based products, *i.e*., fuel oil and asphalt. The Company sold substantially all of the assets and liabilities of Tactical in July 2017.

MV, LLC (d/b/a MV Technologies), ("MV"): (operating since 2003) MV designs and sells patented and/or proprietary, dry scrubber solutions for management of Hydrogen Sulfide (H_2S) in biogas, landfill gas, and petroleum processing operations. These system solutions are marketed under the product names H2SPlus™, SulfAx^R and OdorFilter™. The markets for these products include land fill operations, agricultural and food product processors, wastewater treatment facilities, and petroleum product refiners. MV also develops and designs proprietary technologies and systems used to condition biogas for use as renewable natural gas ("RNG"), for a number of applications, such as transportation fuel and natural gas pipeline injection.

Paragon Waste Solutions, LLC ("PWS"): (formed late 2010) PWS is an operating company that has developed a patented waste destruction technology using a pyrolytic heating process combined with "non-thermal plasma" assisted oxidation. This technique involves gasification of solid waste by heating the waste in a low-oxygen environment, followed by complete oxidation at higher temperatures in the presence of plasma. The term "non-thermal plasma" refers to a low energy ionized gas that is generated by electrical discharges between two electrodes. This technology, commercially referred to as CoronaLux™, is designed and intended for the "clean" destruction of hazardous chemical and biological waste *(i.e*., hospital "red bag" waste) thereby eliminating the need for costly segregation, transportation, incineration or landfill (with their associated legacy liabilities). PWS is a 54% owned subsidiary.

ReaCH4BioGas ("Reach") (trade name for Benefuels, LLC): (formed February 2013) owned 85% by SEER. Reach develops renewable natural gas projects that convert raw biogas into pipeline quality gas and/or Renewable, "RNG", for fleet vehicles. Reach has had minimal operations as of March 31, 2017.

SEER Environmental Materials, LLC ("SEM") formed September 2015. SEM is a wholly owned subsidiary established as a materials technology business with the purpose of developing advanced chemical absorbents and catalysts that enhance the capability of biogas produced from, landfill, wastewater treatment operations and agricultural digester operations.

Joint Ventures

MV RCM Joint Venture: In April 2013, MV Technologies, Inc ("MV") and RCM International, LLC ("RCM") entered into an Agreement to develop hybrid scrubber systems that employ elements of RCM Technology and MV Technology (the "Joint Venture"). RCM and MV Technologies will independently market the hybrid scrubber systems. The contractual Joint Venture has an initial term of five years and will automatically renew for successive one-year periods unless either Party gives the other Party one hundred and eighty (180) days' notice prior to the applicable renewal date. Operations to date of the Joint Venture have been limited to formation activities.

Paragon Waste (UK) Ltd: In June 2014, PWS and PCI Consulting Ltd ("PCI") formed Paragon Waste (UK) Ltd ("Paragon UK Joint Venture") to develop, permit and exploit the PWS waste destruction technology within the territory of Ireland and the United Kingdom. PWS and PCI each own 50% of the voting shares of Paragon UK Joint Venture. Operations to date of the Paragon UK Joint Venture have been limited to formation, the delivery of a CoronaLux™ unit with a third party in the United Kingdom and application and permitting efforts with regulatory entities.

P&P Company: In February 2015, PWS and Particle Science Tech of Environmental Protection, Inc. ("Particle Science") formed a joint venture, Particle &Paragon Environmental Solutions, Inc ("P&P") to exploit the PWS technology in China, including Hong Kong, Macao and Taiwan. PWS and Particle Science each own 50% of P&P. Operations to date have been limited to formation of P&P and the sale and delivery of a CoronaLux™ unit to Particle Science in China.

PWS MWS Joint Venture: In October 2014, PWS and Medical Waste Services, LLC ("MWS") formed a contractual joint venture to exploit the PWS medical waste destruction technology. In 2015, MWS licensed and installed a CoronaLux™ unit at an MWS facility, and subsequently received a limited permit to operate from the South Coast Air Quality Management District ("SCAQMD") and the California Department of Public Health. Operations to date have included the destruction of medical waste under a temporary operating permit issued by SCAQMD since May 2015 and efforts to obtain a full operating permit from SCAQMD were successful and SCAQMD issued a 'Notice of Intent to Issue Permit to Operate' in March 2017.

