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

FORM 10-K/A

(Amendment No. 1)

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

For the fiscal year ended: **December 31, 2014**

Commission file number**: 000-33067**

MIDWEST ENERGY EMISSIONS CORP.

(Exact name of registrant as specified in its charter)

Delaware	**87-0398271**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

670 D Enterprise Dr., Lewis Center, Ohio 43035
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(614) 505-6115**

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

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, $.001 par value**

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2014, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $18,396,000.

The number of shares outstanding of the Common Stock ($.001 par value) of the Registrant as of the close of business on March 20, 2015 was 40,451,388.

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-K/A (the "Amendment") to our annual report on Form 10-K for the year ended December 31, 2014 (the "Original Report"), filed with the Securities and Exchange Commission on March 20, 2015, to file corrected Exhibit 32 certifications that refer to the Form 10-K for the period ended December 31, 2014. Currently dated Exhibit 31 certifications are also included.

No other changes have been made to the Original Report. This Amendment speaks as of the filing date of the Original Report and does not reflect events that may have occurred subsequent to the filing of the Original Report.

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TABLE OF DEFINED TERMS

TERM	DEFINITION
BAC	Brominated Powdered Activated Carbon
EERC	Energy and Environmental Research Center
EGU	Electric Generating Unit
EPA	The U.S. Environmental Protection Agency
ESP	Electrostatic Precipitator
Hg	Mercury
IGCC	Integrated Gasification Combined Cycle
MATS	Mercury and Air Toxics Standards
MEEC	Midwest Energy Emissions Corp.
MW	Megawatt
NO_x	Oxides of Nitrogen
OTCQB	Over The Counter Venture Marketplace
PAC	Powdered Activated Carbon
SCR	Selective Catalytic Reduction
SEC	U.S. Securities and Exchange Commission
SO_x	Oxides of Sulfur

PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements," as defined in Section 21E of the Securities Exchange Act of 1934, as amended, that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and reflect our current expectations regarding our future growth, results of operations, cash flows, performance and business prospects, and opportunities, as well as assumptions made by, and information currently available to, our management. Forward-looking statements are generally identified by using words such as "anticipate," "believe," "plan," "expect," "intend," "will," and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements in this report are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements. These statements are based on information currently available to us and are subject to various risks, uncertainties, and other factors, including, but not limited to, those discussed herein under the caption "Risk Factors". In addition, matters that may cause actual results to differ materially from those in the forward-looking statements include, among other factors, the gain or loss of a major customer, change in environmental regulations, disruption in supply of materials, a significant change in general economic conditions in any of the regions where our customer utilities might experience significant changes in electric demand, a significant disruption in the supply of coal to our customer units, the loss of key management personnel, failure to obtain adequate working capital to execute the business plan and any major litigation regarding the Company. Except as expressly required by the federal securities laws, we undertake no obligation to update such factors or to publicly announce the results of any of the forward-looking statements contained herein to reflect future events, developments, or changed circumstances or for any other reason. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including those detailed in MEEC's filings and with the Securities and Exchange Commission. See "Risk Factors" in Item 1A.

ITEM I – BUSINESS

As used in this Annual Report on Form 10-K, the terms "we", "us", "our", "the Company", "MEEC", and "Midwest Energy Emissions Corp." refer to Midwest Energy Emissions Corp. and our wholly-owned subsidiaries.

Background

Midwest Energy Emissions Corp., a Delaware corporation, is an environmental services company specializing in mercury emission control technologies, primarily to utility and industrial coal-fired units. Our business plan is to deliver cost-effective mercury capture technologies to coal-fired power plants in the United States, Canada, Europe and Asia. We believe that our patented, proprietary technology allows customers to meet the highly restrictive standards the U.S. Environmental Protection Agency (EPA) issued on December 21, 2011 for mercury emissions in an effective and economical manner with the least disruption to the current equipment and on-going operations.

MEEC was incorporated under the laws of the State of Utah on July 19, 1983 under the name of Digicorp. In 2006, MEEC entered into a merger agreement with Digicorp, Inc., a Delaware corporation, for the purpose of effecting a change of the corporation's domicile and in February 2007 the Company changed its domicile from Utah to Delaware. In October 2008, Digicorp changed its name to China Youth Media, Inc.

In December 2008, Midwest Energy Emissions Corp. (a corporation in the development phase) was incorporated in the state of North Dakota ("Midwest") under the name RLP Energy, Inc. and subsequently changed its name in January 2011 to Midwest Energy Emissions Corp. Midwest was engaged in the business of developing and commercializing state-of-the-art control technologies relating to the capture and control of mercury emissions from coal-fired boilers in the United States and Canada.

On June 21, 2011, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Midwest pursuant to which at closing China Youth Media Merger Sub, Inc., the Company's wholly-owned subsidiary formed for the purpose of the merger (the "Merger Sub"), merged into Midwest, the result of which Midwest would become the Company's wholly-owned subsidiary (the "Merger"). The Merger closed effective on June 21, 2011 (the "Closing"). As a result of the Closing and the Merger, the Merger Sub merged with and into Midwest and with Midwest surviving as a wholly-owned subsidiary of China Youth Media, Inc. Effective at the time of the Closing, Midwest changed its name to MES, Inc. For accounting purposes, the Merger was treated as a reverse merger and a recapitalization of the Company.

Pursuant to a Certificate of Amendment to our Certificate of Incorporation filed with the State of Delaware and effective as of October 7, 2011, China Youth Media, Inc. (i) changed its corporate name from "China Youth Media, Inc." to "Midwest Energy Emissions Corp.", (ii) effected a reverse stock split of all the outstanding shares of our common stock at an exchange ratio of one for one hundred ten (1:110) (the "Reverse Stock Split") and (iii) changed the number of authorized shares of common stock, par value $.001 per share, from 500,000,000 to 100,000,000. Pursuant to an additional Certificate of Amendment to our Certificate of Incorporation filed with the State of Delaware and effective as of November 18, 2014, the number of authorized shares of common stock was increased to 150,000,000.

As a result of the Merger, all of the outstanding shares of common stock of Midwest were exchanged for 10,000 shares of newly created Series B Convertible Preferred Stock (the "Merger Shares") of China Youth Media, Inc. The former shareholders of Midwest, upon conversion of all the Merger Shares, which occurred automatically on the filing of an October 2011 amendment to China Youth Media, Inc.'s certificate of incorporation to increase the number of authorized shares (see below) then owned approximately 90% of the Company's issued and outstanding common stock which were deemed issued and outstanding as of the closing of the Merger and conversion.

As a result of the Merger, our business is now focused on the delivery of mercury capture technologies to power plants in North America, Europe and Asia. Our prior businesses - focusing on youth marketing and media in China by providing advertisers and corporations with direct and centralized access to China's massive but difficult to reach student population, including the business of aggregation and distribution of international content and advertising for Internet or online consumption in China - have been terminated.

In November 2011, MEEC moved its corporate headquarters to Worthington, Ohio and on March 1, 2015 moved its corporate headquarters to 670 D Enterprise Drive, Lewis Center, Ohio 43035. We currently have 12 fulltime employees.

Regulations & Markets

The markets for mercury removal from plant emissions are largely driven by regulations (state, provincial and federal). Changes in regulations have profound effects on these markets and the companies that compete in these markets. This is especially true for smaller companies such as MEEC.

On December 21, 2011 the EPA issued its Mercury and Air Toxics Standards ("MATS") for power plants in the U.S. The new MATS rule is intended to reduce air emissions of heavy metals, including mercury (Hg), from all major U.S. power plants burning coal or oil, which are the leading source of non-natural mercury emissions in the U.S. Existing power plants were granted three years (plus a potential one year extension in cases of hardship, ruled on by State EPA's where the plant is domiciled) from April 16, 2012, to comply with the new emission limits.

The new MATS rule applies to Electric Generating Units ("EGUs") that are larger than 25 megawatts ("MW") that burn coal or oil for the purpose of generating electricity for sale and distribution through the national electric grid to the public. They include investor-owned units, as well as units owned by the Federal government, municipalities, and cooperatives that provide electricity for commercial, industrial, and residential uses. At the time of MATS being promulgated, the EPA estimated that there were approximately 1,400 units affected by this new rule, approximately 1,100 existing coal-fired units and 300 oil-fired units at about 600 power stations. Since this time, we believe that of the 1100 EGUs, as many as 300 have been shuttered, or will soon be shuttered, as a result of this regulation, and due to competitive disadvantage to newer or gas-fired EGUs. The remaining 800-850 EGU's will remain competitive in the power market for the long-term, foreseeable future, we believe, and make up the large mercury-emissions control market we sell into.

The final MATS rule identifies two subcategories of coal-fired EGUs, four subcategories of oil-fired EGUs and a subcategory for units that combust gasified coal or solid oil (integrated gasification combine cycle [IGCC] units) based on the design, utilization, and/or location of the various types of boilers at different power stations. The rule includes emission standards and/or other requirements for each subcategory. The rule sets nationwide emission limits and is estimated to reduce mercury emissions in coal-fired plants by about 90%.

Overall, the EPA estimated the total national annual cost of the MATS rule would be $9.6 billion.

These on-going annual operating costs increases include all functions of the MATS regulation, and not just mercury emissions reductions. It is also important to note that a number of states currently have regulations to limit mercury emissions, and these regulations remain in place until or unless superseded by MATS in 2015. Finally, we estimate that over half of the utility industry EGU's applied for and received the one-year extension for compliance. The deadline for applications for this extension has since passed as of December 17, 2014.

With the adoption of the MATS rule, utilities have and will explore and have conducted and will conduct numerous demonstrations of various technologies to determine which will work best to achieve the required reductions to bring each individual unit under the maximum allowed emissions rate. There are several choices of pollution control technologies available to reduce mercury emissions, but they do not all work consistently or cost-effectively for every plant design or for all of the various types of coal. The most common technology employed to reduce mercury emissions is the injection of powdered activated carbon ("PAC") or brominated PAC ("BAC") into the flue-gas of an EGU after the boiler itself but in front of the Electro-Static Precipitators ("ESP"). Such injections have proven effective with many coals, especially at reduction levels of 70% or less. At required mercury reduction levels above 80%, these injection systems require substantial injection rates which often have severe operational issues including over-loading the ESP and rendering the fly ash unfit for sale to concrete companies, and at times even causing combustion concerns with the fly ash itself.

Mercury is also removed as a co-benefit by special pollution control equipment installed to remove oxides of sulfur ("SO_x") and nitrogen ("NO_x"). To achieve very high levels of SO_x reduction, large, complex and expensive (capital costs in the hundreds of millions of dollars for a medium-sized EGU) systems called Scrubbers can be installed in the plant exhaust system, typically just before the flue-gas goes up the stack for release. As a co-benefit to their primary mission, Scrubbers have been shown to remove significant quantities of oxidized mercury.

Mercury is typically found in two basic forms in coal: elemental and oxidized. The amount of each form varies in any given seam of coal and is affected by the other natural elements (such as chlorine) which might also be present in the coal. We believe about 40% of the mercury in the post-combustion flue-gas exists in the oxidized state. Mercury is found in only tiny trace amounts in coal and its presence is difficult to detect. It is in the burning of millions of tons of coal that these trace amounts become problematic, and why MATS was promulgated.

The other major pollution control system which contributes significantly to the co-benefits of mercury removal is a Selective Catalytic Reduction ("SCR") system which can be installed to achieve high levels of removal of NO_x. SCRs are also very large and expensive systems (costing hundreds of millions of dollars in capital costs to install on a medium-size EGU) that are typically installed just after the flue-gas exits from the unit boiler. As a co-benefit, SCRs have been shown to oxidize a considerable percentage of the elemental mercury in many types of coal. If the EGU then has a combination of an SCR and a Scrubber, we estimate that the EGU might achieve an overall reduction of 80-85% of the mercury in many types of coal. The exact level of mercury emission reductions depends on the designs of these systems and the types of coal being burned.

It is thus anticipated that the large majority of the over 800 coal-fired EGUs in the U.S. will employ some sort of sorbent injection system to achieve the very low mercury emission levels required by the MATS rule. Either the sorbent injection system will be the primary removal method or such a system will likely be employed as a supplemental system to SCR/Scrubber combinations to achieve the new emission limits.

MEEC's Technology

Our mercury removal technology and systems have been shown in long-term, full-scale trials on operating units to achieve mercury removal levels above the new MATS requirements and to do so with lower cost and plant systems impacts than typical PAC or BAC sorbent injection systems. Our technology was originally developed by the University of North Dakota's Energy and Environmental Research Center ("EERC"). It was tested and refined on numerous operating coal-fired EGUs, with the founder of MES, Inc. participating with the EERC on these tests since 2008. The EERC Foundation obtained patents on this technology. MEEC has an "Exclusive Patent and Know-How License Agreement Including Transfer of Ownerships" for the exclusive world-wide rights to the commercial application of these related patents. In our agreement with the EERC Foundation, we pay an annual license maintenance fee plus royalties on operational systems and have the right to purchase the commercial application patent rights for a payment specified in the agreement. In 2013 and 2014, EERC and MEEC negotiated significant amendments to their agreement which strengthened the existing patent rights of MEEC, eliminated certain contract provisions and compliance issues and restructured license maintenance and royalty fee schedules and issued an equity interest in MEEC to EERC.

In 2010, we were awarded our first commercial contract to design, build and install our solution on two large (670MW each) coal units in the western part of the U.S. This was a multi-million dollar, three year renewable contract, which was awarded as a result of a competitive demonstration process. We invested more than $1.4 million in the capital equipment for this project. Our systems out-performed the contract guarantees in all operational areas during startup and testing and went into commercial operation at the start of 2012. The system is used for mercury control whenever the plant is in operation.

Early in 2014 MEEC signed an agreement with a major utility to provide mercury control system for their fleet of nine EGUs. Shortly thereafter, also in the 1st half of 2014, we signed an agreement with two electric cooperatives to provide mercury control for each of their single, large coal units, while winning a new, three year contract extension with our first customer on their two units. In November 2014, we contracted on two units with a utility in the upper Midwest, bringing our total of EGUs under contract for MATS to 15 at year-end 2014. In May of 2014, we estimated that nine of our EGUs under contract at that time planned to be compliant with MATS in 2015. After our May 2014 estimates, seven of our contracted units received a one-year extension from their state EPAs to their compliance date. We currently expect four EGUs that we have under contract to be 2015 compliant units. Additional contract awards are anticipated in 2015, and can add to our number of EGUs needing to achieve compliance with MATS in 2015.

Intellectual Property

MEEC has the rights to 30 domestic and foreign patents, pending patent applications and provisional patent applications under an agreement with the EERC Foundation. We believe that our patent position is strong in the US, Canada, China and Europe and sublicensing and enforcing these patents will be a key part of our business strategy going forward.

Business Opportunities

Our success depends, in part, on the success of demonstrations performed with utility customers and the resulting contract awards to meet the MATS requirements in the long-term period and our operational performance with EGUs under contract. With over 800 coal-fired EGUs in the U.S. affected by MATS, MEEC has a near-term business goal to achieve at least 5-10% of this available market.

In the U.S., we have won contracts on 15 EGU's, and expect that we will conduct numerous demonstrations on prospective customer units in the coming years. Our technology has been running for three years on two boilers in the western U.S. When we are fully operational under MATS compliance mercury capture rates of 90%, we expect that our value proposition will be fully demonstrated. It is important for the utility industry to see MEEC fully demonstrating that its patented approach for mercury control at MATS levels of mercury reduction. We feel that further contract wins in 2015 and beyond will come because of the success that utilities will have in complying with MATS with us, versus our competitors offerings, all of which will be evidenced beginning this year when MATS compliance begins.

Another major opportunity for us is in Canada, where there is a Country-wide mercury reduction agreement among all the provinces that required a 60% reduction in 2012, and which will likely require an 80% reduction beginning in 2018, while individual provinces may move faster to stricter emissions control. We believe we have the most effective technology for the EGUs in Canada and a strong patent position there.

In China, there exists no specific mandate for mercury capture that demands services such as ours. We are sanguine on the prospects for mercury emissions regulations in China in the coming years, and because we have very broad patent rights in China, this has the potential to become a large business opportunity for us in future years. We estimate that the China market could be many times the size of the U.S. market, and with the Minimata Convention of 2013, we are hopeful that all countries will follow the U.S. in regulating mercury emissions.

In order to achieve significant near and long-term sales success and control overhead, MEEC employs a model of using Manufacturer Sales Representatives ("Reps") under the leadership of its experienced Vice President of Sales, and a newly hired Regional Manager of Sales. These Reps cover the entire country and are highly incentivized on a commission-only basis to introduce our technology into their customer EGUs. This approach has been very successfully employed by other companies operating in the electric utility industry market.

We buy all the materials needed for our systems and do not manufacture our products or systems. Material components of our proprietary Sorbent Enhancing Additive ("SEA™") Technology are readily available from numerous sources in the market. Our current principal suppliers include Albemarle Corporation, Cabot Corporation, Mississippi Lime and Ferguson Enterprises. When we use PAC as a component of our sorbent material, we buy it in the market from large activated carbon manufacturers. These companies are also some of our major competitors in the mercury control market (see Risk Factors below). These companies employ large sales staff and are well established in the market. However, our technology has consistently performed better in mercury removal in operational tests than PAC or BAC injections alone. We believe our technology is superior to their offerings, and with our experienced team of Reps, we can compete effectively in these markets.

Available Information

We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Exchange Act. You may inspect and copy these reports, proxy statements and other information at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549. The SEC maintains an Internet website that contains reports, proxy and information statements and other information filed electronically by us with the SEC and is available on the SEC's website at www.sec.gov.

ITEM 1A – RISK FACTORS

We are under-capitalized and may not be able to raise sufficient capital to ensure our continuation as an on-going company.

We may not currently have adequate long-term capitalization to properly execute our business plan. While efforts are currently underway to manage our capital needs in the future, if we have such needs, there can be no assurance that those efforts will be a success. Failure to achieve appropriate capital injection into the Company could not only jeopardize achieving desired market penetration of the business plan but also could impair the ability of MEEC to continue as an on-going business.

We operate in a single market, mercury removal from power plant emissions, which is driven primarily by regulation. Any significant changes in mercury emission regulation could have a major impact on the Company.

The Company currently operates in a single market of mercury reduction in flue gas emissions from large coal-fired utility and industrial boilers. This market is primarily based on air pollution control regulations and enforcement of those regulations. Any significant change in these regulations would have a dramatic effect on the Company. Specifically, on December 16, 2011, the EPA published the Mercury and Air Toxic Standard. The final rule has a three year compliance schedule for most power plants. Litigation is pending which could defer implementation of mercury reduction regulation for years or indefinitely. The U.S. Court of Appeals for the District of Columbia Circuit ruled to uphold MATS in April of 2014. On November 2014 the U.S. Supreme Court agreed to hear state and industry challenges against MATS. Oral argument is scheduled for March 2015 and a decision is expected in June 2015.

If the U.S. Supreme Court rules against MATS becoming effective as of its current effective date, it is likely that this will have a material adverse effect on our financial condition and the results of our operations.

The risks associated with technological change may make the Company's products and services obsolete.

The market for new technology in which the Company plans to invest is characterized by periodic new product introductions and evolving industry standards and regulations. The emerging nature of these products and services with their rapid evolution will require that we continually improve the performance, features, and reliability of our service, particularly in response to possible competitive offerings. There can be no assurance that we will be successful in achieving widespread acceptance before competitors offer products and services with features similar to or better than the Company, but we continue to invest into innovation, while believing that our licensed patent portfolio is defensible within an industry that has high barriers to entry.

We compete against large, well-established companies which are highly competitive. We may not be able to compete effectively.

We are an emerging company operating in a market currently dominated by much larger companies. The size and financial strength of these competitors may enable them to offer incentives such as free large scale demonstrations that the Company may not be able to offer. In addition, these large corporations have the ability to spend significantly more on research and development and may develop a technology superior to that employed by the Company and these corporations also have large, established sales forces that are highly-experienced in fending off competing, including superior technologies on their client units. This is especially true in the utility market which is very risk averse and where long-standing trusted supplier relationships are common.

We may not be able to successfully defend our patent rights or protect proprietary aspects of our technology.

We have the exclusive rights to a number of significant patents, and patents pending covering the U.S., Canada, Europe and China. There can be no assurance that outstanding patents will not be challenged or circumvented by competitors. Certain critical technology related to our systems and products is protected by trade secret laws and confidentiality and licensing agreements. There can be no assurance that such protection will prove adequate or that we will have adequate remedies against contractual counterparties for disclosure or our trade secrets or violation of MEEC's intellectual property rights. In addition, the current lack of adequate long-term capital may prevent the Company from being able to enforce any patent-infringement by competitors or EGUs.

Lower natural gas prices and increasing regulations can pose significant risks to our addressable market.

Upon MATS becoming effective, there were roughly 1100 coal-fired EGU's in the U.S. With lower natural gas prices and due to regulations such as MATS, the industry has become significantly smaller. Management estimates that perhaps as much as 25% of the EGUs in the U.S. have faced, or will face, retirement by end 2016, when MATS impacts 100% of the U.S. coal-fired fleet.

In our efforts to raise capital through the sale of restricted stock and convertible debt, dilution could be significant.

The best mechanisms we have used to raise money have been to sell restricted stock or convertible notes, while issuing warrants, to qualified investors. Raising capital in this manner is dilutive to current shareholders and the dilution could be substantial. We currently have 40,451,388 shares outstanding of a total of 150,000,000 shares authorized by the Company, and under Treasury Method of Accounting, we have approximately 69,300,000 fully diluted shares outstanding as of March 20, 2015.

The Company has a significant amount of convertible debt maturing in 2015 and 2016. This debt may have conversion prices that are above the stock price on the maturity date. The Company may need to repay these notes and currently, existing cash is not available to meet these obligations.

No assurances can be given that the Company can obtain sufficient working capital through business or financing activities to meet its debt obligations. Due to certain covenants with our senior lender, we are not able to use current cash on hand to pay current convertible note holders when these notes mature. Therefore, success in raising funds through an equity offering and/or negotiations with our note holders is crucial.

We currently purchase the majority of our materials from companies that are also our competitors, and there is no guarantee that we can source our materials.

As we do not manufacture any of the chemicals that we use, we are dependent upon key suppliers of our materials, some of whom are competitors of ours. These suppliers can face force-majeure or other delivery problems that cause us risk on our operations.

We are heavily dependent on a small number of key employees. The loss of more than one of these employees could seriously impair our ability to survive as a going concern.

Our management team is crucial to the success of the Company and the loss of more than one member of this team, could have a material adverse impact on the ability of the Company to properly execute its business plan. We have expanded our team and developed redundancy within our operations to mitigate this risk as much as possible.

ITEM 1B – UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2 – PROPERTIES

MEEC leases its corporate headquarters facility in Worthington, Ohio. The current lease expired in February 2015. Effective March 1, 2015, MEEC moved its corporate headquarters to a facility in Lewis Center, Ohio. The lease for this facility expires in February 2016.

MEEC pays for the lease of a 3,800 square feet warehouse near a commercial customer in Centralia, Washington on a month to month basis.

MEEC pays for the lease of a 7,000 square feet warehouse in Fairfield, Texas on a month to month basis.

MEEC leases office space at the EERC facilities in Grand Forks, North Dakota. The current lease has been extended until December 2015.

ITEM 3 – LEGAL PROCEEDINGS

MEEC is not currently involved in any litigation.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Market

The Company common stock is quoted on the Over-The-Counter Venture Marketplace (OTCQB) under the symbol "MEEC"

The table below delineates, on a quarterly basis, the high and low sales prices per share of the common stock as reported by the OTCQB. The prices set forth in the table below may not be an accurate indicator of the value of the Company shares. These prices represent inter-dealer quotations and do not reflect retail markup, markdown or commissions and may not necessarily represent actual transactions.

		Common Stock Price	
2014		**High**	**Low**
First Quarter Ended	March 31	$ 2.63	$ 0.59
Second Quarter Ended	June 30	$ 1.73	$ 1.05
Third Quarter Ended	September 30	$ 1.25	$ 0.85
Fourth Quarter Ended	December 31	$ 1.00	$ 0.45
2013		**High**	**Low**
First Quarter Ended	March 31	$ 0.51	$ 0.15
Second Quarter Ended	June 30	$ 1.00	$ 0.50
Third Quarter Ended	September 30	$ 0.98	$ 0.42
Fourth Quarter Ended	December 31	$ 0.74	$ 0.40

Recent Sales of Unregistered Securities

We sold the following equity securities during the fiscal year ended December 31, 2014 that were not registered under the Securities Act of 1933, as amended (the "Securities Act"), except sales of equity securities in which information pertaining thereto previously has been included in a quarterly report on Form 10-Q or a current report on Form 8-K.

From April 21, 2014 to May 8, 2014, the Company sold securities to unaffiliated accredited investors totaling $1,050,260. The securities consist of units, where each unit consists of: (i) one share of common stock of the Issuer, par value $0.001 per share, and (ii) a warrant to purchase one shares of common stock of the Issuer at an exercise price of $1.10 per share. The price of each unit was $1.10 and 954,782 units were sold. These securities were sold in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act.

On August 14, 2014, the Company and its wholly-owned subsidiary MES, Inc. ("MES, and together with the Company, collectively the "Companies") entered into a financing agreement (the "Financing Agreement") with a newly created independent entity, AC Midwest Energy LLC (the "Lender"). Pursuant to the Financing Agreement, the Company borrowed $10,000,000 from the Lender, evidenced by a convertible note (the "Note") maturing July 31, 2018, secured by all the assets of the Companies. All the indebtedness under the Note is convertible into common stock of the Company at $1.00 per share, subject to the following adjustments: (i) an adjustment of the price per share down to $0.75 per share if the Company fails to generate EBITDA (earnings before taxes, interest, depreciation and amortization) of at least $2,500,000 for calendar year 2015; and (ii) weighted average anti-dilution adjustments to the extent that following the issuance of the Note, the Company issues securities or rights to acquire securities at an effective purchase price below the conversion price for the Note, subject to carveouts for certain exempt issuances by the Company. In addition, the Company issued a five year warrant (the "Warrant") to the Lender to purchase up to 12,500,000 shares of common stock at $1.00 per share, subject to adjustment in a manner similar to the adjustments on the Note.

The Note bears interest at 12% per annum, to be paid at the rate of: (i) 12% "PIK" or payment in kind for year one; (ii) 2% cash and 10% PIK for year two; and (iii) 12% all cash for years three and four. The PIK interest is paid by increasing the principal balance of the Note by the PIK amount. The Note cannot be prepaid without the Lender's consent before its second anniversary, and thereafter at 105% of the outstanding indebtedness evidenced by the Note, subject to the right of the Lender to convert the outstanding indebtedness to the Company's common stock prior to prepayment. Principal amortization of the Note is to begin with the first quarter following the second year of the Note at the rate of 7.5% of the original principal amount per quarter and to continue each quarter thereafter, with all unpaid interest to be due at maturity. In the event of default, the interest rate on the Note will be increased by an additional 3% per annum. The Financing Agreement contains numerous affirmative obligations and negative covenants. Accrued interest of $485,387, and was converted to principal by the Company during the year ended December 31, 2014.

In connection with the issuance of the Note to Lender, the Company issued Lender a five year warrant (the "Warrant") to purchase 12,500,000 shares of the Company's common stock at $1.00 per share, subject to the adjustments. The Company also paid Lender a fee of $100,000 for issuing the loan, reimbursed it $125,000 for its legal fees and costs associated with the transactions and compensated the Placement Agent for the transaction (Drexel Hamilton, LLC) for the transaction with a cash fee of $350,000 and: (i) a 5-year warrant to purchase up to 800,000 shares of common stock at $1.00 per share; and (ii) a 5-year warrant to purchase up to 1,000,000 shares of common stock at $0.50 per share, both subject to adjustments similar to the Warrant issued to the Lender. The Company incurred legal fees and expenses of $169,000 associated with the transaction.

On March 16, 2015, the Company entered into a Waiver and Amendment to Financing Agreement, and Reaffirmation of Guaranty (the "Amendment") with the Lender. Pursuant to the Amendment, the Company repaid $3,000,000 of outstanding principal of the Note to the Lender. The Amendment adjusted the conversion factor for the Note and Warrant issued to the Lender, so that presently, all the indebtedness under the Note is now convertible into common stock of the Company at $0.50 per share, and the Warrant (to purchase up to 12,500,000 shares) is exercisable at $0.50 per share, subject to weighted average anti-dilution adjustments to the extent that following the issuance of the Note, the Company issues securities or rights to acquire securities at an effective purchase price below the conversion price for the Note. The Amendment waived (a) compliance by the Company with the maximum selling, general and administrative ("SG&A") or minimum contracted units financial covenants (the "Defaulted Covenants"), (b) the event of default occurring by reason of the Company's failure to comply with the Defaulted Covenants occurring on or before February 28, 2015, and (c) the Lender's remedies under the Financing Agreement with respect to the Defaulted Covenants and the resulting event of default. The Amendment also modified various financial and other covenants and provisions, including the minimum EBITDA that must be generated on a monthly basis, the, the minimum contracted customers or minimum contracted units that must be in place on a monthly basis, and the maximum management annualized compensation.

Share Repurchase Program

Midwest Energy Emissions Corp. purchased no equity securities during year ended December 31, 2014 and has no program in place to buy any equity securities.

Holders

As of December 31, 2014, there were 428registered stockholders of Midwest Energy Emissions Corp.'s Common Shares.

Dividends

Midwest Energy Emissions Corp. has not declared any dividends to date and has no current plan to do so in the foreseeable future. Pursuant to the terms of the Company's financing agreement with AC Midwest Energy, LLC, the Company is prohibited from issuing dividends.

Transfer Agent

The Transfer Agent and Registrar for the Common Shares is Transfer Online, Inc., 512 SE Salmon Street, Portland, Oregon 97214.

For information on "Related Stockholder Matters" required by Item 201(d) of Regulation S-K, refer to Item 12 of this report.

ITEM 6 – SELECTED FINANCIAL DATA

Not applicable as a smaller reporting company.

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

Background

Midwest Energy Emissions Corp. develops and deploys patented and proprietary technologies to remove mercury from coal-fired power plant air emissions. The U.S. EPA MATS rule requires that all coal and oil-fired power plants in the U.S., larger than 25MWs, must limit mercury in its emissions to below certain specified levels, according to the type of coal burned. In general, MATS requires EGUs to remove about 90% of the mercury from their emissions. Our technology has been shown to be able to achieve mercury removal levels compliant with MATS and at a lower cost and plant impact than the most widely used approach of PAC or BAC injection. As is typical in this market, we are paid by the EGU based on how much of our material is injected to achieve the needed level of mercury removal. Our current clients pay us periodically, (monthly or as material is delivered) based on their actual use of our injected material. Clients will use our material whenever their EGUs operate, EGUs are not always in operation. EGUs typically may not be in operation due to maintenance reasons or when the price of power in the market is less than their cost to produce power. Thus, our revenues from EGU clients will not typically be a consistent stream but will fluctuate, especially seasonally as the market demand for power fluctuates.

Results of Operations

2014 was a year of intense sales and marketing efforts as utilities continued to focus on the mercury control technologies they plan to install to meet the MATS 2015 (or 2016 if they received a one-year extension from their individual state EPA) operational deadline. During the year, the Company succeeded in performing demonstrations of its technology on several coal-fired EGUs in the U.S. We anticipate that utilities will continue to evaluate various mercury control technologies during 2015 and the first half of 2016 (if granted an extension) before deciding on their technology solution and installing their chosen system during 2015 and 2016.

Based on positive results during numerous demonstrations on various units and various coal combinations, in 2014 MEEC was awarded contracts to supply mercury control systems on nine EGUs of a major U.S. power producer and four units of three separate electric cooperative customers. Product sales revenues on these contracts began in 2014 associated with testing and commissioning work performed on these units. Additional revenues will be achieved on similar projects during 2015 leading up to full compliance activities by these customers in 2016. We project over $30 million in product revenues on these customers in their first year of MATS compliance in 2016. These customer contracts also include designing and installing front-end injection equipment, called skids, for injection of our proprietary front-end product, and some include installation of an additional back-end system, called an ACI, if a customer does not already have one, for injection of our back-end product. All of this, we estimate, will generate over $8 million in equipment sales during 2015.

On August 14, 2014 the Company closed the private placement of a $10 million senior secured convertible note and warrants with AC Midwest Energy, LLC, an affiliate of Alterna Capital Partners. The 4-year note bears interest at 12% per annum, convertible to Common Stock at $1.00 per share, subject to weighted average anti-dilution and possible covenant adjustments. In addition, the Company issued the investor a five year warrant to purchase up to 12,500,000 shares of Common Stock at $1.00 per share, also subject to weighted average anti-dilution and possible covenant adjustments.

On March 16, 2015, the Company entered into a Waiver and Amendment to Financing Agreement, and Reaffirmation of Guaranty with AC Midwest Energy, LLC ("Amendment") due to the failure of certain financial covenants. This Amendment decreased the conversion price of the convertible note and exercise price of the outstanding warrants to $0.50, respectively. The Company repaid $3,000,000 of outstanding principal on the convertible note on March 16, 2015, reducing the principal outstanding to $7,735,826. The Company agreed to new financial covenants as part of the Amendment, which included a waiver for the compliance of certain covenants in the periods prior to the date of the Amendment. The Company believes that this amendment will allow the company to move forward with the necessary working capital to implement its business plan with the anticipation of becoming cash flow positive when our customers begin full MATS compliance activities in 2016.

In January 2014, Mr. Jim Trettel joined the Company as Vice President, Operations. Jim's addition was a critical component of our ability to successfully execute the installation and operation of our systems on the thirteen new customer units we have won as well as on future awards. Mr. Trettel has been involved with the Company and its technologies in various contractor roles since 2010.

Also joining the Company in 2014 were Mr. Keith McGee, Sr. Vice President Investor Relations and Business Development and Mr. John Pavlish, Sr. Vice President and Chief Technical Officer. Mr. Pavlish has been involved with the Company's technologies over an extended period of time and is a key inventor of most of the Company's patents.

Revenues

Sales - We generated revenues for delivered product and performing demonstrations of approximately $2,794,000 and $1,668,000 for the years ended December 31, 2014 and 2013, respectively.

Cost and Expenses

Costs and expenses were $9,281,000 and $5,891,000 during the years ended December 31, 2014 and 2013, respectively. The increase in costs and expenses from the prior year is primarily attributable to increases during 2014 in (i) stock based compensation of $2,464,000, (ii) cost of goods sold of $1,112,000 and (iii) selling, general and administrative expenses and professional fees of $449,000. The cost increases were offset by the license maintenance fees incurred in association with an amendment to the patent license of $875,000 recorded in 2013.

Cost of goods sold during the years ended December 31, 2014 and 2013 was $1,483,000 and $371,000, respectively. The increase in cost is attributable to the increase in product sales in 2014.

Operating expenses during the years ended December 31, 2014 and 2013 were $905,000 and $887,000, respectively. In 2013, these costs were primarily associated with eight demonstrations of our technologies on the power generating units of potential customers performed in 2013. There were four demonstrations performed on the power generating units of potential customers performed during 2014, however, the scope of these tests was more limited. This decrease is offset during 2014 with increased labor and technical consulting costs associated with assisting our customers with testing being performed at their site in preparation for compliance with MATS.

License Maintenance Fees were $300,000 and $1,075,000 for the years ended December 31, 2014 and 2013, respectively. In December 2013, the Company executed Amendment No. 4 of its "Exclusive Patent and Know-How License Agreement Including Transfer of Ownership" with the Energy and Environmental Research Center Foundation, a non-profit entity ("EERCF") expanding the number of patents covered, eliminating certain contract provisions, restructuring the license maintenance and royalty fee payment schedules and restructuring the buyout provisions. In 2013, pursuant to the amendment, the Company paid a cash fee of $50,000 and agreed to issue shares valued at $825,000. During 2014, $300,000 was paid in monthly installments as a license maintenance fee.

Selling, general and administrative expenses were $2,209,000 and $1,961,000 for the years ended December 31, 2014 and 2013, respectively. The increase in selling, general and administrative expenses during 2014 is primarily attributed to the continued expansion of the sales efforts to commercialize our technologies including an expansion of our employee base.

Depreciation and amortization expenses were $387,000 and $176,000 for the years ended December 31, 2014 and 2013, respectively. The increase in depreciation and amortization in 2014 is attributable to depreciation recorded on final fabrication and installation costs on the equipment held at our customer's site and amortization of customer acquisition costs which began in the second quarter of 2014.

Professional fee expenses were $679,000 and $566,000 for the years December 31, 2014 and 2013, respectively. The increase in professional fee expenses during 2014 is primarily attributed to costs incurred related to the continued expansion of our business operations including field-level contractors, and general legal work for contracts and patent-expansions.

Stock based compensation was $3,319,000 and $855,000 for the years ended December 31, 2014 and 2013, respectively. In 2014, these costs were primarily associated with 4,710,000 stock options issued to directors and employees as compensation and signing bonuses upon hire compared to 100,000 stock options issued in 2013. In 2013, additional costs were incurred associated with the amortization of stock awards included in the employment agreements of officers in 2012 and amended in 2013.

Change in value of warrant liability was $4,204,000 and zero for the years ended December 31, 2014 and 2013, respectively. The Company values warrants issued in association with the Financing Agreement signed on August 14, 2014 with AC Midwest Energy, LLC in accordance with FASB ASC 815-10 as liabilities using a Monte Carlo Simulation Model. The fair value of the warrant liability on the issuance date for all warrants issued was $9,801,200. As of December 31, 2014, per a new valuation, the total value of these warrants was adjusted to $5,597,011 and a gain for the change in value of the liability of $4,204,189 was recognized.