SEER's Financial Condition and Liquidity

As shown in the accompanying consolidated financial statements, the Company has experienced recurring losses, and has accumulated a deficit of approximately $19.4 million as of September 30, 2017, and $19.3 million as of December 31, 2016. For the nine months ended September 30, 2017 we had loss from operations of $3.6 million and for the year ended December 31, 2016, we incurred loss from operations of approximately $4.7 million. The Company had a working capital deficit of approximately $2.9 million at September 30, 2017, a decrease of approximately $1.1 million in the working capital deficit of $4 million at December 31, 2016. REGS, a wholly owned subsidiary, was notified that effective April 1, 2016 it would no longer be providing routine maintenance services to its largest customer but would still be eligible to provide other industrial cleaning services. The loss of revenue from this customer was approximately $2.5 for the year ended December 31, 2016. The Company has limited common shares available for issue which may limit the ability to raise capital or settle debt through issuance of shares. These factors raise substantial doubt about the ability of the Company to continue to operate as a going concern for a period of at least one year after the date of the issuance of our audited financial statements for the period ended December 31, 2016.

Realization of a major portion of our assets as of September 30, 2017 and December 31, 2016, is dependent upon our continued operations. The Company is dependent on generating additional revenue or obtaining adequate capital to fund operating losses until it becomes profitable. The Company opened an additional rail car cleaning facility in the Midwest (Illinois) and East Coast (Maryland) during 2016 and in the Jersey Coast (Pennsylvania) in 2017 to offset some of the lost revenue previously derived from the refinery sector. Revenue from the new rail car cleaning facilities began in mid-2016 (Illinois), fourth quarter of 2016 (Maryland) and second quarter 2017 (Pennsylvania) and all locations experienced monthly revenue growth during the months leading up to their sale on July 31, 2017. These three rail car cleaning facilities are included with the Tactical rail car cleaning facilities in assets and liabilities held for sale at December 31, 2016, and as discontinued operations for the three and nine months ended September 30, 2017 and 2016. In addition, we have undertaken a number of specific steps to improve operating efficiencies, revenues and income to continue to operate as a going concern. We continue to focus on developing organic growth in our operating companies and improving gross and net margins through increased attention to pricing, cost management and overhead reductions. Critical to achieving profitability will be our ability to license and or sell, permit and operate our CoronaLux™ waste destruction units either through our joint ventures and/or licensees. We have increased our business development efforts to address opportunities identified in expanding markets attributable to increased interest in energy conservation and emission control regulations, particularly the landfill gas and oil field emissions sectors. In addition, the Company is evaluating various forms of financing which may be available to it, i.e., debt and/or equity financing while carefully evaluating the impact on share dilution. There can be no assurance that the Company will secure additional financing for working capital, increase revenues and achieve the desired result of net income and positive cash flow from operations in future years. These financial statements do not give any effect to any adjustments that would be necessary should the Company be unable to report on a going concern basis.

Our primary need for liquidity is to fund working capital requirements of our businesses, capital expenditures and for general corporate purposes, including debt repayment. We have incurred losses and experienced negative operating cash flows for the past several years, and accordingly, the Company has taken a number of actions to continue to support its operations and meet its obligations. The sale of assets and liabilities of Tactical and certain locations within REGS has provided the Company working capital to repay short-term notes totaling $650,000 and accelerate growth of our high-margin technology divisions. We anticipate selling, general and administrative (SG&A) expenses to be reduced somewhat for the last quarter of 2017. The full synergies should be realized in 2018 with expected annualized savings in SG&A in the range of $0.5 million to $0.7 million. However, we cannot predict, with certainty, the outcome of our actions to generate liquidity, including the availability of additional debt financing, or whether such actions would generate the expected liquidity as currently planned. If we continue to experience operating losses at current levels, and we are not able to generate additional liquidity through the mechanisms described above or through some combination of other actions, while not expected, we might need to secure additional sources of funds, which may or may not be available to us. Additionally, a failure to generate additional liquidity could negatively impact our access to inventory or services that are important to the operation of our business.