Other Income and Expenses

Due to our financial constraints and our reliance on high interest rate financing activities, interest expenserelated to the financing of capital was $2,725,000 and $712,000 during the years ended December 31, 2014 and 2013, respectively.

Net Loss

For the years ended December 31, 2014 and 2013, we had a net loss from operations of approximately $5,008,000 and $4,854,000, respectively. The increased net loss is primarily attributed to stock based compensation expense, increased interest expenses and increases to general and administrative expenses discussed above. These increases were offset by a recognized gain for the change in value of warrant liability, increased revenue in 2014 and a decrease in license maintenance costs associated with an amendment to the patent license in 2013.

Taxes

As of December 31, 2014, our deferred tax assets are primarily related to accrued compensation and net operating losses. A 100% valuation allowance has been established due to the uncertainty of the utilization of these assets in future periods. As a result, the deferred tax asset was reduced to zero and no income tax benefit was recorded. The net operating loss carryforward will begin to expire in 2025.

Section 382 of the Internal Code allows post-change corporations to use pre-change net operating losses, but limit the amount of losses that may be used annually to a percentage of the entity value of the corporation at the date of the ownership change. The applicable percentage is the federal long-term tax-exempt rate for the month during which the change in ownership occurs.

Liquidity and Capital Resources

Our principal source of liquidity is cash generated from financing activities. As of December 31, 2014, our cash and cash equivalents totaled $7,212,000. In March 2015, pursuant to an amendment of its Financing Agreement with AC Midwest, LLC, the Company repaid $3,000,000 of outstanding principal. The high volume product supply revenue that we expected to begin in 2015, but has been delayed until 2016 as a result of one year MATS compliance waivers granted by their state EPA on seven units under contract. Our anticipated cash needs for working capital and capital expenditures for the next twelve months are approximately $4.0 million. We have primarily relied upon financing activities to fund our operations. Although we anticipate significant revenues for the sale of capital equipment and products to be used in testing and commissioning work done by clients, no assurances can be given that the Company can obtain sufficient working capital through financing activities to meet its debt obligations. Due to certain covenants with our senior lender, we are not able to use current cash on hand to pay current convertible note holders as these notes mature. Convertible notes with current principal balances of approximately $3,100,000 and $800,000 mature in 2015 and 2016, respectively. Therefor, success in our fund raising efforts and negotiations with our note holders is crucial. We are actively seeking sources of additional financing in order to fund our debt repayment obligations and if extensions cannot be negotiated with our early investors who purchased convertible debt from the Company. Due to these efforts, we could dilute current shareholders and the dilution could be significant. Our current cash flow needs for general overhead, sales and operations is approximately $300,000 per month with additional funds often needed for demonstrations of our technology on potential customer units. With our expected gross margins on customer contracts, we anticipate we will be at break-even on a cash flow basis when our product revenues reach approximately $16 million annually. This break-even target is subject to achieving sales at that level with our expected gross margins, no assurance can be made that we will be able to achieve this target.

Total assets were $17,325,000 at December 31, 2014 versus $1,924,000 at December 31, 2013. The change in total assets is primarily attributable cash received from financing activities and costs incurred associated with issuing debt, which is also capitalized on the balance sheet and will amortize over the life of the debt. The other significant increase is due to costs incurred and billed to customers associated with equipment being manufactured for their use in MATS compliance activities.

Operating activities used $2,964,000 of cash during the year ended December 31, 2014 compared to $1,547,000 during the year ended December 31, 2013. The change in cash used for operating activities is primarily attributable to the increase in net loss and equipment inventory and is offset by increases amortization, deferred revenue and stock based compensation costs in 2014.

*Investing activities*used $298,000 and zero during the years ended December 31, 2014 and 2013, respectively. The change in cash used for operating activities is related to equipment purchases made during 2014.

Financing activities provided $9,965,000 during the year ended December 31, 2014 due to proceeds from the issuance of a convertible promissory note of $10,000,000, equity of $1,050,000 and notes payable of $300,000 which was offset by payments of debt issuance costs of $748,000 and payments on notes payable of $600,000. Financing activities provided $1,867,000 during the year ended December 31, 2013 due to proceeds from the issuance of convertible promissory notes of $2,413,000 which was offset by payments on notes payable of $150,000 and payments of debt issuance costs of $396,000.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial conditions and results of operation are based upon the accompanying consolidated financial statements which have been prepared in accordance with the generally accepted accounting principles in the U.S. The preparation of the consolidated financial statements requires that we make estimates and assumptions that affect the amounts reported in assets, liabilities, revenues and expenses. Management evaluates on an on-going basis our estimates with respect to the valuation allowances for accounts receivable, income taxes, accrued expenses and equity instrument valuation, for example. We base these estimates on various assumptions and experience that we believe to be reasonable. The following critical accounting policies are those that are important to the presentation of our financial condition and results of operations. These policies require management's most difficult, complex, or subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain.

The following critical accounting policies affect our more significant estimates used in the preparation of our consolidated financial statements. In particular, our most critical accounting policies relate to the recognition of revenue, and the valuation of our stock-based compensation.

Going Concern

The accompanying consolidated financial statements as of December 31, 2014 have been prepared assuming the Company will continue as a going concern. The Company has experienced a net loss, negative cash flows from operations and has an accumulated deficit of $23,738,677. Late in 2014, our customers received one-year extensions on seven of our contracted units to their MATS compliance date which we previously expected to be in compliance in 2015. On March 16, 2015, pursuant to an amendment of the Financing Agreement with AC Midwest Energy, LLC, the Company repaid $3,000,000 of outstanding convertible note principal (see Note 17). These factors raise substantial doubt about the Company's ability to continue as a going concern. Although we anticipate significant revenues for the sale of capital equipment and products to be used in testing and commissioning work done by clients, no assurances can be given that the Company can obtain sufficient working capital through financing activities to meet its debt obligations. Due to certain covenants with our senior lender, we are not able to use current cash on hand to pay current convertible note holders as these notes mature. Convertible notes with current principal balances of approximately $3,100,000 and $800,000 mature in 2015 and 2016, respectively. Therefor, success in our fund raising efforts and negotiations with our note holders is crucial. . We are actively seeking sources of additional financing in order to fund our debt repayment obligations and if extensions cannot be negotiated with our early investors who purchased convertible debt from the Company. The Company intends to raise near term financing through an equity offering. Success in this effort and negotiations with our note holders is crucial. Additional financing will be needed in order to fund our debt repayment obligations if extensions cannot be negotiated with investors who purchased convertible debt from the Company. No assurances can be given that the Company can maintain sufficient working capital through these efforts or that the continued implementation of its business plan will generate sufficient revenues in the future to sustain ongoing operations.

The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

Accounts Receivable

Trade accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Revenue Recognition

The Company records revenue from sales in accordance with ASC 605, *Revenue Recognition* ("ASC 605"). The criteria for recognition are as follows:

1. Persuasive evidence of an arrangement exists;

2. Delivery has occurred or services have been rendered;

3. The seller's price to the buyer is fixed or determinable; and

4. Collectability is reasonably assured.

Determination of criteria (3) and (4) will be based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments will be provided for in the same period the related sales are recorded.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's consolidated financial statements are based on a more-likely-than-not recognition threshold. The Company did not have any unrecognized tax benefits at December 31, 2014 or 2013. When necessary, the Company would accrue penalties and interest related to unrecognized tax benefits as a component of income tax expense.

The Company and its subsidiaries file a consolidated income tax return in the U.S. federal jurisdiction and three state jurisdictions. The Company is no longer subject to U.S. federal examinations for years prior to 2011 or state tax examinations for years prior to 2010. Prior to the Reverse Merger, MES, Inc. was taxed as an S corporation and income and losses were passed through to the stockholders.

Stock-Based Compensation

We have adopted the provisions of *Share-Based Payments*, which requires that share-based payments be reflected as an expense based upon the grant-date fair value of those grants. Accordingly, the fair value of each option grant, non-vested stock award and shares issued under our employee stock purchase plan, were estimated on the date of grant. We estimate the fair value of these grants using the Black-Scholes model which requires us to make certain estimates in the assumptions used in this model, including the expected term the award will be held, the volatility of the underlying common stock, the discount rate, dividends and the forfeiture rate. The expected term represents the period of time that grants and awards are expected to be outstanding. Expected volatilities were based on historical volatility of our stock. The risk-free interest rate approximates the U.S. treasury rate corresponding to the expected term of the option. Dividends were assumed to be zero. Forfeiture estimates are based on historical data. These inputs are based on our assumptions, which we believe to be reasonable but that include complex and subjective variables. Other reasonable assumptions could result in different fair values for our stock-based awards. Stock-based compensation expense, as determined using the Black-Scholes option-pricing model, is recognized on a straight-line basis over the service period, net of estimated forfeitures. To the extent that actual results or revised estimates differ from the estimates used, those amounts will be recorded as an adjustment in the period that estimates are revised.

Warrants

Unless sold and issued warrants are subject to the provisions of FASB ASC 815-10, the Company utilized a Black-Scholes options pricing model to value the warrants sold and issued. This model requires the input of highly subjective assumptions such as the expected stock price volatility and the expected period until the warrants are exercised. When calculating the value of warrants issued, the Company uses a volatility factor of 72.8%, a risk free interest rate and the life of the warrant for the exercise period. When sold and issued warrants were valued in accordance with FASB ASC 815-10, the fair value was determined using a Monte Carlo Simulation Model.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8 - FINANCIAL INFORMATION

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES

Index to Financial Information
Period Ended December 31, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Midwest Energy Emissions Corp.

We have audited the accompanying consolidated balance sheets of Midwest Energy Emissions Corp. (the Company) as of December 31, 2014 and 2013, and the related consolidated statements of operations, stockholders' deficit and cash flows for each of the years in the two-year period ended December 31, 2014 and 2013. Midwest Energy Emissions Corp.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Midwest Energy Emissions Corp. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2014 and 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Schneider Downs & Co., Inc.

Columbus, Ohio
March 20, 2015

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

	December 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,212,114	$ 509,605
Accounts receivable	410,950	383,859
Inventory	5,784,905	-
Prepaid expenses and other assets	140,559	63,132
Total current assets	13,548,528	956,596
Property and equipment, net	255,330	173,072
License, net	64,707	70,589
Prepaid expenses and other assets	13,799	23,539
Debt issuance costs, net	2,285,696	700,011
Customer acquisition costs, net	1,156,521	-
Total assets	$ 17,324,581	$ 1,923,807
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 1,088,217	$ 895,058
Accrued legal and consulting fees	86,304	365,348
Deferred revenue	5,808,301	-
Convertible notes payable	3,080,376	-
Customer credits	936,500	-
Other current liabilites	250,000	266,032
Advances payable - related party	-	4,167
Notes payable	-	300,000
Convertible note payable of discontinued operations	-	50,000
Total current liabilities	11,249,698	1,880,605
Convertible notes payable, net of discount	4,724,598	4,675,673
Warrant liability	5,597,011	-
Accrued interest	337,999	273,877
Total liabilities	21,909,306	6,830,155
Stockholders' deficit		
Preferred stock, $.001 par value: 2,000,000 shares authorized	-	-
Common stock; $.001 par value; 150,000,000 shares authorized; 40,228,123 shares issued and outstanding as of December 31, 2014; 35,299,429 shares issued and outstanding as of December 31, 2013	40,228	35,299
Additional paid-in capital	19,113,724	13,789,473
Accumulated deficit	(23,738,677)	(18,731,120)
Total stockholders' deficit	(4,584,725)	(4,906,348)
Total liabilities and stockholders' deficit	$ 17,324,581	$ 1,923,807

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

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
Revenues		
Product sales	$ 2,451,051	$ 668,532
Demonstrations and consulting services	343,155	999,940
Total revenues:	2,794,206	1,668,472
Costs and expenses:		
Cost of goods sold	1,483,379	370,635
Operating expenses	904,914	886,949
License maintenance fees	300,000	1,075,000
Selling, general and administrative expenses	2,208,546	1,961,036
Depreciation and amortization	387,123	176,394
Professional fees	678,725	565,851
Stock based compensation	3,318,759	855,256
Total costs and expenses	9,281,446	5,891,121
Operating loss	(6,487,240)	(4,222,649)
Other income (expense)		
Interest expense	(2,724,506)	(711,647)
Change in value of warrant liability	4,204,189	-
Gain on forgiveness of liabilities	-	80,656
Total other income (expense)	1,479,683	(630,991)
Net loss	$ (5,007,557)	$ (4,853,640)
Net loss per common share - basic and diluted:	$ (0.13)	$ (0.14)
Weighted average common shares outstanding	39,140,243	34,283,631

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

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE PERIOD FROM DECEMBER 31, 2012 THROUGH DECEMBER 31, 2014

	Common Stock		Additional		Total
	Shares	Par Value	Paid-in Capital	Accumulated (Deficit)	Stockholders' Deficit
Balance - December 31, 2012	33,239,878	$ 33,240	$ 9,958,202	$ (13,877,480)	$ (3,886,038)
Stock issued for services	318,467	318	108,182	-	108,500
Common stock to be issued	-	-	1,692,759	-	1,692,759
Stock issued upon debt conversion	1,741,084	1,741	868,801	-	870,542
Sale / issuance of warrants, net of issuance costs	-	-	1,161,529	-	1,161,529
Net loss for the period	-	-	-	(4,853,640)	(4,853,640)
Balance - December 31, 2013	35,299,429	$ 35,299	$13,789,473	$ (18,731,120)	$ (4,906,348)
Stock issued for services	161,379	161	196,339	-	196,500
Shares issued per 2013 amended license agreement	1,375,000	1,375	(1,375)	-	-
Stock issued for interest on notes payable	271,555	272	256,215	-	256,487
Stock issued upon debt conversion	639,151	639	359,378	-	360,017
Stock and warrants issued upon conversion of liabilities	346,518	347	380,822	-	381,169
Stock issued upon warrant exercise	6,250	6	7,807	-	7,813
Stock issued upon cashless warrant exercise	1,174,059	1,174	(1,174)	-	-
Sale of stock and warrants, net of issuance costs	954,782	955	1,003,980	-	1,004,935
Issuance of stock options	-	-	3,122,259	-	3,122,259
Net loss for the period	-	-	-	(5,007,557)	(5,007,557)
Balance - December 31, 2014	40,228,123	$ 40,228	$19,113,724	$ (23,738,677)	$ (4,584,725)

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

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
Cash flows from operating activities		
Net loss	$ (5,007,557)	$ (4,853,640)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	3,122,259	855,256
Stock issued for services	196,500	108,500
Stock to be issued for license agreement	-	825,000
Amortization of license fees	5,882	5,882
Amortization of discount of notes payable	1,052,899	141,489
Amortization of debt issuance costs	413,484	63,122
Amortization of customer acquisition costs	130,979	-
Depreciation expense	250,262	170,512
Gain on forgiveness of liabilities	-	(80,656)
Gain on the change in value of warrant liability	(4,204,189)	
PIK interest	918,435	301,165
Change in assets and liabilities		
Increase in accounts receivable	(177,091)	(109,395)
Decrease (increase) in inventory	(5,784,905)	37,993
Decrease (increase) in prepaid expenses and other assets	(67,687)	18,208
Increase in accounts payable and accrued liabilities	378,028	970,035
Increase in deferred revenue	5,808,301	-
Net cash used in operating activities	(2,964,400)	(1,546,529)
Cash flows used in investing activities		
Purchase of property and equipment	(297,870)	-
Net cash used in investing activities	(297,870)	-
Cash flows from financing activities		
Payment of debt issuance costs	(747,969)	(395,778)
Payment of equity issuance costs	(45,325)	-
Proceeds from notes payable	300,000	-
Payments of notes payable	(600,000)	(150,000)
Proceeds from the issuance of convertible promissory notes and related warrants	10,000,000	2,412,545
Proceeds from the issuance of common stock and related warrants	1,050,260	-
Proceeds from the issuance of common stock upon warrant exercise	7,813	-
Net cash provided by financing activities	9,964,779	1,866,767
Net increase in cash and cash equivalents	6,702,509	320,238
Cash and cash equivalents - beginning of period	509,605	189,367
Cash and cash equivalents - end of period	$ 7,212,114	$ 509,605
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 12,007	$ 13,083
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS		
Equipment purchases included in accounts payable	$ 34,250	$ 112,000
Accrued sales credits included in customer acquisition costs	$ 936,500	$ -
Non cash debt issuance costs	$ 1,251,200	$ 252,905
Conversion of advances payable to debt	$ 4,167	$ 1,036,195
Conversion of debt and accrued interest to equity	$ 616,504	$ 866,211
Conversion of accounts payable and other liabilities to equity	$ 377,002	$ -
Conversion of accrued interest to debt	$ 918,435	$ 305,496

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

Note 1 - Organization

Midwest Energy Emissions Corp.

Midwest Energy Emissions Corp. (the "Company") is organized under the laws of the State of Delaware with 150,000,000 authorized shares of common stock, par value $.001 per share.

MES, Inc.

MES, Inc. is incorporated in the State of North Dakota. MES, Inc. is a wholly owned subsidiary of Midwest Energy Emissions Corp. and is engaged in the business of developing and commercializing state of the art control technologies relating to the capture and control of mercury emissions from coal fired boilers in the United States and Canada.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in the United States of America ("GAAP").

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with maturity of three months or less, when purchased, to be cash equivalents. The Company maintains its cash in three accounts with one financial institution, which at times may exceed federally insured limits. Cash equivalents also include restricted cash of $12,500 as of December 31, 2014.

In addition, per the financing agreement entered into with AC Midwest LLC (the "Lender") (see Note 10), the Company is not permitted to use cash to pay interest accruing on unsecured convertible promissory notes. Also, should the Company be unable to raise sufficient capital to pay off such notes or otherwise induce the holders thereof to convert their notes to common stock, it will not be permitted to pay them off under the terms of the Financing Agreement without the prior consent of the Lender. In March 2015, pursuant to an amendment of the Financing Agreement with Lender, the Company repaid $3,000,000 of outstanding principal.

Foreign Currency Risk Management

The Company's earnings and cash flow are subject to fluctuations due to changes in foreign currency exchange rates. We do not enter into foreign currency forward contracts or into foreign currency option contracts to manage this risk due to the immaterial nature of the transactions involved.

Accounts Receivable

Trade accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2014 and 2013, the allowance for doubtful accounts was zero.

Inventory

Inventories are stated at the lower of cost (first-in, first-out basis) or market (net realizable value).

Property and Equipment

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For consolidated financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years.

Expenditures for repairs and maintenance which do not materially extend the useful lives of property and equipment are charged to operations. Management periodically reviews the carrying value of its property and equipment for impairment.

The Company capitalizes interest cost on borrowings incurred during the new construction or upgrade of qualifying assets. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets.