Results of Continuing Operations for the Three Months Ended September 30, 2017 and 2016

Total revenues were approximately $1.6 million and $2 million for the three months ended September 30, 2017 and 2016, respectively. The decrease in revenue comparing Q3 2017 to Q3 2016 is driven by a decrease of approximately $1 million or 59% in environmental solutions revenue offset by an increase of $245,400 or 146% in industrial cleaning revenue and an increase of $411,000 or 979% in solid waste revenue. The decrease in the environmental solutions revenue is due to a decline in long-term contract revenue in Q3 2017. The increase in industrial cleaning revenue is due to an uptick in industrial cleaning services as compared to the loss of significant customer that occurred during Q2 and Q3 2016. The increase in solid waste revenue is due to a settlement agreement reached with one customer which required the recognition of remaining deferred revenue related to the license agreement and a customer deposit totaling $330,000.

Operating costs, which include cost of products, cost of services, solid waste costs, general and administrative (G&A) expenses and salaries and related expenses, were $2.7 million for the quarter ended September 30, 2017 compared to $2.7 million for the quarter ended September 30, 2016. Although there was no overall change in operating costs between the quarters, the changes within the quarter ended September 30, 2017 were primarily the result of a 1) a 59% decrease in environmental solutions revenue resulting in a 62% decrease in environmental solutions costs totaling approximately ($816,100), 2) a 146% increase in industrial cleaning revenue resulting in a 17% increase in industrial cleaning costs totaling approximately $82,600, 3) a 981% increase in solid waste revenue resulting in a 333% increase in solid waste costs totaling approximately $265,700, 4) an approximately $370,700 increase in general and administrative expenses primarily driven by an increase in business insurance ($35,000), professional services ($115,000), cost of issuing warrants ($30,000) and the cost of issuing common shares for settlement of a license agreement ($174,000) and 5) an approximately $89,000 increase in salaries and related expenses primarily driven by an increase in stock based compensation ($30,000) and engineering salaries not allocated to a specific environmental solutions job due to decrease in revenue for the quarter. Service costs outpaced service revenue in both Q3 2017 and Q3 2016 as full utilization of manpower and the ability to utilize and bill our own equipment and rent less third-party equipment was not realized, although the gap narrowed in Q3 2017 as compared to Q3 2016. Product costs as a percentage of product revenues were 29% for the quarter ended September 30, 2017 and 24% for the quarter ended September 30, 2016. The increase in margin performance for the product sales is due to a larger mix of media and one time revenue.

Total non-operating other income (expense), net was $(216,000) for the quarter ended September 30, 2017 compared to $(136,100) for the quarter ended September 30, 2016. For the quarter ended September 30, 2017 non-operating expenses were comprised of interest expense of $(256,000) offset by other income of $40,000. For the quarter ended September 30, 2016 non-operating expenses were comprised of interest expense of $(55,700), loss contingency of $(48,000) and other expense of $(32,400). The increase in interest expense in Q3 2017 compared to Q3 2016 was primarily the result of the Company having to issue common stock valued at $189,000 to note holders in accordance with penalty clauses included in the short term notes when the Company was unable to satisfy the notes when they came due.

There is no provision for income taxes for the quarter ended September 30, 2016 due to prior year losses and for the quarter ended September 30, 2017, due to year-to-date losses and the application of a 100% valuation allowance for all deferred tax assets created by our NOLs.

The Company had a loss from operations for the quarter ended September 30, 2017 of $(1,378,000) compared to a loss from operations of $(931,000) for the quarter ended September 30, 2016. The loss for the quarter ended September 30, 2017 was largely driven by a decrease in total revenues and an increase in net total other expenses, as noted above.

Results of Continuing Operations for the Nine Months Ended September 30, 2017 and 2016

Total revenues were approximately $6.7 million and $6 million for the nine months ended September 30, 2017 and 2016, respectively, and increase of $700,000 or 12%. The increase in revenue is driven by an increase of approximately $800,000 or 24% in environmental solutions revenue coupled with an increase of approximately $427,000 or 251% in solid waste revenue and offset by a decrease of approximately $600,000 or 26% in industrial cleaning revenue. The increase in the environmental solutions revenue is due to greater long-term contract revenue, one-time revenue and recurring media sales to new and existing customers for the nine months ended September 30, 2017 as compared to the same year-prior period. The increase in solid waste revenue is due to a settlement agreement reached with one customer which required the recognition of remaining deferred revenue related to the license agreement and a customer deposit totaling $330,000. The decrease in industrial cleaning revenue is due to the notification in April 2016 by a significant customer in that segment of the loss of routine maintenance services to this significant customer, although other industrial cleaning services would continue.

Operating costs, which include cost of products, cost of services, solid waste costs, general and administrative (G&A) expenses and salaries and related expenses, were $9.1 million for the nine months ended September 30, 2017 compared to $7.8 million for the nine months ended September 30, 2016. The increase in operating costs of approximately $1.3 million is primarily the result of a 1) a 24% increase in environmental solutions revenue resulting in a 22% increase in environmental solutions costs totaling approximately $525,000, 2) a 251% increase in solid waste revenue resulting in a 86% increase in solid waste costs totaling approximately $210,000, 3) an 26% decrease in industrial cleaning services resulting in an 2% decrease in industrial cleaning costs totaling approximately ($40,000), and 4) an approximately $696,000 increase in general and administrative expenses. Service costs as a percentage of service revenues were 115% for the nine months ended September 30, 2017, compared to 87% for the nine months ended September 30, 2016. Service costs outpaced service revenue in the nine months ended September 30, 2017 as full utilization of manpower and the ability to utilize and bill our own equipment and rent less third-party equipment was not realized. Product costs as a percentage of product revenues were 68% for the nine months ended September 30, 2017 and 69% for the nine months ended September 30, 2016. G&A expenses increased by approximately $696,000 for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. The primary reasons for the increase in G&A expenses are; 1) an increase in depreciation and amortization of approximately $28,000, 2) an increase in business insurance of approximately $82,000, 3) an increase in professional services of approximately $200,000 4) the Company recorded an expense for modifying existing warrants to increase the time to exercise term of the warrants of approximately $84,000, 5) the Company recorded an expense for issuing a warrant for professional services provided of approximately $30,000, and 6) the Company recorded an expense for issuing common shares related to the settlement of a licensing agreement of approximately $145,000. Salaries and related expenses decreased by approximately $122,000 for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016.

Total non-operating other income (expense), net was $(1,178,400) for the nine months ended September 30, 2017 compared to $(307,100) for the nine months ended September 30, 2016. For the nine months ended September 30, 2017 non-operating expenses were comprised of interest expense of $(1,212,500) offset by other income of $34,100. For the nine months ended September 30, 2016 non-operating expenses were comprised of interest expense of $(255,200), loss contingency of $(48,000) and other expense of $(3,900). The increase in interest expense for the nine months ended September 30, 2017 compared to 2016 was primarily the result of the Company having to issue common stock valued at $1,009,000 to note holders in accordance with penalty clauses included in the short term notes when the Company was unable to satisfy the notes when they came due.

There is no provision for income taxes for the nine months ended September 30, 2016 due to prior year losses and for the nine months ended September 30, 2017, due to year-to-date losses and the application of a 100% valuation allowance for all deferred tax assets created by our NOLs.

The Company had a loss from operations for the nine months ended September 30, 2017 of $(3,612,900) compared to a loss from operations of $(2,093,100) for the nine months ended September 30, 2016. The loss for the nine months ended September 30, 2017 as compared to the loss from the nine months ended September 30, 2016 was largely driven by a (3.5%) decrease in gross margin coupled with an increase in general and administrative expenses and net other expenses, as noted above. In addition, salaries and related expenses were fairly consistent for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016.

Changes in Cash Flow

Operating Activities

The Company had net cash used by operating activities for the nine months ended September 30, 2017 of $(2,192,000) compared to net cash used by operating activities for the nine months ended September 30, 2016 of $(1,285,900), a further use of cash of approximately $(906,100). Cash used by operating activities is driven by our net loss and adjusted by non-cash items as well as changes in operating assets and liabilities. Non-cash adjustments primarily include depreciation, amortization of intangible assets, stock based compensation expense and non-cash interest expense related to issuable common stock shares as penalty for delay in repayment of short-term notes. Non-cash adjustment totaled $1,891,100and $760,500 for the nine months ended September 30, 2017 and 2016, respectively, so non-cash adjustments had a significantly larger impact on net cash used by operating activities for the nine months ended September 30, 2017 when compared to the nine months ended September 30, 2016 by over $1.8 million. For the nine months ended September 30, 2017, the net negative change in operating assets and liabilities was $(470,200) compared to the nine months ended September 30, 2016 where the net positive change in operating assets and liabilities, as described above, was $72,300. The negative change in operating assets and liabilities had a much greater impact on net cash used by operating activities for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016.