Recoverability of Long-Lived and Intangible Assets

The Company has adopted ASC 360-10, *Property, Plant and Equipment* ("ASC 360-10"). ASC 360-10 requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of the long-lived and or intangible assets would be adjusted, based on estimates of future discounted cash flows. The Company evaluated the recoverability of the carrying value of the Company's equipment at the site of its commercial customer. No impairment charges were recognized for the years ended December 31, 2014 and 2013, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation awards in accordance with the provisions of ASC 718, *Compensation—Stock Compensation* ("ASC 718"), which requires equity-based compensation, be reflected in the consolidated financial statements over the period of service which is typically the vesting period based on the estimated fair value of the awards.

Derivative Liabilities

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks; however, the Company has certain financial instruments that are embedded derivatives associated with capital raises and common stock purchase warrants. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with FASB ASC 815-10. This accounting treatment requires that the carrying amount of any embedded derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either income or expense. Upon conversion or exercise, the derivative liability is marked to fair value at the conversion date and then the related fair value is reclassified to equity.

Fair Value of Financial Instruments

The fair value hierarchy has three levels based on the inputs used to determine fair value, which are as follows:

- *Level 1* — Unadjusted quoted prices available in active markets for the identical assets or liabilities at the measurement date.
- *Level 2* — Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- *Level 3* — Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

The fair value hierarchy requires the use of observable market data when available. In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

Cash and cash equivalents were the only asset measured at fair value on a recurring basis by the Company at December 31, 2014 and December 31, 2013 and is considered to be Level 1. Warrant liability is considered to be Level 3, and is the only liability measured at fair value on a recurring basis as of December 31, 2014. There were no liabilities measured at fair value on a recurring basis by the Company at December 31, 2013.

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, deferred revenue, customer credits and short-term debt. The carrying amounts of these financial instruments approximated fair value at December 31, 2014 and 2013 due to their short-term maturities. The fair value of the convertible promissory notes payable at December 31, 2014 and 2013 approximated the carrying amount as the notes were issued during the years ended December 31, 2014 and 2013 at interest rates prevailing in the market and interest rates have not significantly changed as of December 31, 2014. The fair value of the convertible promissory notes payable was determined on a Level 2 measurement.

The Company has entered into certain financial instruments and contracts; such as, equity financing arrangements for the issuance of common stock, which include anti-dilution arrangements and detachable stock warrants that are i) not afforded equity classification, ii) embody risks not clearly and closely related to host contracts, or iii) may be net-cash settled by the counterparty. These instruments are recorded as derivative liabilities, at fair value at the issuance date. Subsequent changes in fair value are recorded through the statement of operations.

The Company's derivative liabilities are related to detachable common stock purchase warrants ("warrants") issued in conjunction with debt and warrants issued to the placement agents for financial instrument issuances. We estimate fair values of the warrants that do contain "Down Round Protections" utilizing valuation models and techniques that have been developed and are widely accepted that take into account the additional value inherent in "Down Round Protection." These widely accepted techniques include "Modified Binomial", "Monte Carlo Simulation" and the "Lattice Model." The "core" assumptions and inputs to the "Binomial" model are the same as for "Black-Scholes", such as trading volatility, remaining term to maturity, market price, strike price, and risk free rates; all Level 2 inputs. Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable. However, a key input to a "Binomial" model (in our case, the "Monte Carlo Simulation", for which we engaged an independent valuation firm to perform) is the probability of a future capital raise. By definition, this input assumption does not meet the requirements for Level 1 or Level 2 outlined above; therefore, the entire fair value calculation is deemed to be Level 3 under accounting requirements due to this single Level 3 assumption. This input to the Monte Carlo Simulation model was developed with significant input from management based on its knowledge of the business, current financial position and the strategic business plan with its best efforts.

As discussed above, financial liabilities are considered Level 3 when their fair values are determined using pricing models or similar techniques and at least one significant model assumption or input is unobservable. For the Company, the Level 3 financial liability is the derivative liability related to the warrants that include "Down Round Protection" and they were valued using the "Monte Carlo Simulation" technique. This technique, while the majority of inputs are Level 2, necessarily incorporates various assumptions associated with a Capital Raise which are unobservable and, therefore, a Level 3 input.

Foreign Currency Transactions

The Company's functional currency is the United States Dollar (the "U.S. Dollar"). Transactions denominated in currencies other than the U.S. Dollar are re-measured to the U.S. Dollar at the period-end exchange rates. Any associated transactional currency re-measurement gains and losses are recognized in current operations.

Revenue Recognition

The Company records revenue from sales in accordance with ASC 605, *Revenue Recognition* ("ASC 605"). The criteria for recognition are as follows:

1. Persuasive evidence of an arrangement exists;
2. Delivery has occurred or services have been rendered;
3. The seller's price to the buyer is fixed or determinable; and
4. Collectability is reasonably assured.

Determination of criteria (3) and (4) will be based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments will be provided for in the same period the related sales are recorded.

The Company recorded customer acquisition costs totaling $1,287,500 during the year ended December 31, 2014. The Company entered into agreements with three new customers during this period. The Company's consolidated financial statements for the year ended December 31, 2013 showed accounts receivable for one of these new customers in the amount of $150,000, which resulted from a demonstration performed for that customer in 2013. In accordance with the contractual arrangement with that customer, because the customer entered into a long-term contract with the Company, the customer's account was credited for the full amount of the demonstration fee. Additionally, customer credits towards future deliveries totaling $1,137,500 were accrued in accordance with the terms of the customer contracts entered into during 2014. Customer acquisition costs will be amortized over the life of the new customer agreements. Amortization expense for the year ended December 31, 2014 was $130,979.

In accordance with the terms of the new customer agreements, the Company made progress billings to four customers a total of $5,808,301, which relate to the future fabrication, delivery and installation of new equipment. This amount is included as deferred revenue at December 31, 2014 and is expected to be recognized as revenue during the year ended 2015 when the equipment is commissioned for use by the customers.

The Company generated revenues of $2,794,206 and $1,668,472 for the years ended December 31, 2014 and 2013, respectively. The Company generated revenue for the years ended December 31, 2014 and 2013 by (i) performing demonstrations of its technology at customers with the intent of entering into long term supply agreements based on the performance of the Company's products during the demonstrations and (ii) delivering product to its commercial customers.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's consolidated financial statements are based on a more-likely-than-not recognition threshold. The Company did not have any unrecognized tax benefits at December 31, 2014 or 2013. When necessary, the Company would accrue penalties and interest related to unrecognized tax benefits as a component of income tax expense.

The Company and its subsidiaries file a consolidated income tax return in the U.S. federal jurisdiction and three state jurisdictions. The Company is no longer subject to U.S. federal examinations for years prior to 2011 or state tax examinations for years prior to 2010. Prior to the Reverse Merger, MES, Inc. was taxed as an S corporation and income and losses were passed through to the stockholders.

Basic and Diluted Loss Per Common Share

Basic net loss per common share is computed using the weighted average number of common shares outstanding. Diluted loss per share reflects the potential dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. There were no dilutive potential common shares as of December 31, 2014 or 2013, because the Company incurred net losses and basic and diluted losses per common share are the same.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and equivalents on deposit with financial institutions and accounts receivable. The Company's cash as of December 31, 2014 is on deposit in a non-interest-bearing transaction account that is subject to FDIC deposit insurance limits. For the years ended December 31, 2014 and 2013, 100% of the Company's revenue related to five customers and six customers, respectively. At both December 31, 2014 and 2013, 100% of the Company's accounts receivable related to four and three customers, respectively.

Contingencies

Certain conditions may exist which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they arise from guarantees, in which case the guarantees would be disclosed.

Recently Issued Accounting Standards

In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The update provides that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. The amendments in this update do not require new recurring disclosures. The amendments are effective prospectively for reporting periods beginning after December 15, 2013. The adoption of this standard took place in the current year, and no significant impact was realized in our consolidated financial statements.

In May, 2014, the FASB issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606) Summary - The FASB has made available Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers: Topic 606. ASU 2014-09 affects any entity using U.S. GAAP that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. This ASU also supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition-Construction-Type and Production-Type Contracts. In addition, the existing requirements for the recognition of a gain or loss on the transfer of nonfinancial assets that are not in a contract with a customer (e.g., assets within the scope of Topic 360, Property, Plant, and Equipment, and intangible assets within the scope of Topic 350, Intangibles-Goodwill and Other) are amended to be consistent with the guidance on recognition and measurement (including the constraint on revenue) in this ASU. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: .

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For a public entity, the amendments in this ASU are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. We are currently assessing the impact this standard will have on the Company's consolidated financial statements and required disclosures.

In June, 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation -Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The amendments in the ASU require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718, Compensation - Stock Compensation, as it relates to awards with performance conditions that affect vesting to account for such awards. The performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Entities may apply the amendments in this ASU either: (a) prospectively to all awards granted or modified after the effective date; or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this ASU as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. In addition, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost. We are currently assessing the impact this standard will have on the Company's consolidated financial statements and required disclosures.

In June 2014, the FASB issued "Development Stage Entities - Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation" ("ASU 2014-10"). ASU 2014-10 eliminates the concept of a development stage entity, thereby eliminating the financial reporting distinction between development stage entities and other reporting entities. As a result of the elimination, certain financial reporting disclosures have been eliminated as well, including the presentation of inception-to-date information and the labeling of financial statements as those of a development stage entity. ASU 2014-10 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. The Company elected to early adopt this standard as permitted. Accordingly, beginning with the year ended December 31, 2014, the Company no longer presents inception-to-date information in its consolidated statements of operations, cash flows, and stockholders' equity.

In August, 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. Under GAAP, financial statements are prepared under the presumption that the reporting organization will continue to operate as a going concern, except in limited circumstances. Financial reporting under this presumption is commonly referred to as the going concern basis of accounting. The going concern basis of accounting is critical to financial reporting because it establishes the fundamental basis for measuring and classifying assets and liabilities. Currently, GAAP lacks guidance about management's responsibility to evaluate whether there is substantial doubt about the organization's ability to continue as a going concern or to provide related footnote disclosures. This ASU provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted for annual or interim reporting periods for which the financial statements have not previously been issued. We are currently assessing the impact this standard will have on the Company's consolidated financial statements and required disclosures.

In November, 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-16, *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity*. The amendments in this ASU do not change the current criteria in U.S. GAAP for determining when separation of certain embedded derivative features in a hybrid financial instrument is required. The amendments clarify how current U.S. GAAP should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. Specifically, the amendments clarify that an entity should consider all relevant terms and features, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of the host contract. Furthermore, the amendments clarify that no single term or feature would necessarily determine the economic characteristics and risks of the host contract. Rather, the nature of the host contract depends upon the economic characteristics and risks of the entire hybrid financial instrument. The amendments in this ASU also clarify that, in evaluating the nature of a host contract, an entity should assess the substance of the relevant terms and features (i.e., the relative strength of the debt-like or equity-like terms and features given the facts and circumstances) when considering how to weight those terms and features. Specifically, the assessment of the substance of the relevant terms and features should incorporate a consideration of: (1) the characteristics of the terms and features themselves (for example, contingent versus noncontingent, in-the-money versus out-of-the-money); (2) the circumstances under which the hybrid financial instrument was issued or acquired (e.g., issuer-specific characteristics, such as whether the issuer is thinly capitalized or profitable and well-capitalized); and (3) the potential outcomes of the hybrid financial instrument (e.g., the instrument may be settled by the issuer issuing a fixed number of shares, the instrument may be settled by the issuer transferring a specified amount of cash, or the instrument may remain legal-form equity), as well as the likelihood of those potential outcomes. The amendments in this ASU apply to all entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share. The amendments in this ASU are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption, including adoption in an interim period, is permitted. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The effects of initially adopting the amendments in this ASU should be applied on a modified retrospective basis to existing hybrid financial instruments issued in the form of a share as of the beginning of the fiscal year for which the amendments are effective. Retrospective application is permitted to all relevant prior periods. We are currently assessing the impact this standard will have on the Company's consolidated financial statements and required disclosures.

Reclassification

Certain amounts in the prior year have been reclassified to conform to the current presentation.

Note 3 - Going Concern

The accompanying consolidated financial statements as of December 31, 2014 have been prepared assuming the Company will continue as a going concern. The Company has experienced a net loss, negative cash flows from operations and has an accumulated deficit of $23,738,677. Late in 2014, our customers received one-year extensions on seven of our contracted units to their MATS compliance date which we previously expected to be in compliance in 2015. On March 16, 2015, pursuant to an amendment of the Financing Agreement with AC Midwest Energy, LLC, the Company repaid $3,000,000 of outstanding convertible note principal (see Note 17). These factors raise substantial doubt about the Company's ability to continue as a going concern. Although we anticipate significant revenues for the sale of capital equipment and products to be used in testing and commissioning work done by clients, no assurances can be given that the Company can obtain sufficient working capital through financing activities to meet its debt obligations. Due to certain covenants with our senior lender, we are not able to use current cash on hand to pay current convertible note holders as these notes mature. Convertible notes with current principal balances of approximately $3,100,000 and $800,000 mature in 2015 and 2016, respectively. Therefore, success in our funding raising efforts and negotiations with our note holders is crucial. We are actively seeking sources of additional financing in order to fund our debt repayment obligations and if extensions cannot be negotiated with our early investors who purchased convertible debt from the Company. No assurances can be given that the Company can maintain sufficient working capital through these efforts or that the continued implementation of its business plan will generate sufficient revenues in the future to sustain ongoing operations.

The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

Note 4 - Inventory

During the year ended December 31, 2014, the Company began the production of equipment to be sold to four new customers. $5,714,905 of costs was incurred for component purchases and progress billings from subcontractors on these projects. These costs will be recorded as cost of sales as the systems are commissioned for use by the Company's customers. The Company also held product supply inventory valued at $70,000 as of December 31, 2014.

Note 5 - Property and Equipment, Net

Property and equipment at December 31, 2014 and 2013 are as follows:

	December 31 2014	December 31 2013
Equipment & Installation	$ 787,918	$ 717,918
Trucking equipment	168,504	-
Mixing Equipment	17,103	-
Office equipment	23,941	23,941
Computer equipment and software	88,898	11,985
Total Equipment	1,086,364	753,844
Less: accumulated depreciation	831,034	580,772
Property and equipment, net	$ 255,330	$ 173,072

The Company uses the straight-line method of depreciation over 3 to 5 years. During the years ended December 31, 2014 and 2013, depreciation expense charged to operations was $250,262 and $170,512, respectively.

Note 6 - License Agreement

On January 15, 2009, the Company entered into an "Exclusive Patent and Know-How License Agreement Including Transfer of Ownership" with the Energy and Environmental Research Center Foundation, a non-profit entity ("EERCF"). Under the terms of the Agreement, the Company has been granted an exclusive license by EERCF for the technology to develop, make, have made, use, sell, offer to sell, lease, and import the technology in any coal-fired combustion systems (power plant) worldwide and to develop and perform the technology in any coal-fired power plant in the world. Amendments No. 4 and No. 5 to this agreement were made effective as of December 16, 2013 and August 14, 2014, respectively, expanding the number of patents covered, eliminated certain contract provisions and compliance issues and restructured the fee payments and buyout provisions while granting EERCF equity in the Company. This agreement now applies to 25 domestic and foreign patents and patent applications.

The Company paid EERCF $100,000 in 2009 for the license to use the patents and at the option of the Company can pay $2,500,000 and issue 875,000 shares of common stock for the assignment of the patents or pay the greater of the license maintenance fees or royalties on product sales for continued use of the patents. The license maintenance fees are $25,000 due monthly beginning in January 1, 2014 and continuing each month thereafter. The running royalties are $100 per one megawatt of electronic nameplate capacity and $100 per three megawatt per hour for the application to thermal systems to which licensed products or licensed processes are sold by the Company, associate and sublicensees. Running royalties are payable by the Company within 30 days after the end of each calendar year to the licensor and may be credited against license maintenance fees paid. There were no royalties due for 2013 or 2012.

The Company is required to pay EERCF 35% of all sublicense income received by the Company, excluding royalties on sales by sublicensees. Sublicense income is payable by the Company within 30 day after the end of each calendar year to the licensor. This requirement ends at the time the Company pays for the assignment of the patents. There was no sublicense income in 2014 or 2013.

License costs capitalized as of December 31, 2014 and 2013 are as follows:

	2014	2013
License	$ 100,000	$ 100,000
Less: accumulated amortization	35,293	29,411
License, net	$ 64,707	$ 70,589

The Company is currently amortizing its license to use EERCF's patents over their estimated useful life of 17 years when acquired. During the period ended December 31, 2014 and 2013, amortization expense charged to operations was $5,882 and $5,882, respectively. Estimated amortization for each of the next five years is approximately $5,900.

Note 7 – Convertible Note Payable of Discontinued Operations

On March 30, 2011, the Company entered into an agreement with an unrelated third party pursuant to which such party agreed to assist the Company to effect a reverse merger or similar transaction with an operating business to be identified as the parties shall mutually agree. Such party agreed to immediately loan the Company the principal amount of $50,000 which shall be due and payable in one year, bear interest at the rate of 8.0% per annum, and be convertible into shares of common stock of the Company at the rate of $0.44 per share at the option of such party at any time following an exclusivity period granted to such party and until the maturity date of the loan. On February 5, 2014, the Company issued 139,319 shares of common stock pursuant to an executed Conversion and Settlement Agreement in satisfaction of the outstanding principal balance of $50,000 and accrued interest totaling $11,300 and the agreement was terminated. Interest expense for the years ended December 31, 2014 and 2013 was $264 and $4,000, respectively.

Note 8 – Notes Payable

On September 13, 2011, the Bank of North Dakota New Venture Capital Program provided a working capital loan to the Company in exchange for a promissory note in the amount of $125,000 which was to mature on September 30, 2014. The Company made quarterly interest payments beginning December 31, 2011 at a fixed interest rate of 6% and continuing on a quarterly basis. $75,000 was advanced on the loan which was repaid on August 8, 2013 and the promissory note was canceled. Interest expense for the years ended December 31, 2014 and 2013, respectively was zero and $2,750.

On September 13, 2011, the Bank of North Dakota Development Fund, Inc. provided a working capital loan to the Company in exchange for a promissory note in the amount of $125,000 which was to mature on September 30, 2014. The Company made quarterly interest payments beginning December 31, 2011 at a fixed interest rate of 6% and continuing on a quarterly basis. $75,000 was advanced on the loan which was repaid on August 8, 2013 and the promissory note was canceled. Interest expense for the year ended December 31, 2014 and 2013, respectively was zero and $2,750.

Effective June 30, 2013, Tucker Ellis LLP accepted a promissory note in the amount of $300,000 from the Company in exchange for outstanding billings due of the same amount. The Company shall make quarterly interest payments beginning September 30, 2013 at a fixed interest rate of 5% and continuing on a quarterly basis until maturity. The Company is require to (i) stay current on Tucker Ellis LLP's ongoing monthly invoices and (ii) make principal payments pursuant to the agreement based on the issuance of debt or equity securities. On August, 14, 2014, the Company repaid the outstanding principal balance and all unpaid accrued interest and the note was canceled. Interest expense for the years ended December 31, 2014 and 2013 was $9375 and $7,583, respectively.