Investing activities

The purchase of property, equipment and intangibles were greater in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 by approximately $86,000. In the nine months ended September 30, 2017 the additions totaled $240,800 compared to additions in of $154,400 during the nine months ended September 30, 2016. In the nine months ended September 30, 2016 we received insurance proceeds of $59,000 from property damage and there were no such proceeds during the nine months ended September 30, 2017. In the nine months ended September 30, 2017 we received proceeds from the sale of rail operations of $2,400,000 and paid costs related to the sale of $114,500. Additionally, during the nine months ended September 30, 2017, we loan $300,000 to an unrelated entity under the terms of a note receivable.

Financing Activities

Net cash used in financing activities was $(82,500) for the nine months ended September 30, 2017 compared to net cash provided by financing activities of $525,300 for the nine months ended September 30, 2016. The primary difference is that in the nine months ended September 30, 2017, we had proceeds from short-term notes and extension of warrants of $898,600 and made payments on notes and capital lease obligations of $(980,900), whereas for the nine months ended September 30, 2016, we had proceeds for the sale of stock, exercise of warrants and warrant extensions along with proceeds from short-term and convertible notes totaling $1,104,900 and made payments on notes and capital lease obligations of $(559,600).

DISCONTINUED OPERATIONS

Results of Discontinued Operations for the Three Months Ended September 30, 2017 and 2016

Total revenues were approximately $757,000 and $878,000 for the three months ended September 30, 2017 and 2016, respectively. The decrease in revenue comparing Q3 2017 to Q3 2016 is driven by the sale date one month into Q3 2017 compared to a full quarter of revenue for Q3 2016, coupled with expansion into new rail locations in Maryland and Pennsylvania between Q3 2016 and Q3 2017.

Operating costs, which include cost of services, general and administrative (G&A) expenses and salaries and related expenses, were approximately $542,000 for the quarter ended September 30, 2017 compared to $821,000 for the quarter ended September 30, 2016. The decrease in operating costs of approximately $279,000 is primarily the result of a 1) a 14% decrease in services revenue resulting in a 31% decrease in services costs totaling approximately $225,000, and 2) an approximately $43,000 decrease in salaries and related expenses. Service costs as a percentage of service revenues were 65% for the quarter ended September 30, 2017 and 81% for the quarter ended September 30, 2016. The increase in margin performance is due to improved efficiencies.

Total net income from discontinued operations was $215,400 for the quarter ended September 30, 2017 compared to $57,200 for the quarter ended September 30, 2016.

There is no provision for income taxes for the quarter ended September 30, 2016 due to prior year consolidated losses and for the quarter ended September 30, 2017, due to year-to-date consolidated net loss for the period.

Results of Discontinued Operations for the Nine Months Ended September 30, 2017 and 2016

Total revenues were approximately $4.1 million and $2.9 million for the nine months ended September 30, 2017 and 2016, respectively. The increase in revenue is driven by the expansion into new rail locations in Maryland and Pennsylvania, as well as expansion of operations in locations in Illinois, Kansas and Colorado during the nine months ended September 30, 2017.

Operating costs, which include cost of services, general and administrative (G&A) expenses and salaries and related expenses, were $3.4 million for the nine months ended September 30, 2017 compared to $2.5 million for the nine months ended September 30, 2016. The increase in operating costs of approximately $932,000 is primarily the result of a 43% increase in services revenue resulting in a 43% increase in services costs totaling approximately $926,000. Service costs as a percentage of service revenues remained consistent at 75% for the nine months ended September 30, 2017 and 2016.

Total net income from discontinued operations was $693,700 for the nine months ended September 30, 2017 compared to $397,700 for the nine months ended September 30, 2016.

There is no provision for income taxes for the quarter ended September 30, 2016 due to prior year consolidated losses and for the quarter ended September 30, 2017, due to year-to-date losses and the application of a 100% valuation allowance for all deferred tax assets created by our NOLs.

Changes in Cash Flow

Operating Activities

The Company had net cash provided by discontinued operations for the nine months ended September 30, 2017 of $461,400 compared to net cash provided by discontinued operations for the nine months ended September 30, 2016 of $768,000, a decrease of cash of $(306,600).

Investing activities

In the nine months ended September 30, 2017 we received proceeds from the sale of rail operations of $2,400,000 and paid costs related to the sale of $114,500.

Critical Accounting Policies, Judgments and Estimates

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make a number of estimates and assumptions related to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of intangible assets; valuation allowances and reserves for receivables, inventory and deferred income taxes; revenue recognition related to contracts accounted for under the percentage of completion method; share-based compensation; and loss contingencies, including those related to litigation. Actual results could differ from those estimates.

Accounts Receivable and Concentration of Credit Risk

Accounts receivable are recorded at the invoiced amounts less an allowance for doubtful accounts and do not bear interest. The allowance for doubtful accounts is based on our estimate of the amount of probable credit losses in our accounts receivable. We determine the allowance for doubtful accounts based upon an aging of accounts receivable, historical experience and management judgment. Accounts receivable balances are reviewed individually for collectability, and balances are charged off against the allowance when we determine that the potential for recovery is remote. An allowance for doubtful accounts of approximately $235,500 and $235,500 has been reserved as of September 30, 2017 and December 31, 2016, respectively.

We are exposed to credit risk in the normal course of business, primarily related to accounts receivable. Our customers operate primarily in the oil production and refining, rail transport, biogas generating and wastewater treatment industries in the United States. Accordingly, we are affected by the economic conditions in these industries as well as general economic conditions in the United States. To limit credit risk, management periodically reviews and evaluates the financial condition of its customers and maintains an allowance for doubtful accounts. As of September 30, 2017, and December 31, 2016, we do not believe that we have significant credit risk.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including accounts receivable and accounts payable, are carried at cost, which approximates their fair value due to their short-term maturities. We believe that the carrying value of notes payable with third parties, including their current portion, approximate their fair value, as those instruments carry market interest rates based on our current financial condition and liquidity. We believe the amounts due to related parties also approximate their fair value, as their carried interest rates are consistent with those of our notes payable with third parties.

Long-lived Assets

We evaluate the carrying value of long-lived assets for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An asset is considered to be impaired when the anticipated undiscounted future cash flows of an asset group are estimated to be less than its carrying value. The amount of impairment recognized is the difference between the carrying value of the asset group and its fair value. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows. No impairment was determined as of September 30, 2017. As of December 31, 2016, the Company determined an impairment to five CoronaLux ™ units of $809,000 incurred due to lack of sale or license of the five units for a period of more than 12 months since completion of the units.

Revenue Recognition

We recognize revenue related to contract projects and services when all of the following criteria are met: (i) persuasive evidence of an agreement exists, (ii) delivery has occurred or services have been rendered, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. Our revenue is primarily comprised of services related to industrial cleaning and railcar cleaning, which we recognize as services are rendered.

Product revenue generated from projects, which include the manufacturing of products, for removal and treatment of hazardous vapor and gasses is accounted for under the percentage-of-completion method for projects with durations in excess of three months and the completed-contract method for all other projects. Total estimated revenue includes all of the following: (1) the basic contract price (2) contract options and (3) change orders. Once contract performance is underway, we may experience changes in conditions, client requirements, specifications, designs, materials and expectations regarding the period of performance. Such changes are “change orders” and may be initiated by us or by our clients. In many cases, agreement with the client as to the terms of change orders is reached prior to work commencing; however, sometimes circumstances require that work progress without obtaining client agreement. Revenue related to change orders is recognized as costs are incurred if it is probable that costs will be recovered by changing the contract price. The Company does not incur pre-contract costs. Under the percentage-of-completion method, we recognize revenue primarily based on the ratio of costs incurred to date to total estimated contract costs. Provisions for estimated losses on uncompleted contracts are recorded in the period in which the losses are identified and included as additional loss. Provisions for estimated losses on contracts are shown separately as liabilities on the balance sheet, if significant, except in circumstances in which related costs are accumulated on the balance sheet, in which case the provisions are deducted from the accumulated costs. A provision as a liability is reported as a current liability.

For contracts accounted for under the percentage-of-completion method, we include in current assets and current liabilities amounts related to construction contracts realizable and payable. Costs and estimated earnings in excess of billings on uncompleted contracts represent the excess of contract costs and profits recognized to date over billings to date, and are recognized as a current asset. Billings in excess of costs and estimated earnings on uncompleted contracts represents the excess of billings to date over the amount of contract costs and profits recognized to date, and are recognized as a current liability.