Effective June 13, 2014, the Company entered into a promissory note in the amount of $300,000, secured by the expected cash flows from sales to a customer during June 2014, with an unrelated third party to provide cash advances of the same amount. The Company shall make monthly interest payments beginning June 30, 2014 at a fixed interest rate of 3.860% and continuing on a monthly basis until maturity on October 1, 2014. On July 24, 2014, the note was repaid in full and canceled at that time. Interest expense for the year ended December 31, 2014 was $984.

Note 9 - Advances Payable – Related Party

On June 27, 2013 the Company entered into a Conversion Agreement with Richard MacPherson, a director of the Company, and 3253517 Nova Scotia Limited, of which MacPherson is the sole member (the "Nova Scotia Company"). Pursuant to the Conversion Agreement the Company converted advances payable from Mr. MacPherson, into 12% Convertible Promissory Notes (the "Notes"). Immediately prior to this conversion, Mr. MacPherson assigned and transferred $614,012 of his interest in the principal owing on certain advances payable to Nova Scotia Company (the "Nova Scotia Debt"), leaving a balance of the principal due and owing to Mr. MacPherson of $337,022 (the "MacPherson Debt"). Under the Conversion Agreement the Nova Scotia Company converted the Nova Scotia Debt into $614,012 of Notes of the Company and Mr. MacPherson converted $252,199 of the MacPherson Debt into $252,199 of the Notes of the Company, which shall be due and payable on the third anniversary of the date of issue and shall be convertible into units of the Company at a conversion price of $0.50 per unit with each unit consisting of one share of common stock of the Company and one warrant to purchase 0.25 additional shares of Common Stock at $0.75 per share. In addition, pursuant to the Conversion Agreement Mr. MacPherson agreed to forgive $80,656 on the MacPherson Debt. On June 16, 2014, the Company entered into a debt conversion agreement which converted the remaining principal balance of $4,167 and accrued interest of $216,502 into a certain number of shares of common stock and five year warrants to purchase one additional share of common stock (see note 13). Accrued interest on these advances at December 31, 2014 and 2013 was zero and $216,378, respectively. Interest expense for the years ended December 31, 2014 and 2013 was $124 and $42,279, respectively.

As of December 31, 2014, the Company owes Jay Rifkin a current director who is also a former officer of the Company, $250,000 for unpaid consulting fees accrued prior to the year ended 2011 and accrued interest of $31,318 accrued on advances made to the company prior to their conversion to promissory notes of the Company on June 30, 2013. These amounts are accrued in other current liabilities and accrued liabilities on the accompanying consolidated balance sheet, respectively. On January 2, 2015, the Company entered into a Payment of Debt and Release of Claims Agreement and paid the balance of this debt to Mr. Rifkin.

Note 10 – Convertible Promissory Notes Payable

The Company has the following convertible notes payable outstanding as of December 31:

	2014	2013
Unsecured convertible promissory notes which have a term of three years, bear interest at 12% per annum, and are convertible into units, where each unit consists of: (i) one share of common stock of the Company, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock of the Company at an exercise price of $1.25 per share. The initial conversion ratio shall be equal to $1.00 per unit.	$ 3,245,499	$ 2,976,409
Unsecured convertible promissory notes which have a term of three years, bear interest at 12% per annum, and are convertible into units, where each unit consists of: (i) 1 share of common stock of the Company, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock of the Company at an exercise price of $0.75 per share. The initial conversion ratio shall be equal to $0.50 per unit.	654,408	574,984
Secured convertible promissory notes which mature on July 31, 2018, bear interest at 10% per annum, and are convertible into one share of common stock, par value $0.001 per share, with the initial conversion ratio equal to $0.50 per share.	1,705,000	1,902,500
Secured convertible note which matures on July 31, 2018, bear interest at 12% per annum, and is convertible into one share of common stock, par value $0.001 per share, with the initial conversion ratio equal to $1.00 per share. (see Note 17 for changes subsequent to December 31, 2014)	10,475,388	-
Total convertible notes payable before discount	16,080,295	5,453,893
Less discounts	(8,275,321)	(778,220)
Total convertible notes payable	7,804,974	4,675,673
Less current portion	3,080,376	-
Convertible notes payable, net of current portion	$ 4,724,598	$ 4,675,673

As of December 31, 2014, schedule principal payments due on convertible notes payable are as follows:

Years ended December 31,	
2015	3,080,376
2016	2,331,915
2017	2,401,241
2018	8,266,763
	16,080,295

From April 26, 2012 to January 24, 2013, the Company sold convertible notes to unaffiliated accredited investors totaling $2,675,244. The notes have a term of three years, bear interest at 12% per annum, and are convertible into units, where each unit consists of: (i) one share of common stock of the Issuer, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock of the Issuer at an exercise price of $1.25 per share. The initial conversion ratio shall be equal to $1.00 per unit. The notes may be converted at any time and from time to time in whole or in part prior to the maturity date thereof. These securities were sold in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. During the year ended December 31, 2014, the Company converted $97,601 of these notes into 97,601 shares of common stock and 24,401 warrants to purchase shares of common stock (see Note 13). Accrued interest of $363,623 and $301,165 was converted to principal by the Company during 2014 and 2013, respectively. Accrued interest on these notes at December 31, 2014 and 2013 was $194,730 and $178,585, respectively. Accrued interest of $194,730 at December 31, 2014 was converted to principal by the Company on January 1, 2015. Interest expense for the years ended December 31, 2014 and 2013, was $382,838 and $344,775, respectively. As of December 31, 2014, total principal of $3,245,499 was outstanding on these notes and $3,080,376 of outstanding principal on these notes is set to mature during 2015.

From April 5 through May 10, 2013, the Company sold convertible notes to unaffiliated accredited investors totaling $405,000. The notes have a term of three years, bear interest at 12% per annum, and are convertible into units, where each unit consists of: (i) 1 share of common stock of the Issuer, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock of the Issuer at an exercise price of $0.75 per share. The initial conversion ratio shall be equal to $0.50 per unit. The notes may be converted at any time and from time to time in whole or in part prior to the maturity date thereof. These securities were sold in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. Accrued interest on these notes at December 31, 2014 and 2013 was $27,801 and $32,127, respectively. Interest expense for the years ended December 31, 2014 and 2013, was $54,029 and $32,127, respectively. As of December 31, 2014, total principal of $463,354 was outstanding on these notes.

On June 27 and June 30, 2013, the Company converted advances payable from related parties into convertible notes totaling $1,036,195. The notes have a term of three years, bear interest at 12% per annum, and are convertible into units, where each unit consists of: (i) 1 share of common stock of the Issuer, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock of the Issuer at an exercise price of $0.75 per share. The initial conversion ratio shall be equal to $0.50 per unit. The notes may be converted at any time and from time to time in whole or in part prior to the maturity date thereof. These securities were issued in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. On July 12, 2013, the Company converted $866,211 of these notes, along with accrued interest of $4,331, into 1,741,084 common stock and 435,271 warrants to purchase shares of common stock (see Note 13). Accrued interest on these notes at December 31, 2014 and 2013 was $11,463 and $10,256, respectively. Interest expense for the years ended December 31, 2014 and 2013, was $22,278 and $14,587, respectively. As of December 31, 2014, total principal of $191,054 was outstanding on these notes.

From July 30, 2013 through December 24, 2013, the Company sold convertible notes and warrants to unaffiliated accredited investors totaling $1,902,500. The notes have a term of three years, bear interest at 10% per annum, and are convertible into one share of common stock, par value $0.001 per share, with the initial conversion ratio equal to $0.50 per share. For each dollar invested, the investor received two warrants to purchase one shares of common stock of the Issuer at an exercise price of $0.75 per share. The notes may be converted at any time and from time to time in whole or in part prior to the maturity date thereof. These securities were sold in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. During the year ended December 31, 2014, the Company converted $197,500 of these notes, along with accrued interest of $3,615, into 402,231 shares of common stock (see Note 13). Accrued interest on these notes at December 31, 2014 and 2013 was $104,105 and $52,910, respectively. Interest expense for the years ended December 31, 2014 and 2013, was $311,197 and $52,910, respectively. The payment of accrued interest through the issuance of shares of common stock is as follows:

Date of Accrual	Accrued Interest Balance	Shares of common stock issued	Date of Issuance
December 31, 2013	$ 52,910	87,144	1/1/2014
June 30, 2014	$ 203,577	184,411	7/1/2014
December 31, 2014	$ 104,105	170,500	1/1/2015

A discount on the notes payable of $841,342 was recorded based on the value of the warrants issued using a Black-Scholes options pricing model. Amortized interest expense for the years ended December 31, 2014 and December 31, 2013 on this discount was $231,579 and $63,122, respectively. As of December 31, 2014, total principal of $1,705,000 was outstanding on these notes.

On August 14, 2014, the Company and its wholly-owned subsidiary MES, Inc. ("MES, and together with the Company, collectively the "Companies") entered into a financing agreement (the "Financing Agreement") with a newly created independent entity, AC Midwest Energy LLC (the "Lender"). Pursuant to the Financing Agreement, the Company borrowed $10,000,000 from the Lender, evidenced by a convertible note (the "Note") maturing July 31, 2018, secured by all the assets of the Companies. All the indebtedness under the Note is convertible into common stock of the Company at $1.00 per share, subject to the following adjustments: (i) an adjustment of the price per share down to $0.75 per share if the Company fails to generate EBITDA (earnings before taxes, interest, depreciation and amortization) of at least $2,500,000 for calendar year 2015; and (ii) weighted average anti-dilution adjustments to the extent that following the issuance of the Note, the Company issues securities or rights to acquire securities at an effective purchase price below the conversion price for the Note, subject to carveouts for certain exempt issuances by the Company. Per an amendment to the Financing Agreement discussed below, the conversion price was adjusted to $0.50 per share and the adjustment to the price per share for failing to generate a certain level of EBITDA was eliminated.

The Note bears interest at 12% per annum, to be paid at the rate of: (i) 12% payment in kind or "PIK" for year one; (ii) 2% cash and 10% PIK for year two; and (iii) 12% all cash for years three and four. The PIK interest is paid by increasing the principal balance of the Note by the PIK amount. The Note cannot be prepaid without the Lender's consent before its second anniversary, and thereafter at 105% of the outstanding indebtedness evidenced by the Note, subject to the right of the Lender to convert the outstanding indebtedness to the Company's common stock prior to prepayment. Principal amortization of the Note is to begin with the first quarter following the second year of the Note at the rate of 7.5% of the original principal amount per quarter and to continue each quarter thereafter, with all unpaid interest to be due at maturity. In the event of default, the interest rate on the Note will be increased by an additional 3% per annum. Accrued interest of $475,388 was converted to principal by the Company during the year ended December 31, 2014. Interest expense for the year ended December 31, 2014 was $475,388. The Financing Agreement contains numerous affirmative obligations and negative covenants. As of December 31, 2014 the Company was not in compliance with a certain covenant and received a waiver from Lender for this failure on March 16, 2015 in association with an amendment to the Financing Agreement. As of December 31, 2014, total principal of $10,475,388 was outstanding on this note.

On March 16, 2015, the Company entered into a Waiver and Amendment to Financing Agreement, and Reaffirmation of Guaranty with AC Midwest Energy, LLC ("Amendment"). This Amendment decreased the conversion price of the convertible note and exercise price of the outstanding warrants to $0.50, respectively. The Company repaid $3,000,000 of outstanding principal on the convertible note as of the close of the Amendment. The Company agreed to new financial covenants as part of the Amendment, which included a waiver for the compliance of certain covenants in the periods prior to the date of the Amendment.

In connection with the issuance of the Note to Lender, the Company issued Lender a five year warrant (the "Warrant") to purchase 12,500,000 shares of the Company's common stock at $1.00 per share, subject to the adjustments (See Note 15). The Company also paid Lender a fee of $100,000 for issuing the loan, reimbursed it $125,000 for its legal fees and costs associated with the transactions and compensated the Placement Agent for the transaction (Drexel Hamilton, LLC, "Drexel") for the transaction with a cash fee of $350,000 and: (i) a 5-year warrant to purchase up to 800,000 shares of common stock at $1.00 per share; and (ii) a 5-year warrant to purchase up to 1,000,000 shares of common stock at $0.50 per share, both subject to adjustments similar to the Warrant issued to the Lender (See Note 15). The Company incurred legal fees and expenses of $169,000 associated with the transaction. Pursuant with the terms of its promissory note with Tucker Ellis LLP (see Note 8), repaid the principal balance outstanding of $300,000 at closing. The total transaction costs incurred in connection with the issuance of the Note were $1,999,169, including the warrants to Drexel which were valued at $1,251,200 in accordance with FASB ASC 815-10 as liabilities using a Monte Carlo Simulation Model (see Note 11).

In connection with the Financing Agreement, the Lender also entered into an Investor/Registration Rights Agreement, dated as of August 14, 2014, pursuant to which the Lender received demand registration rights requiring the Company, at the direction of the Lender, to register the shares of common stock underlying the Note, the Warrant, and any 2013 Secured Notes purchased by the Lender (such underlying stock being collectively, the "Registrable Securities") as well as certain veto rights. If: (i) the Company is delayed in getting the applicable registration statement(s) filed or declared effective, (ii) the sales of all of the Registrable Securities required to be registered (subject to certain permitted cutback requirements) cannot be made pursuant to the applicable registration statement(s), or (iii) the applicable registration statement(s) is not effective for any reason other than permitted exceptions, then the Investor/Registration Rights Agreement provides penalties, cumulatively capped at 2.5% of the original principal amount of the Note. The Investor/Registration Rights Agreement also provides that once the Note has been fully paid or converted, and for so long as the Lender continues to hold at least 10% of the issued and outstanding stock of the Company, the Lender's approval is required before certain major actions may be taken by the Company.

On August 14, 2014, the Companies, the Lender, and each of the holders ("Holders") of the 2013 Secured Notes entered into an Intercreditor Agreement. The Intercreditor Agreement provides that the Lender acts as the senior secured lender to the Company in all respects, save for where it chooses to liquidate the Collateral securing the Note, in which event the first net proceeds from liquidation of the Collateral, after all associated costs and expenses, are to be applied to retire the 2013 Secured Notes. Simultaneous with entering into the Intercreditor Agreement, the Note Agent entered into an allonge ("Allonge") amending each of the 2013 Secured Notes in the following manner: (i) extension of the maturity date of all of the 2013 Secured Notes to July 31, 2018; (ii) elimination of the Company's right to mandatorily convert the 2013 Secured Notes until any time after December 20, 2016, except in the event of a listing of the Company's common stock on a national securities exchange, where the conversion of the 2013 Secured Notes is a condition preceding such listing and the Company has maintained a volume weighted average price per share of at least $1.25 for the 20 consecutive trading days prior to the conversion and subject to average volume of at least 50,000 shares per day; (iii) issuance of a "springing warrant" in the event of Lender's exercise of its purchase option to purchase the 2013 Secured Notes, to be issued as of the date of such purchase, in an amount equal to the number of shares that could have been purchased were the 2013 Secured Notes to have been exercised on such date at .50 cents per share and to run until the later of the original maturity date of the applicable note in question or two years following the date of the issuance of the warrant.

Note 11 – Warrant Liability

On August 14, 2014, Company issued the Lender a Warrant to purchase 12,500,000 shares of the Company's common stock at $1.00 per share, subject to the adjustments (see Note 15 for changes to the terms of these warrants subsequent to issuance). The Company also issued to Drexel for the transaction: (i) a 5-year warrant to purchase up to 800,000 shares of common stock at $1.00 per share; and (ii) a 5-year warrant to purchase up to 1,000,000 shares of common stock at $0.50 per share, both subject to adjustments similar to the Warrant issued to the Lender (see Note 15 for changes to the terms of these warrants subsequent to the issuance). These warrants were valued in accordance with FASB ASC 815-10 as liabilities using a Monte Carlo Simulation Model. The fair value of the warrant liability on the issuance date for all warrants issued was $9,801,200. The warrants issued to Drexel were valued at $1,251,200 and were recorded as transaction costs associated with Financing Agreement. As of December 31, 2014, per a new valuation performed in accordance with FASB ASC 815-10, the total value of these warrants was adjusted to $5,597,011 and a gain for the change in value of the liability of $4,204,189 was recognized.

Note 12 – Commitments and Contingencies

As discussed in Note 6, the Company has entered in an "Exclusive Patent and Know-How License Agreement Including Transfer of Ownership" that requires minimum license maintenance costs. The Company is planning on using the intellectual property granted by the patents for the foreseeable future. The license agreement is considered expired on October 14, 2025, the date the patent expires. Future minimum maintenance fee payments are as follows:

For the year ended December 31	
2015	$ 300,000
2016	300,000
2017	300,000
2018	300,000
2019	300,000
Thereafter	1,750,000
	$3,250,000

The Company has the option to pay $2,500,000 and issue 925,000 shares of common stock for the assignment of the patents, and upon doing so, the requirement to make minimum license maintenance costs ends.

Property Leases

On June 1, 2011, the Company entered into a 36 month lease for warehouse space in Centralia, Washington, commencing August 1, 2011. The lease provides for the option to extend the lease on a month to month basis. Rent is $1,900 monthly throughout the term of the lease.

On January 27, 2015, the Company entered into a 13-month lease for office space in Lewis Center, Ohio, commencing February 1, 2015. The lease provides for the option to extend the lease for up to five additional years. Rent was abated for the first month of the lease. Rent is $1,378 per month for months two through thirteen. Future minimum lease payments under this non-cancelable lease in 2015 and 2016 are $13,780 and $2,758, respectively.

On October 18, 2011, the Company entered into a 39-month lease for office space in Worthington, Ohio, commencing November 15, 2011. The lease provides for the option to extend the lease under its current terms for three additional years. Rent was abated for the first three months of the lease. Rent is $1,933 per month for months four through fifteen, $1,968 for months 16 through twenty-seven and $2,002 for months twenty-eight through thirty-nine. Future minimum lease payment under this non-cancelable lease in 2015 is $4,004.

On June 1, 2014, the Company entered into a seven month lease for warehouse space in Fairfield, Texas, commencing June 1, 2014. The lease provides for the option to extend the lease on a month to month basis. Rent is $3,000 monthly throughout the term of the lease.

On January 27, 2015, the Company entered into a 13-month lease for office space in Lewis Center, Ohio, commencing February 1, 2015. The lease provides for the option to extend the lease for up to five additional years. Rent was abated for the first month of the lease. Rent is $1,378 per month for months two through thirteen. Future minimum lease payments under this non-cancelable lease in 2015 and 2016 are $13,780 and $2,758, respectively.

The Company also leases office space in Grand Forks, ND, which has a renewable annual term and requires quarterly rental payments of $1,631.

Rent expense was approximately $92,000 and $67,000 for the years ended December 31, 2014 and 2013, respectively.