The Company's revenues from waste destruction licensing agreements are recognized as a single accounting unit over the term of the license. In accordance with Accounting Standards Codification ("ASC") 605, for revenues which contain multiple deliverables, the Company separates the deliverables into separate accounting units if they meet the following criteria: (i) the delivered items have a stand-alone value to the customer; (ii) the fair value of any undelivered items can be reliably determined; and (iii) if the arrangement includes a general right of return, delivery of the undelivered items is probable and substantially controlled by the seller. Deliverables that do not meet these criteria are combined with one or more other deliverables into one accounting unit. Revenue from each accounting unit is recognized based on the applicable accounting literature, primarily ASC 605.

Stock-based Compensation

We account for stock-based awards at fair value on the date of grant, and recognize compensation over the service period that they are expected to vest. We estimate the fair value of stock options and stock purchase warrants using the Black-Scholes option pricing model. The estimated value of the portion of a stock-based award that is ultimately expected to vest, taking into consideration estimated forfeitures, is recognized as expense over the requisite service periods. The estimate of stock awards that will ultimately vest requires judgment, and to the extent that actual forfeitures differ from estimated forfeitures, such differences are accounted for as a cumulative adjustment to compensation expenses and recorded in the period that estimates are revised.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings with the Securities and Exchange Commission (SEC) are recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

As of the end of the period covered by this report, and under the supervision and with the participation of our management, including our Chief Executive Officer and the person performing the similar function as Chief Financial Officer, we evaluated the effectiveness of the design and operation of these disclosure controls and procedures. Based on this evaluation and subject to the foregoing, our Chief Executive Officer and Acting Chief Financial Officer concluded that our disclosure controls and procedures were not effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Exchange Act) during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

From time to time, the Company may become a party to legal actions or proceedings in the ordinary course of its business. As of September 30, 2017, there were no other such actions or proceedings, either individually or in the aggregate, that, if decided adversely to the Company's interests, the Company believes would be material to its business.

ITEM 1A. Risk Factors

Please review our report on Form 10K Part 1, Item 1A for a complete statement of "Risk Factors" that pertain to our business.

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

During the nine months ended September 30, 2017, the Company issued 200,000 warrants, in connection with consulting services provided, exercisable for 5 years at $0.70 per share and valued at $31,300 using the Black Scholes valuation method.

During the nine months ended September 30, 2017, the Company issued 300,000 shares of $.001 par value common stock valued at $174,000 in connection with a settlement agreement. (See Note 7)

During the nine months ended September 30, 2017, the Company issued 300,000 shares of $.001 par value common stock valued at $189,000 in connection with the late payment penalty due on short-term notes. (See Note 9)

During the nine months ended September 30, 2017, the Company issued 500,000 shares of $.001 par value common stock valued at $345,000 in connection with the late payment penalty due on short-term notes. (See Note 9)

During the nine months ended September 30, 2017, the Company recorded 700,000 shares of $.001 par value common stock valued at $475,000 as issuable to short-term note holders as required under their respective agreements. (See Note 9)

During the period January 1, 2017 to September 30, 2017, the Company issued 13,496 shares of its $.001 par value common stock upon the cashless exercise of 166,666 common stock options.

During the period January 1, 2017 to September 30, 2017, the Company issued an option to purchase 1,000,000 shares of its $.001 par value common stock at a strike price of $1.00 to Richard Robertson in connection with his employment agreement dated January 9, 2017. At the date of issuance 100,000 shares vested immediately and the remaining 900,000 options vest over a period of four years in a series of 16 successive equal quarterly installments of 56,250 commencing March 31, 2017 and ending December 31, 2020. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted at $102,354. The assumptions used in calculating such value include a risk-free interest rate of 1.89%, expected volatility of 36.87%, an expected life of 5.5 years and a dividend rate of 0.

During the period January 1, 2017 to September 30, 2017, the Company issued an option to purchase 1,000,000 shares of its $.001 par value common stock at a strike price of $0.70 to Don Moorhead in connection with his agreement dated May 1, 2017. The options vest over a period of two years in a series of 8 successive equal quarterly installments of 125,000 commencing July 1, 2017 and ending April 1, 2019. The Company used the Black Scholes option pricing model to estimate the fair value of the options granted at $231,514. The assumptions used in calculating such value include a risk-free interest rate of 1.84%, expected volatility of 39.17%, an expected life of 4.5 years and a dividend rate of 0.

During the nine months ended September 30, 2017, the Company and certain warrant holders entered into agreements in which the Company agreed to extend the expiration date of then outstanding warrants by 12 months to acquire 2,966,191 shares of common stock of the Company. Certain warrant holders were offered the extensions at no additional cost to the warrant holder, while others agreed to pay the Company approximately $160,760 for the extensions. As of September 30, 2017, one of the warrant holders is making monthly payments with approximately $12,260 remaining outstanding. The Company recorded stock based compensation of $83,677 for those warrant holders granted extensions without compensation to the Company.

The issuance of the shares of our common stock described above was pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended and related state private offering exemptions. All of the investors were Accredited Investors as defined in the Securities Act who took their shares for investments purposes without a view to distribution and had access to information concerning the company and its business prospects, as required by the Securities Act.

In addition, there was no general solicitation or advertising for the purchase of these shares. All certificates for these shares issued pursuant to Section 4(2) contain a restrictive legend. Finally, our stock transfer agent has been instructed not to transfer any of such shares unless such shares are registered for resale or there is an exemption with respect to their transfer.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

EXHIBIT INDEX

3.1	Articles of Incorporation, dated February 13, 2002 (1)
3.2	Amendment to the Articles of Incorporation, dated December 19, 2007, changing the name and effecting a reverse (1)
3.3	Bylaws of the corporation, effective February 13, 2002 (1)
4.1	$225,000 Convertible Note and Note Agreement of the Corporation, issued February 14, 2012 (2)
4.2	Form of Warrant, having a 3-year life with $0.50 exercise price (1)
4.3	Form of Warrant, having a 5-year life with $0.50 exercise price (1)
10.1	Agreement for acquisition of MV, dated June 13, 2008 (1)
10.2	Agreement for acquisition of intellectual property from Black Stone Management Services, LLC, dated August 10, 2011 (1)
10.3	Agreement for Merger with Satellite Organizing Solutions, Inc. (1)
10.4	Consulting Agreement between the Company and Monty R. Lamirato, dated October 8, 2013 (3)
10.5	Irrevocable License and Royalty Agreement between the Company and Paragon Waste Solutions, LLC, dated March 21, 2012 (3)
10.6	SEER 2013 Equity Incentive Plan (4)
10.7	Form of Option Grant SEER 2013 Equity Incentive Plan (4)
10.8	Equity Purchase Agreement – Sterall LLC
14.1	Code of Ethics (1)
21.1	Subsidiaries of Registrant (1)
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Incorporated by reference to the Company's Report on Form 10 filed May 21, 2013.
(2) Incorporated by reference to the Company's Report on Form 10 Amendment No. 1 filed July 23, 2013.
(3) Incorporated by reference to the Company's Report on Form 10-Q filed November 14, 2013.
(4) Incorporated by reference to the Company's Report on Form 10-K filed March 27, 2014.
* Filed herewith.
** This certification is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act.
*** Pursuant to applicable securities laws and regulations, these interactive data files will not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to the liability of that section, nor will they be deemed filed or made a part of a registration statement or prospectus for purposes of Sections 11 and 12 of the Securities Act of 1933, or otherwise subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 13, 2017

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.

By */s/ J. John Combs III*
J. John Combs III
Chief Executive Officer with
Responsibility to sign on behalf of Registrant as a
Duly authorized officer and principal executive officer

By /s/ *Heidi Anderson*
Heidi Anderson
Interim Chief Financial Officer with
responsibility to sign on behalf of Registrant as a
duly authorized officer and principal financial officer

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, J. John Combs III, certify that:

1. I have reviewed this Form 10-Q for the period ended September 30, 2017, of Strategic Environmental & Energy Resources, Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

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

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

Dated: November 13, 2017

/s/ *J. John Combs III*
J. John Combs III
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Heidi Anderson, certify that:

1. I have reviewed this Form 10-Q for the period ended September 30, 2017, of Strategic Environmental & Energy Resources, Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

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

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

Dated: November 13, 2017

/s/ *Heidi Anderson*
Heidi Anderson
Interim Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Strategic Environmental & Energy Resources, Inc. (the “Company”) Quarterly Report on Form 10-Q for the period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, J. John Combs III, Chief Executive 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, to the best of my knowledge:

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

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

Dated: November 13, 2017

/s/ *J. John Combs III*
J. John Combs III
President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Strategic Environmental & Energy Resources, Inc. (the "Company") on Report on Form 10-Q for the period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Heidi Anderson, Interim 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, to the best of my knowledge:

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

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

Dated: November 13, 2017

/s/ *Heidi Anderson*
Heidi Anderson
Interim Chief Financial Officer