Fixed Price Contract

The Company's multi-year contracts with its commercial customers contain fixed prices for product. These contracts expire through 2019 and expose the Company to the potential risks associated with rising material costs during that same period.

Litigation

On March 21, 2014, Michael Yurisic filed a breach of contract complaint against the Company in the United States District Court for the Western District of Pennsylvania. The complaint sought a remedy of the issuance and delivery of 342,340 shares of the Company's common stock to Mr. Yurisic pursuant to an alleged promise (while the complaint did demand 342,340 shares; the settlement, and correct number of shares, was 273,872). In the course of its investigation the Company learned that any obligation to Mr. Yurisic was properly the responsibility of Rick MacPherson, the founder of the Company and currently a director. By June 19, 2014, this matter was settled and dismissed per an agreement between the Company, Mr. MacPherson, his company 3253517 Nova Scotia Limited and Mr. Yurisic. The Company did not issue any shares or make any payments to Mr. Yurisic as a result of his complaint. The matter has concluded with all claims related to the complaint being dismissed with prejudice.

Note 13 – Equity

The Company was established with two classes of stock, common stock – 150,000,000 shares authorized at a par value of $0.001 and preferred stock – 2,000,000 shares authorized at a par value of $0.001.

Common Stock

On July 12, 2013, the Company, upon conversion of a promissory note dated June 27, 2013, issued 506,920 shares of common stock and 126,730 warrants to purchase common shares to Richard MacPherson, a member of the Company's Board of Directors, pursuant to a notice of conversion received by the Company from Mr. MacPherson to convert a promissory note held by Mr. MacPherson with a principal balance of $252,199 and accrued interest of $1,261 into 506,920 units of the Company, with each unit consisting of one share of common stock of the Company and one warrant to purchase 0.25 additional shares of common stock at $0.75 per share.

On July 12, 2013, the Company, upon conversion of a promissory note dated June 27, 2013, issued 1,234,164 shares of common stock and 308,541 warrants to purchase common shares to Nova Scotia Company, pursuant to a notice of conversion received from Nova Scotia Company to convert a promissory note held by Nova Scotia Company with a principal balance of $614,012 and accrued interest of $3,070 into 1,234,164 units of the Company, with each unit consisting of one share of common stock of the Company and one warrant to purchase 0.25 additional shares of common stock at $0.75 per share.

In January 2014, the Company issued 962,500 shares of common stock to the EERCF and 412,500 shares of common stock to four individuals pursuant to Amendment No. 4 to the Exclusive Patent and Know-How License Agreement Including Transfer of Ownership dated January 15, 2009 (see Note 6). The amendment was made effective December 16, 2013 and the stock grant was valued as of that date at $825,000 in accordance with FASB ASC Topic 718.

On January 27, 2014, the Company issued 769,296 shares of common stock upon the cashless exercise of 983,000 warrants to purchase shares of common stock for $0.50 per share based on a current market value of $2.30 per share as determined under the terms of the warrant.

On January 28, 2014, the Company issued 87,144 shares of common stock to the holders of notes with a term of three years, bear interest at 10% per annum, and are convertible into one share of common stock, par value $0.001 per share, with the initial conversion ratio equal to $0.50 per share, as payment for accrued interest of $43,572 due as of December 31, 2013.

On January 28, 2014, the Company issued 399,525 shares of common stock upon the cashless exercise of 570,500 warrants to purchase shares of common stock for $0.75 per share based on a current market value of $2.50 per share as determined under the terms of the warrant.

On January 30, 2014, the Company issued 55,695 shares of common stock upon the conversion of a note with principal and accrued interest totaling $27,847, that bear interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On January 31, 2014, the Company issued 25,000 shares of common stock to an unrelated third party pursuant to an executed agreement to provide public relations and investor relations services. The shares were valued at $52,500.

On February 5, 2014, the Company issued 139,319 shares of common stock to an unrelated third party pursuant to an executed Conversion and Settlement Agreement in satisfaction of the outstanding principal balance of $50,000 and accrued interest totaling $11,300 (see Note 7).

On March 19, 2014, the Company issued 25,000 shares of common stock and 6,250 warrants to purchase shares of common stock upon the conversion of a note principal totaling $25,000, that bear interest at 12% per annum, and was convertible into units, where each unit consists of: (i) 1 share of common stock, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock at an exercise price of $1.25 per share with a conversion ratio equal to $1.00 per unit.

On March 19, 2014, the Company issued 6,250 shares of common stock upon the exercise of warrants to purchase shares of common stock for $1.25.

From April 21, 2014 to May 8, 2014, the Company sold securities to unaffiliated accredited investors totaling $1,050,260. The securities consist of units, where each unit consists of: (i) one share of common stock of the Issuer, par value $0.001 per share, and (ii) a warrant to purchase one shares of common stock of the Issuer at an exercise price of $1.10 per share. The price of each unit was $1.10 and 954,782 units were sold. These securities were sold in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. On August 14, 2014, pursuant to the terms of the warrants issued, the exercise price was reset to $1.06 due to the price of the convertible note and warrants issued in the Financing Agreement with AC Alterna Midwest, LLC (see Note 10). On November 16, 2014, pursuant to the terms of the warrants issued, the exercise price was reset to $1.05 due to the price of stock options issued by the Company on that date (see Note 14). On March 16, 2015, pursuant to the terms of the warrants issued, the exercise price was reset to $0.88 due to an amendment to the Finance Agreement executed by the Company on that date (see Note 17).

On May 16, 2014, the Company issued 70,000 shares of common stock upon the partial conversion of a note principal totaling $35,000, that bear interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On May 23, 2014, the Company issued 60,427 shares of common stock and 15,107 warrants to purchase shares of common stock upon the conversion of a note principal and accrued interest totaling $60,427, that bear interest at 12% per annum, and was convertible into units, where each unit consists of: (i) one share of common stock, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock at an exercise price of $1.25 per share with a conversion ratio equal to $1.00 per unit.

On June 16, 2014, the Company entered into a Debt Conversion Agreement with Richard MacPherson, a director of the Company ("MacPherson"), 3253517 Nova Scotia Limited (the "Nova Scotia Company") and Eastern Emissions Consultants Incorporated ("Eastern Emissions"). MacPherson is the controlling principal of both the Nova Scotia Company and Eastern Emissions. Pursuant to the Debt Conversion Agreement, the amount of $381,169 (the "MacPherson Debt") due and owing to MacPherson and Eastern Emissions was converted into 346,518 Units of the Company at a conversion price of $1.10 per Unit with each Unit consisting of one share of the Company's common stock, and a five-year warrant to purchase one additional share of common stock at an exercise price of $1.10 per share. The MacPherson Debt consisted of (i) $4,167 of remaining principal owing to MacPherson from a prior debt due to MacPherson for advances payable, most of which was converted into equity of the Company in 2013; (ii) $216,502 of accrued interest owing to MacPherson on such prior advances; (iii) $10,500 owing to MacPherson for certain truck rental fees incurred in 2011; and (iv) $150,000 owing to Eastern Emissions for unpaid consulting fees through December 31, 2013 under a Consulting Agreement between the Company and Eastern Emissions entered into as of January 10, 2012. The Units acquired by the Nova Scotia Company have the same terms as the units recently sold to certain accredited investors in a private placement. On August 14, 2014, pursuant to the terms of the warrants issued, the exercise price was reset to $1.06 due to the price of the convertible note and warrants issued in the Financing Agreement with AC Alterna Midwest, LLC (see Note 10). On November 16, 2014, pursuant to the terms of the warrants issued, the exercise price was reset to $1.05 due to the price of stock options issued by the Company on that date (see Note 14). On March 16, 2015, pursuant to the terms of the warrants issued, the exercise price was reset to $0.88 due to an amendment to the Finance Agreement executed by the Company on that date (see Note 17).

On June 24, 2014, the Company issued 41,922 shares of common stock upon the conversion of a note with principal and accrued interest totaling $20,961, that bear interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On July 14, 2014, the Company issued 50,181 shares of common stock upon the conversion of a note with principal and accrued interest totaling $25,090, that bear interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On August 28, 2014, the Company issued 30,475 shares of common stock upon the conversion of a note with principal and accrued interest totaling $15,237, that bear interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On September 22, 2014, the Company issued 12,174 shares of common stock and 3,044 warrants to purchase shares of common stock upon the conversion of a note principal and accrued interest totaling $12,174, that bear interest at 12% per annum, and was convertible into units, where each unit consists of: (i) one share of common stock, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock at an exercise price of $1.25 per share with a conversion ratio equal to $1.00 per unit.

On September 25, 2014, the Company issued 5,238 shares of common stock upon the cashless exercise of 10,000 warrants to purchase shares of common stock for $0.50 per share based on a market value of $1.05 per share as determined under the terms of the warrant.

On October 6, 2014, the Company issued 153,958 shares of common stock upon the conversion of a note with principal and accrued interest totaling $76,979, that bear interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On October 9, 2014, the Company issued 50,000 shares of common stock to an unrelated third party pursuant to an executed agreement to provide public relations and investor relations services. The shares were valued at $44,000.

Note 14 - Stock Based Compensation

Effective July 20, 2005, the Board of Directors of the Company approved the 2005 Stock Option and Restricted Stock Plan (the "*2005 Plan*"). The 2005 Plan reserves approximately 136,364 post Reverse Stock Split shares of common stock for grants of incentive stock options, nonqualified stock options, warrants and restricted stock awards to employees, non-employee directors and consultants performing services for the Company. Options and warrants granted under the 2005 Plan have an exercise price equal to or greater than the fair market value of the underlying common stock at the date of grant and become exercisable based on a vesting schedule determined at the date of grant. The options expire 10 years from the date of grant whereas warrants generally expire 5 years from the date of grant. Restricted stock awards granted under the 2005 Plan are subject to a vesting period determined at the date of grant.

On May 6, 2009, the Board of Directors adopted, subject to stockholder approval, which was obtained at the annual stockholders meeting held on June 19, 2009, an amendment to the 2005 Plan that increased the number of shares subject to the Stock Plan. The total number of shares subject to the Stock Plan was revised to 454,545 shares by the Reverse Stock Split. On October 9, 2014, the Board of Directors terminated this plan upon the approving an amendment to the 2014 Equity Incentive Plan.

On January 10, 2014, the Board of Directors of the Company approved and adopted, subject to stockholder approval, which was obtained at the annual stockholders meeting held on November 16, 2014, the Midwest Energy Emissions Corp. 2014 Equity Incentive Plan (the "Equity Plan"). The number of shares of the Company's Common Stock that may be issued under the Equity Plan is 2,500,000 shares, subject to the adjustment for stock dividends, stock splits, recapitalizations and similar corporate events.Eligible participants under the Equity Plan shall include officers, employees of or consultants to the Company or any of its subsidiaries, or any person to whom an offer of employment is extended, or any person who is a non-employee director of the Company. On October 9, 2014, the Board of Directors approved and adopted the First Amendment to the plan, subject to stockholder approval, which was obtained at the annual stockholders meeting held on November 18, 2014, which increased the number of shares issuable under the plan to 7,500,000.

The Company accounts for stock-based compensation awards in accordance with the provisions of ASC 718, which addresses the accounting for employee stock options which requires that the cost of all employee stock options, as well as other equity-based compensation arrangements, be reflected in the consolidated financial statements over the vesting period based on the estimated fair value of the awards.

A summary of stock option activity for the years ended December 31, 2014 and 2013 is presented below:

	Number of Shares	Outstanding Options Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
December 31, 2013	385,458	10.83	4.2	-
Grants	4,710,000	0.95	4.5	-
Cancellations	-	-	-	-
December 31, 2014	5,095,458	1.70	4.5	-
Options exercisable at:				
December 31, 2013	385,458	10.83	4.2	
December 31, 2014	3,095,458	2.31	4.5	

The Company utilized the Black-Scholes options pricing model. The significant assumptions utilized for the Black Scholes calculations consist of an expected life of equal to the expiration term of the option, historical volatility of 72.8%, and a risk free interest rate of 3%.

On January 2, 2013, the Company issued Jana Stover 68,468 shares to settle accrued consulting services performed in 2011. Compensation of $106,125 was recognized in 2011 related to the services performed.

Effective as of June 29, 2012 the Company and Ken Rifkin entered into a Consulting Agreement (the "Agreement"). Ken Rifkin is the brother of Jay Rifkin, a company director. As compensation for Mr. Rifkin's performance of consulting services over a three month period ending on September 29, 2012, the Company issued 100,000 shares of the Company's unregistered common shares to Mr. Rifkin on March 5, 2013, upon receipt of the appropriate stock grant agreement from Mr. Rifkin. Compensation of $135,000 was recognized in 2012 related to this agreement.

On July 1, 2012, the Company and R. Alan Kelley entered into an amended employment agreement (the "New Kelley Employment Agreement") that replaced and terminated the then existing employment agreement between Mr. Kelley and the Company, dated November 1, 2011. Pursuant to the terminated employment agreement, Mr. Kelley was to receive 500,000 unvested shares of common stock as a signing bonus. These shares were to have vested on November 1, 2012 and are valued at $525,000 in accordance with FASB ASC Topic 718. Under the New Kelley Employment Agreement, the Company will issue to Mr. Kelley 650,000 shares of common stock upon the earlier of a change in control of the Company or January 1, 2014 (the "Stock Grant") provided that Mr. Kelley remains an employee of the Company on January 1, 2014. In addition, the Company will make the Stock Grant to Mr. Kelley if his employment is terminated without cause, if he resigns for good reason, or on his death or disability. The Stock Grant is valued at $1,300,000 in accordance with FASB ASC Topic 718, and the difference from the previous valuation will be amortized from the date of the agreement through grant date. On December 12, 2013, the Company and Mr. Kelley entered into an amendment to the New Kelley Employment Agreement ("Kelley Agreement Amendment"). Pursuant to the Kelley Agreement Amendment, Mr. Kelley will receive 650,000 stock unit awards, which replaces the Stock Grant that was to be made on January 1, 2014, provided that Mr. Kelley remains an employee on that date. Such stock units will vest and become non-forfeitable upon the earlier of a change in control of the Company or when the Company has a minimum of $3.5 million in working capital and its cash position equals or exceeds $2.5 million after deducting the amount sufficient to cover all federal, state and local taxes required by law to be withheld with respect to the stock units vesting and will be for forfeited if the conditions have not been met by January 1, 2017. The modification of this award did not result in incremental compensation in accordance with FASB ASC Topic 718, and no additional expense will be recorded for this grant. Compensation expense for the years ended December 31, 2014 and 2013 on the New Kelley Employment Agreement was zero and $517,000, respectively.

On July 1, 2012, the Company and Johnny F. Norris, Jr. entered into an amended employment agreement (the "New Norris Employment Agreement") that replaced and terminated the then existing employment agreement between Mr. Norris and the Company, dated October 17, 2011. Pursuant to the terminated employment agreement, Mr. Norris was to receive 1,500,000 unvested shares of common stock as a signing bonus. These shares were to have vested 1/3 on October 1, 2012, 1/3 on October 1, 2013 and 1/3 on October 1, 2014 and were valued at $2,805,300 in accordance with FASB ASC Topic 718. Under the New Norris Employment Agreement, the Company will issue to Mr. Norris 1,500,000 shares of common stock upon the earlier of a change in control of the Company or January 1, 2014 (the "Stock Grant") provided that Mr. Norris remains an employee of the Company on January 1, 2014. In addition, the Company will make the Stock Grant to Mr. Norris if his employment is terminated without cause, if he resigns for good reason, or on his death or disability. The Stock Grant is valued at $3,000,000 in accordance with FASB ASC Topic 718, and the difference from the previous valuation will be amortized from the date of the agreement through grant date. On December 12, 2013, the Company and Mr. Norris entered into an amendment to the New Norris Employment Agreement ("Norris Agreement Amendment"). Pursuant to the Norris Agreement Amendment, Mr. Norris will receive 1,500,000 stock unit awards, which replaces the Stock Grant that was to be made on January 1, 2014, provided that Mr. Norris remains an employee on that date. Such stock units will vest and become non-forfeitable upon the earlier of a change in control of the Company or when the Company has a minimum of $3.5 million in working capital and its cash position equals or exceeds $2.5 million after deducting the amount sufficient to cover all federal, state and local taxes required by law to be withheld with respect to the stock units vesting and will be for forfeited if the conditions have not been met by January 1, 2017. The modification of this award did not result in incremental compensation in accordance with FASB ASC Topic 718, and no additional expense will be recorded for this grant. Compensation expense for the years ended December 31, 2014 and 2013 on the New Norris Employment Agreement was zero and $130,000, respectively.

On July 1, 2012, the Company and Richard H. Gross entered into an amended employment agreement (the "New Gross Employment Agreement") that replaced and terminated the then existing employment agreement between Mr. Gross and the Company, dated September 19, 2011. Pursuant to the terminated employment agreement, Mr. Gross was to receive 50,000 unvested shares of common stock as a signing bonus. These shares were to have vested on October 10, 2012 and are valued at $93,500 in accordance with FASB ASC Topic 718. Under the New Gross Employment Agreement, the Company will issue to Mr. Gross 100,000 shares of common stock upon the earlier of a change in control of the Company or January 1, 2014 (the "Stock Grant") provided that Mr. Gross remains an employee of the Company on January 1, 2014. In addition, the Company will make the Stock Grant to Mr. Gross if his employment is terminated without cause, if he resigns for good reason, or on his death or disability. The Stock Grant is valued at $200,000 in accordance with FASB ASC Topic 718, and the difference from the previous valuation will be amortized from the date of the agreement through grant date. On December 12, 2013, the Company and Mr. Gross entered into an amendment to the New Gross Employment Agreement ("Gross Agreement Amendment"). Pursuant to the Gross Agreement Amendment, Mr. Gross will receive 100,000 stock unit awards, which replaces the Stock Grant that was to be made on January 1, 2014, provided that Mr. Gross remains an employee on that date. Such stock units will vest and become non-forfeitable upon the earlier of a change in control of the Company or when the Company has a minimum of $3.5 million in working capital and its cash position equals or exceeds $2.5 million after deducting the amount sufficient to cover all federal, state and local taxes required by law to be withheld with respect to the stock units vesting and will be for forfeited if the conditions have not been met by January 1, 2017. The modification of this award did not result in incremental compensation in accordance with FASB ASC Topic 718, and no additional expense will be recorded for this grant. Compensation expense for the years ended December 31, 2014 and 2013 on the New Gross Employment Agreement was zero and $71,000, respectively.

On March 1, 2013, the Company and Marc Sylvester entered into an amended employment agreement (the "New Sylvester Employment Agreement") that replaced and terminated the then existing employment agreement between Mr. Sylvester and the Company, dated July 25, 2011. Under the New Sylvester Employment Agreement, the Company will issue to Mr. Sylvester 250,000 shares of common stock upon the earlier of a change in control of the Company or January 1, 2014 (the "Stock Grant") provided that Mr. Sylvester remains an employee of the Company on January 1, 2014. In addition, the Company will make the Stock Grant to Mr. Sylvester if his employment is terminated without cause, if he resigns for good reason, or on his death or disability. The Stock Grant is valued at $100,000 in accordance with FASB ASC Topic 718. On December 12, 2013, the Company and Mr. Sylvester entered into an amendment to the New Sylvester Employment Agreement ("Sylvester Agreement Amendment"). Pursuant to the Sylvester Agreement Amendment, Mr. Sylvester will receive 250,000 stock unit awards, which replaces the Stock Grant that was to be made on January 1, 2014, provided that Mr. Sylvester remains an employee on that date. Such stock units will vest and become non-forfeitable upon the earlier of a change in control of the Company or when the Company has a minimum of $3.5 million in working capital and its cash position equals or exceeds $2.5 million after deducting the amount sufficient to cover all federal, state and local taxes required by law to be withheld with respect to the stock units vesting and will be for forfeited if the conditions have not been met by January 1, 2017. The modification of this award results in incremental compensation of $30,000 in accordance with FASB ASC Topic 718, and this additional compensation will only be recognized if certain performance criteria are met. Compensation expense for the year ended December 31, 2013 on the New Sylvester Employment Agreement was $100,000.

On March 7, 2013, the Company and Lytham Partners entered into a representation agreement. The agreement had a twelve month term and was cancelable after September 30, 2013. The Company will issue Lytham Partners 25,000 common shares per month for each month of the agreement. Compensation expense for the year ended December 31, 2014 was $121,000, 50,000 shares were issued on May 7, 2013, July 7, 2013 and September 7, 2013, respectively. The agreement was canceled as of September 30, 2013.

On December 12, 2013, pursuant to amendments to their employment agreements on that date, the Company issued a five year, fully vested stock option to purchase 25,000 shares of common stock to each of R. Alan Kelley, Johnny F. Norris, Jr., Marcus A. Sylvester and Richard H. Gross at a purchase price of $0.50, representing the fair market value of the Company's common stock on the date of grant. Based on a Black-Scholes valuation model, these stock options were valued at $37,790 in accordance with FASB ASC Topic 718.

On January 1, 2014, the Company granted nonqualified stock options to acquire 250,000 shares each of the Company's common stock to Jim Trettel and Keith McGee. The options granted are exercisable at $0.595 per share, representing the fair market value of the common stock as of the date of grant. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model these options were valued at $224,850 in accordance with FASB ASC Topic 718.

On January 30, 2014, the Company granted the following nonqualified stock options to acquire an aggregate of 1,140,000 shares of the Company's common stock under the Company's Equity Plan:

Alan Kelley	500,000
John Norris	150,000
Rich Gross	100,000
Marc Sylvester	250,000
Jay Rifkin	105,000
Chris Greenberg	35,000
	1,140,000

The options granted are exercisable at $1.20 per share, representing the fair market value of the common stock as of the date of grant as determined under the Equity Plan. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $1,963,825 in accordance with FASB ASC Topic 718.

On January 31, 2014, pursuant to a representation agreement to provide public and investor relations services, the Company issued QualityStocks, LLC 25,000 shares of common stock. The shares were valued at $52,500.

On April 8, 2014, the Company entered into an agreement with Acorn Management Partners, LLC to provide financial advisory, strategic business planning and professional relations services. The agreement was for one year and can be terminated at any time by either party. Compensation under the agreement includes $50,000 of restricted common stock issued quarterly with the number of shares issued determined by dividing $50,000 by the closing price on the first day of each quarter the contract is in force. On April 22, 2014, the Company issued 38,760 shares of common stock based on a market value of $1.29 per share as determined under the terms of the agreement. On July 10, 2014, the Company issued 47,619 shares of common stock based on a market value of $1.05 per share as determined under the terms of the agreement.

On April 29, 2014, the Company issued nonqualified stock options to acquire 250,000 shares of the Company's common stock to Chris Greenberg, a current director of the Company, under the Company's Equity Plan. The options granted are exercisable at $1.50 per share, representing the fair market value of the common stock as of the date of the grant as determined under the Equity Plan. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $265,833 in accordance with FASB ASC Topic 718.

On May 1, 2014, the Company issued nonqualified stock options to acquire 25,000 shares each of the Company's common stock to Chris Greenberg, Jay Rifkin and John Norris, current directors of the Company, under the Company's Equity Plan. The options granted are exercisable at $1.49 per share, representing the fair market value of the common stock as of the date of the grant as determined under the Equity Plan. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $85,122 in accordance with FASB ASC Topic 718.

On May 1, 2014, the Company issued nonqualified stock options to acquire 10,000 shares each of the Company's common stock to Chris Greenberg and Jay Rifkin and nonqualified stock options to acquire 25,000 shares of the Company's common stock to John Norris, current directors of the Company, under the Company's Equity Plan. The options are granted and exercisable at $1.49 per share, representing the fair market value of the common stock as of the date of the grant as determined under the Equity Plan. The options are fully vested and exercisable as of the date of grant and will expire five year thereafter. Based on a Black-Sholes valuation model, these options were valued at $51,073 in accordance with FASB ASC Topic 718.

On September 1, 2014, the Company granted nonqualified stock options to acquire 500,000 shares of the Company's common stock to Keith McGee. The options granted are exercisable at $1.15 per share, representing the fair market value of the common stock as of the date of grant. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $353,683 in accordance with FASB ASC Topic 718.

On September 19, 2014, the Company granted nonqualified stock options to acquire 100,000 shares of the Company's common stock to Robert W. O'Neal. The options granted are exercisable at $1.05 per share, representing the fair market value of the common stock as of the date of grant. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $64,586 in accordance with FASB ASC Topic 718.

On October 9, 2014, per an agreement that the Company entered into with Bristol Institutional Relations, the Company issued 50,000 shares of common stock. The shares were valued at $44,000.

On November 16, 2014, the Company entered into an employment agreement with John Pavlish which terms include the issuance of stock options for the purchase of shares of the Company's common stock in the aggregate amount of three million shares, two million of which was issued on November 16, 2014 and one million of which would be issued on November 16, 2015, in each case pursuant to the terms of the Company's 2014 Equity Incentive Plan. The options granted are exercisable at $0.74 per share, representing the fair market value of the common stock as of the date of grant. These options are to vest two years after the original grant date, subject to his continued employment. Based on a Black-Sholes valuation model, the value of the issued options was $910,350 in accordance with FASB ASC Topic 718. Compensation expense for the year ended December 31, 2014 on the issued options was $56,898.

On November 24, 2014, the Company granted nonqualified stock options to acquire 100,000 shares of the Company's common stock to Johnny Battle. The options granted are exercisable at $0.93 per share, representing the fair market value of the common stock as of the date of grant. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $56,388 in accordance with FASB ASC Topic 718.

Note 15 - Warrants

Unless sold and issued warrants are subject to the provisions of FASB ASC 815-10, the Company utilized a Black-Scholes options pricing model to value the warrants sold and issued. This model requires the input of highly subjective assumptions such as the expected stock price volatility and the expected period until the warrants are exercised. When calculating the value of warrants issued, the Company uses a volatility factor of 72.8%, a risk free interest rate and the life of the warrant for the exercise period. When sold and issued warrants were valued in accordance with FASB ASC 815-10, the fair value was determined using a Monte Carlo Simulation Model.

On June 24, 2013, the Company entered into an amended and restated letter agreement with ViewTrade Securities Inc. ("ViewTrade") to act as the Company's exclusive placement agent in connection with a proposed private placement of equity, debt or equity-linked securities of the Company ("Securities") as such offering may be amended by the Board of Directors of the Company (the "Private Placement"). The terms of the Securities to be issued pursuant to the Private Placement were agreed to by and between the Company and ViewTrade on June 24, 2013. The gross proceeds of the Private Placement will be up to six million dollars. Pursuant to this agreement, the Company agreed to issue cashless warrants with an exercise period of five years to ViewTrade entitling ViewTrade to acquire an amount equal to 15% of value of the securities sold under the same terms as the Private Placement. From July 30, 2013 through December 24, 2013, the Company issued ViewTrade cashless warrants with a term of five years to purchase 570,750 shares of common stock with an exercise price of $.50 per share and cashless warrants with a term of five years to purchase 570,750 shares of common stock with an exercise price of $.75 per share as compensation for Securities sold to date. Using a Black-Sholes valuation model these warrants had a value of $475,307 of which $263,053 was recorded as debt issuance costs and will be amortized over the life of the Securities sold in the Private Placement and $212,254 was recorded as syndication costs reducing the paid in capital recorded for the sale of the Securities sold in the Private Placement.

From July 30, 2013 through December 24, 2013, the Company sold convertible notes and warrants to unaffiliated accredited investors totaling $1,902,500. The notes are convertible into one share of common stock, with the initial conversion ratio equal to $0.50 per share. The investor received a total of 3,805,000 warrants to purchase one share of common stock with an exercise price of $0.75 per share. These securities were sold in reliance upon the exemption provided by Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. Using a Black-Sholes valuation model these warrants had a value of $841,342 which was recorded as a discount on the notes payable and will be amortized over the life of the associated notes payable. On March 16, 2015, pursuant to the terms of the warrants issued, the exercise price was reset to $0.67 due to an amendment to the Finance Agreement executed by the Company on that date (see Note 17).

On September 19, 2013, pursuant to an agreement dated as of March 20, 2013, by and among the Company, John Simonelli and Larry Howell, upon a closing of the Private Placement, the Company issued to each of Mr. Simonelli and Mr. Howell, cashless warrants with a term of five years to purchase 500,000 shares of common stock with an exercise price of $.50 per share. The issuance of this warrant was exempt from registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended. Using a Black-Sholes valuation model these warrants had a value of $377,900 of which $217,937 was recorded as debt issuance costs and will be amortized over the life of the Securities sold in the Private Placement and $159,963 was recorded as syndication costs reducing the paid in capital recorded for the sale of the Securities sold in the Private Placement.

On September 30, 2013, the Company granted Bedminster Financial Group, Ltd. ("Bedminster"), as consideration for fund raising services on behalf of the Company, a vested warrant with a term of two years to purchase 13,950 shares of common stock with an exercise price of $1.25 per share. The issuance of this warrant was exempt from registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended. Using a Black-Sholes valuation model these warrants had a value of $2,215 which was recorded as debt issuance costs and will be amortized over the life of the notes payables sold by Bedminster.

On April 21, 2014, the Company entered into an amended and restated letter agreement with ViewTrade Securities Inc. to act as a placement agent for the Company in connection with its private placement offering that was opened on March 19, 2014. Pursuant to this agreement, the Company agreed to issue cashless warrants with an exercise period of five years to ViewTrade entitling ViewTrade to acquire an amount equal to 8% of the shares of common stock sold to investors that are introduced to the Company by ViewTrade. On May 8, 2014, the Company issued ViewTrade cashless warrants with a term of five years to purchase 2,000 shares of common stock with an exercise price of $1.10 per share as compensation for the shares of common stock sold to such investors. The agreement was terminated on May 14, 2014. On August 14, 2014, pursuant to the terms of the warrants issued, the exercise price was reset to $1.06 due to the price of the convertible note and warrants issued in the Financing Agreement with AC Alterna Midwest, LLC (see Note 10). On November 16, 2014, pursuant to the terms of the warrants issued, the exercise price was reset to $1.05 due to the price of stock options issued by the Company on that date (see Note 14). On March 16, 2015, pursuant to the terms of the warrants issued, the exercise price was reset to $0.88 due to an amendment to the Finance Agreement executed by the Company on that date (see Note 17).

On August 14, 2014, in connection with the issuance of the Note to Lender (see Note 10), the Company issued the Lender a five year warrant (the "Warrant") to purchase 12,500,000 shares of the Company's common stock at $1.00 per share, subject to the following adjustments: (i) adjustment down to $0.75 per share exercise price if the Company fails to achieve EBITDA for 2015 of at least $2,500,000; and (ii) weighted average anti-dilution adjustments to the extent that following the issuance of the Note, the Company issues equity securities or rights to acquire equity securities at an effective purchase price per share of common stock below the conversion price for the Note, subject to carveouts for certain issuances by the Company. At issuance of the Warrant, the Lender shall be entitled upon any exercise of the Warrant to a number of shares of common stock in an amount at least equal to 15% of the aggregate number of then-outstanding shares of capital stock of the Company (as determined on a fully-diluted basis). In addition, if the aggregate number of Warrant Shares purchasable under the Warrant calculated at the time of the initial exercise of the Warrant is less than 15% of the outstanding shares of capital stock of the Company at the time of the initial exercise of the Warrant, the Lender's number of Warrant Shares shall be increased by an amount of shares necessary to cause the number of Warrant Shares to represent 15% of the aggregate number of then-outstanding shares of capital stock of the Company on a fully diluted basis. The Warrant can be converted to shares of common stock through a cashless exercise at the option of the Lender. Per an amendment to the Financing Agreement on March 16, 2015, the purchase price per share was adjusted to $0.50 per share and the purchase price adjustment should the Company fail to meet certain EBITDA levels was eliminated.

On August 14, 2014, the Company issued to Drexel, the placement agent for the Financing Agreement (see Note 10) (i) a 5-year warrant to purchase up to 800,000 shares of common stock at $1.00 per share; and (ii) a 5-year warrant to purchase up to 1,000,000 shares of common stock at $0.50 per share, both subject to adjustments similar to the Warrant issued to the Lender. On November 16, 2014, the Company issued stock options that triggered the adjustment calculation. Per the weighted average anti-dilution adjustment provision, the number of shares to be purchased with warrant (i) was increased to 809,974 shares and the conversion price was decreased to $0.99. On March 16, 2015, per the anti-dilution adjustment impact of an amendment to the Financing Agreement executed on that date, the number of shares to be purchased with warrant (i) was increased to 959,508 shares and the conversion price was decreased to $0.84.

The following table summarizes information about common stock warrants outstanding at December 31, 2014, after adjustments for the amendment to the Finance Agreement on March 16, 2015:

Outstanding				Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 3.30	11,364	1.36	$ 3.30	11,364	$ 3.30
1.25	32,101	1.15	1.25	32,101	1.25
1.00	24,000	1.82	1.00	24,000	1.00
0.88(1)	1,303,300	4.36	0.88	1,303,300	0.88
0.84(2)	959,508	4.62	0.84	950,626	0.84
0.75	435,271	0.53	0.75	435,271	0.75
0.67(3)	3,805,000	3.77	0.67	3,805,000	0.67
0.50	14,077,750	4.59	0.50	14,077,750	0.50
$ 0.50 - $3.30	20,648,294	4.33		20,639,412	

Note (1) On March 16, 2015, per the anti-dilution adjustment impact of an amendment to the Financing Agreement executed on that date, the conversion price for these warrants was decreased from $1.05 to $0.88.

Note (2) On March 16, 2015, per the anti-dilution adjustment impact of an amendment to the Financing Agreement executed on that date, the number of shares to be purchased with these warrants was increased from 809,974 to 959,508 shares and the conversion price was decreased from $0.99 to $0.84.

Note (3) On March 16, 2015, per the anti-dilution adjustment impact of an amendment to the Financing Agreement executed on that date, the conversion price for these warrants was decreased from $0.75 to $0.67.

Note 16 – Tax

A reconciliation of the provision (benefit) for income taxes with amounts determined by applying the statutory U.S. federal income tax rate to income before income taxes is as follows for the years ended December 31:

	2014	**2013**
Computed tax at the federal statutory rate of 34%	$(1,703,000)	$(1,650,000)
Return to provision adjustment	420,000	452,000
Debt discounts	(1,010,000)	-
Other	7,000	6,000
Valuation allowance	2,286,000	1,192,000
Provision for income taxes	$ -	$ -

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows at December 31:

	2014	**2013**
Deferred tax assets:		
Accrued Compensation	$ 2,638,000	$ 1,615,000
Net operating loss carryforwards	7,185,000	5,659,000
Property and equipment	38,000	302,000
Valuation Allowance	(9,861,000)	(7,576,000)
Det deferred tax assets	$ -	$ -

For the years ended December 31, 2014 and 2013, the Company incurred net operating losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2014, the Company had approximately $21,132,000 of net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2025.

Section 382 of the Internal Code allows post-change corporations to use pre-change net operating losses, but limit the amount of losses that may be used annually to a percentage of the entity value of the corporation at the date of the ownership change. The applicable percentage is the federal long-term tax-exempt rate for the month during which the change in ownership occurs.

Note 17 – Subsequent Events

On January 1, 2015, the Company issued 170,500 shares of common stock to the holders of notes with a term of three years, bear interest at 10% per annum, and are convertible into one share of common stock, par value $0.001 per share, with the initial conversion ratio equal to $0.50 per share, as payment for accrued interest due as of December 31, 2014.

On January 1, 2015, the Company granted nonqualified stock options to acquire 250,000 shares of the Company's common stock to Nick Lentz. The options granted are exercisable at $0.61 per share, representing the fair market value of the common stock as of the date of grant. The options are fully vested and exercisable as of the date of grant and will expire five years thereafter. Based on a Black-Sholes valuation model, these options were valued at $93,803 in accordance with FASB ASC Topic 718.

On January 27, 2015, the Company entered into a 13-month lease for office space in Lewis Center, Ohio, commencing February 1, 2015. The lease provides for the option to extend the lease for up to five additional years. Rent was abated for the first month of the lease. Rent is $1,378 per month for months two through thirteen. Future minimum lease payments under this non-cancelable lease in 2015 and 2016 are $13,780 and $2,758, respectively.

On January 30, 2015, the Company issued 20,161 shares of common stock upon the conversion of a note with principal totaling $10,000 and accrued interest of $81, that bears interest at 10% per annum, and was convertible into one share of common stock, par value $0.001 per share, with a conversion ratio equal to $0.50 per share.

On February 20, 2015, the Company issued 32,603 shares of common stock and 8,151 warrants to purchase shares of common stock upon the conversion of a note principal and accrued interest totaling $32,603, that bear interest at 12% per annum, and was convertible into units, where each unit consists of: (i) one share of common stock, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock at an exercise price of $1.25 per share with a conversion ratio equal to $1.00 per unit.

On March 16, 2015, the Companies entered into a Waiver and Amendment to Financing Agreement, and Reaffirmation of Guaranty (the "Amendment") with the Lender. Pursuant to the Amendment, the Company repaid $3,000,000 of outstanding principal of the Note to the Lender. All the indebtedness under the Note is now convertible into common stock of the Company at $0.50 per share, subject to weighted average anti-dilution adjustments to the extent that following the issuance of the Note, the Company issues securities or rights to acquire securities at an effective purchase price below the conversion price for the Note. In addition, the exercise price of the five year warrant previously issued to the Lender to purchase up to 12,500,000 shares of common stock was decreased to $0.50 per share, subject to adjustment in a manner similar to the adjustments on the Note. The Amendment modified various financial and other covenants and provisions. The Amendment also waived (a) compliance by the Company with certain financial covenants ("Defaulted Covenants"), (b) the event of default occurring by reason of the Company's failure to comply with the Defaulted Covenants occurring on or before February 28, 2015 and (c) the Lender's remedies under the Financing Agreement with respect to the Defaulted Covenants and the resulting event of default.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE

None

ITEM 9A – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the principal executive officer ("PEO") and principal financial officer ("PFO"), we have evaluated the effectiveness, the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the PEO and the PFO determined that as of December 31, 2014, the Company's disclosure controls and procedures were effective.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the chief executive officer and chief financial officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our evaluation of internal control over financial reporting includes using the *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), to identify the risks and control objectives related to the evaluation of our control environment.

Based on our evaluation under the frameworks described above, our management has concluded that our internal control over financial reporting was effective as of December 31, 2014.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2014 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B – OTHER INFORMATION

On March 16, 2015, the Company entered into a Waiver and Amendment to Financing Agreement and Reaffirmation of Guaranty with its senior lender. Please see Items 5, 7 and 8 for a description of this transaction.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The identities and employment history of Midwest Energy Emissions Corp. directors and executive officers and other information concerning the directors and executive officers of Midwest Energy Emissions Corp. and relating to corporate governance is set forth below.

The following table sets forth the names and ages of the members of our Board of Directors and our executive officers and the positions held by each.

Name	Age	Position
Chris Greenberg	48	Chairman, Director
Richard MacPherson	59	Vice President, Director
Jay Rifkin	59	Director
Brian Johnson	39	Director
Christopher J. Lee	34	Director
Alan Kelley	62	President, CEO, Director
John Pavlish	56	Sr. Vice President & CTO
Keith McGee	42	Sr. Vice President of Business Development & IR
Marcus Sylvester	53	Vice President of Sales
Jim Trettel	46	Vice President of Operations
Rich Gross	44	Vice President & CFO

Officers are elected annually by the Board of Directors (subject to the terms of any employment agreement), to hold such office until an officer's successor has been duly appointed and qualified, unless an officer sooner dies, resigns or is removed by the Board. There are no family relationships among any of our directors and executive officers.

Code of Ethics

Midwest Energy Emissions Corp. has adopted a Code of Ethics and Business Conduct (the "Code") that applies to all employees, officers and directors, including the Chief Executive Officer and Chief Financial Officer. A copy of the Code is available free of charge to any person on written or telephone request to Midwest Energy Emissions Corp.'s Investor Relations department, 670 Enterprise Drive, Suite D, Lewis Center, OH 43035 or (614) 515-6115.

Directors and Executive Officers

Chris Greenberg, 48, became a Director on June 1, 2013. On December 1, 2014 Mr. Greenberg was elected to the position of Chairman, succeeding Mr. John Norris. Mr. Greenberg is a major investor in Midwest Energy Emissions and is highly experienced in building and operating successful businesses. Mr. Greenberg is the founder and CEO of Global Safety Network, Inc., which was founded in 2002. He owns multiple Express Employment Professionals franchises in North Dakota, South Dakota and Florida. A highly experienced Operations Executive who has demonstrated the ability to lead diverse teams of professionals to new levels of success in a variety of highly competitive industries, cutting-edge markets, and fast-paced environments. Mr. Greenberg has strong technical and business qualifications with an impressive track record of more than 19 years of hands-on experience in strategic planning, business unit development, project and product management, and proprietary software development. He also has the proven ability to successfully analyze an organization's critical business requirements, identify deficiencies and potential opportunities, and develop innovative and cost-effective solutions for enhancing competitiveness, increasing revenues, and improving customer service offerings. Mr. Greenberg is a current board member for The Dental Service Corporation of North Dakota and the Energy & Environmental Research Center Foundation located on the University of North Dakota.

Richard A. MacPherson, 59, became a Director on June 21, 2011. Mr. Macpherson is the founder of MES, Inc. and had been its Chief Executive Officer from 2008 until 2011. Over the past 10 years, Mr. MacPherson has worked with industry leading scientists and engineers to bring Midwest's technology from the R&D phase, through multiple product development stages, to the final commercialization phase, acting as the lead on all required initiatives and activities. He has been a senior-level executive in the services industry for over 25 years. Mr. MacPherson brings extensive start-up and business development knowledge, applied and proven through his corporate experience throughout the United States and Canada. He has worked in multiple industries, such as electric utilities, communications, marketing, as well as several entrepreneurial ventures in the communications, hospitality, geological and real estate development industries.

Jay Rifkin, 59, has been a Director of the Board since 2006. Mr. Rifkin was CEO of China Youth Media, Inc. from 2005 until June 21, 2011, resigning from that position effective with the merger with Midwest. Since 2004, he has been the sole Managing Member of Rebel Holdings, LLC. In 1995, Mr. Rifkin founded Mojo Music, Inc., a music publishing company (which in 1996 became a joint venture with Universal Records, and was subsequently sold to Zomba/BMG Records in 2001). Mr. Rifkin has served as Producer and Executive Producer on various motion pictures and is also a music producer, engineer and songwriter. Mr. Rifkin received a Grammy Award for Best Children's Album and an American Music Award for Favorite Pop/Rock Album for his work on Disney's The Lion King, and received a Tony nomination for The Lion King on Broadway. In 1988 to 2004, Mr. Rifkin was a founder and served as CEO of Media Ventures, LLC, an entertainment cooperative based in Los Angeles, California.

Brian Johnson, 39*,* was elected as a Director on December 1, 2014 and serves as Midwest Energy Emissions Corp's Audit Committee Chairman, and a member of the Compensation Committee. Mr. Johnson currently serves as CEO of Choice Financial Group, a financial institution offering full-service bank, insurance, and investments options. Choice is a $900 million locally owned community bank with 15 locations in North Dakota and one in Minnesota and has about 205 employees.

Mr. Johnson has been with Choice Financial since 1999 and has held the positions of President of the bank's Walhalla, North Dakota, location; Market President for the bank's two locations in Grand Forks, North Dakota; Chief Credit Officer; and COO. He is also a member of the company's Board of Directors, Senior Credit Committee and Compensation Committee. Mr. Johnson is a native of Walhalla, North Dakota, and graduated from the University of Jamestown with a Business Management and Economics degree.

Mr. Johnson has served on various boards including the Chamber of Commerce and Regional Economic Development. In March 2011, the Federal Reserve Bank of Minneapolis named him to its Community Depository Institutions Advisory Council of the Ninth District. In 2013, he was named Chairman of the Board and meets semiannually with the Federal Reserve Board of Governors on economics and banking.

Christopher J. Lee, 34, was elected as a Director on February 20, 2015. Since July 2014, Mr. Lee has served as the Chief Financial Officer of Butler Machinery Company, a regional dealer of top-quality heavy construction equipment and agriculture equipment for sale with locations in North Dakota, South Dakota and Nebraska. Prior to taking this position, Mr. Lee was a partner at Eide Bailly, LLP, a public accounting firm with 26 offices in 12 states. In 2003, Mr. Lee graduated from North Dakota State University with a Bachelor's Degree in Accounting.

Alan Kelley, 62, has been President and Chief Operating Officer since November 1, 2011. On June 1, 2013 Mr. Kelley also became CEO and a Director of the Company. Mr. Kelley has over 35 years' experience in the electric utilities business having held positions as President, CEO, Senior Vice President, as well as various executive and senior management positions for coal-fired power plants.

Before joining MEEC, Mr. Kelley was retired (March 2011 to November 2011). Prior to that, Mr. Kelley was President and CEO of Grand Bahama Power Company, an electric power generation company to the island of Grand Bahama, from November 2009 to March 2011. Prior to this, he was enjoying his retirement (August 2008 to October 2009) from Ameren Corporation. At Ameren Corporation, Mr. Kelley held several positions during a 34-year span (June 1974 to August 2008) at Ameren Corporation; a Fortune 500 company with assets of $23 billion, including Senior Vice President-Generation and President, Chairman & CEO of Ameren's deregulated generating company, Ameren Energy Resources. Concurrent with this service at Ameren, Mr. Kelley was Chairman, President and CEO at Electric Energy, Inc. He has many years of extensive public company experience as well as demonstrated success in multiple "turnarounds" of underperforming businesses. In addition, Mr. Kelley has international experience in developing and implementing return-on-investment regulatory structures. Mr. Kelley was Chairman of the Association of Edison Illuminating Companies Generation Committee, whose members represent over half of the generating facilities nationally and Chairman of the Mid-America Interconnected Network Regional Reliability Council. He is a former member of the Board of Directors of the North American Electric Reliability Council. Mr. Kelley has a Bachelor of Science in Electrical Engineering from the University of Illinois and an MBA from the University of Missouri, in addition to having completed the Public Utility Executive Program at the University of Michigan.

John Pavlish, 56, was elected Sr. Vice President and Chief Technical Officer effective November 16, 2014. Prior to MEEC, Mr. Pavlish was a Senior Research Advisor and the Director of the Center for Air Toxic Metals at the Energy & Environmental Research Center in Grand Forks, North Dakota. He has over 20 years of mercury-related experience and is regarded as an international expert on the topic of mercury. His primary areas of interest and expertise include research, technical consultation, and development of mercury control technologies, in particular, for coal combustion and gasification systems. He is an inventor of a number of patented mercury control technologies and has years of experience in development and testing of these technologies for commercial application. Over the last 10 years, he has spent much of his time evaluating the efficacy of a number of different mercury control technologies/approaches and their cost-competiveness in the commercial market. Mr. Pavlish also has years of power plant experience and has worked for engineering/consulting company Black & Veatch, where he served as Unit Leader/System Engineer.

Mr. Pavlish is a professional engineer, a member of the American Society of Mechanical Engineers, and a member of the Air & Waste Management Association. He serves on numerous professional and technical committees and is a U.S. Representative on the Mercury Emissions from Coal International Experts Working Group on Reducing Emissions from Coal and a member of the United Nations Environment Programme Global Mercury Partnership, Reduction of Mercury Releases from Coal Combustion. Mr. Pavlish has published over 200 papers, articles, and reports on various mercury-related topics and issues.

Keith McGee, 42, was elected Sr. Vice President Investor Relations and Business Development on September 1, 2014, bringing 18 years of experience within the financial services industry to the Company, with a concentrated focus on the energy industry. Since 2009, Mr. McGee has worked in partnership with entrepreneurs, helping to launch and/or grow their businesses and accessing institutional capital to catalyze their business model, with Series 7 and 66 FINRA licensing. Prior to founding his company, SEA, Mr. McGee spent 4 years as an Equity Portfolio Manager, managing an equity fund at the firm of Victoire Finance et Gestion, a division of Sindicatum Limited. There, he invested capital across all areas of the energy industry and gained access to international policy on climate change and carbon markets. Prior to joining Victoire Finance, Mr. McGee spent 10 years at the investment bank of Morgan Stanley as a Vice President within the Institutional Equity Securities division. In 2009, Mr. McGee worked for the U.S. Department of Energy under the 48c Manufacturing Tax Credit Program and with the DOE Loan Guarantee Program.

Marc Sylvester, 53, has been Vice President of Sales since August, 2011. He is a seasoned professional in business development and sales in the air pollution and control industry for over 20 years. Prior to MEEC, from December 2005 to August 2011, he was the Western Regional Sales Manager for the Fuel Chem Division, as well as the Western Canada Air Pollution Control Sales Manager of Fuel Tech, Inc., where he was responsible for the development, sales, and implementation of slag mitigation control programs at coal-fired utilities in the Western US and Canada. Prior to Fuel Tech, Mr. Sylvester held various sales and sales management positions over 16 years with Nalco Chemical Company and Johnson Controls. Mr. Sylvester has a B.S. degree in Biology with minors in Chemistry, Military History and Humanities from Utah State University.

Jim Trettel, 46*,* was elected Vice President Operations on January 1, 2014. Mr. Trettel possesses 25 years of experience in the dry bulk material handling industry. During 2012 and 2013, he was the owner and operator of Solid Foundation Services, LLC, a firm specializing in deep foundation installations for the gas and oilfield industry, while providing technical consulting services to MEEC. Prior to 2012, he provided project management and engineering duties for numerous multi-million dollar turn-key contracts while employed at Advanced Bulk and Conveying Inc. starting in 2004. Additionally, Mr. Trettel has overseen day to day operations for 14 years as the VP of J&B Industrial Sales Company Inc., a sales, systems, and engineering organization specializing in bulk material handling. Mr. Trettel has extensive field experience with systems operating in a large variety of industry sectors including coal fired utilities. Mr. Trettel graduated Cum Laude with a B.S. degree in Mechanical Engineering and holds various state contractors licenses.

Richard Gross, 44, has been Vice President and Chief Financial Officer since October 10, 2011. Since 2000, Mr. Gross has held positions as Controller, CFO and Associate Vice President of Business Development for Columbus Ohio area companies until October 2011.

Mr. Gross has held CFO and CPA roles for over 15 years. In his most recent position as CFO at S&G Manufacturing Group, a provider of design, engineering, fabrication and installation solutions to diverse industries including food service, healthcare and retail (June 2009 to October 2011), Mr. Gross' involvement was instrumental in turning around the company's profitability. He successfully devised and implemented internal changes to adjust both the size of the company as well as its processes during a corporate restructuring effort. Prior to his position with S&G Manufacturing Group, Mr. Gross was the Associate Vice President of Business Development at JMAC, Inc., a private equity firm (April 2006 to March 2009), as well as the Controller for the Columbus Blue Jackets, a professional ice hockey team (June 2000 to April 2006) during its transition from a developmental stage enterprise into a full member of the National Hockey League. Mr. Gross is experienced in successful mergers having provided financial analysis as well as managing their financial negotiations. He began his career as an accountant at a private accounting firm where he performed attestation and tax services for a wide range of private and publicly-listed firms valued up to $1 billion. Mr. Gross has a B.A. degree in Accounting from Otterbein University and became a Certified Public Accountant (CPA) shortly thereafter.

Audit Committee

The Board of Directors has appointed an Audit Committee made up of Brian Johnson, Chris Greenberg and Jay Rifkin. Mr. Johnson serves as Chairman of this committee.

Financial Experts

The Board of Directors has not appointed any directors as "audit committee financial experts" as defined under Item 407 of Regulation S-K promulgated pursuant to the Securities Exchange Act of 1934, as amended.

Compensation Committee

The Board of Directors has appointed a Compensation Committee made up of Brian Johnson, Chris Greenberg and Jay Rifkin. Mr. Greenberg serves as Chairman of this committee.

Section 16(A) Beneficial Ownership Compliance

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than ten percent of the Company's Common Stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes of ownership of Common Stock of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company, and with respect to the officers and directors, representations that no other reports were required, during the year ended December 31, 2014, all Section 16(a) filing requirements applicable to its executive officers, directors and greater than 10% beneficial owners were complied with, except that each of Johnny F. Norris, Jr. and Jay Rifkin filed one report late relating to two transactions, Christopher Greenberg filed one report late relating to three transactions, Richard A. MacPherson filed one report late relating to one transaction, Marcus A. Sylvester filed his initial report of ownership late and filed one report late relating to one transaction, and Alterna Core Capital Assets Fund II, L.P. and the other reporting persons identified therein filed one report late relating to one transaction.

ITEM 11 - EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information regarding the compensation for 2014 and 2013 of (i) the principal executive officer ("PEO") and (ii) the other most highly compensated executive officers of the Company, whose total compensation was in excess of $100,000, (together with the PEO, the "named executive officers"):

Name, Position	Year	Salary ($)	Stock Options ($) (4)	All Other Compensation ($) (5)	Total ($)
R. Alan Kelley, CEO & President (1)	2014	$280,000	861,327	-	$1,141,327
	2013	$280,000	9,448	9,401	$ 298,849
Keith McGee, Senior Vice President (2)	2014	$134,667	466,108	-	$ 600,775
	2013	$ 97,750	-	-	$ 97,750
Marcus A. Sylvester, Vice President (3)	2014	$151,552	430,663	-	$ 582,215
	2013	$150,000	9,448	6,012	$ 165,460

(1) Mr. Kelley was appointed Chief Operating Officer and President in November 2011 and became Chief Executive Officer and a Director in June 2013. The Company and Mr. Kelley have entered into an employment agreement. Pursuant to his employment agreement Mr. Kelley agreed to be employed by the Company as president and Chief Operating Officer for a period of three years, which term may be renewed subject to the approval by the Board. The agreement was amended to add the duties of Chief Executive Officer as described above. Mr. Kelley shall receive an annual base salary equal to $280,000. As of December 31, 2014, $140,000 of salary from 2013 remained unpaid and is recorded on the Company's balance sheet as an accrued liability. Under his employment agreement, Mr. Kelley shall also be entitled to participate in all corporate 401(k) programs and health benefit plans instituted by the Company and yearly structured bonuses, if any, to be reviewed and approved by the Board. Mr. Kelley shall also be entitled to participate in any stock option and incentive plans adopted by the Company. Pursuant to the December 12, 2013 amendment to his employment agreement, because Mr. Kelley remained an employee on January 1, 2014, he was issued a 650,000 stock unit award on January 1, 2014, which award replaced stock grants of 500,000 shares that were to be made on January 1, 2014 to Mr. Kelley prior to the December 12, 2013 amendment. The stock units will vest and become non-forfeitable upon the earlier of a change in control of the Company or when the Company has a minimum of $3.5 million in working capital and its cash position equals or exceeds $2.5 million after deducting the amount sufficient to cover all federal, state and local taxes required by law to be withheld with respect to the stock units vesting under the aforesaid awards. Such award will be forfeited if the conditions have not been met by January 1, 2017. After the stock units become vested and non-forfeitable, the Company shall distribute to Mr. Kelley the number of shares of common stock equal to the number of stock units that so vested and became non-forfeitable, provided, however, that the Company shall withhold shares of common stock from the stock units in an amount sufficient to cover the withholding tax obligation. In addition, pursuant to the

December 12, 2013 amendment, Mr. Kelley was issued a five year, fully vested stock option to purchase 25,000 shares of common stock on December 12, 2013 with an exercise price equal to the fair market value of the Company's common stock on that date ($0.50/share). On January 30, 2014, the Company granted Mr. Kelley nonqualified stock options to acquire 500,000 shares of the Company's common stock under the Company's Equity Plan: The options were granted with an exercise price equal to the fair market value of the Company's common stock on that date ($1.20/share).

(2) Mr. McGee was appointed Senior Vice President in September 2014. The Company and Mr. McGee have entered into an employment agreement. Pursuant to his employment agreement Mr. McGee agreed to be employed by the Company as Senior Vice President for a period of three years, which term may be renewed subject to the approval by the Board. The agreement Mr. McGee shall receive an annual base salary equal to $200,000. Under his employment agreement, Mr. McGee shall also be entitled to participate in all corporate 401(k) programs and health benefit plans instituted by the Company and yearly structured bonuses, if any, to be reviewed and approved by the Board. Mr. McGee shall also be entitled to participate in any stock option and incentive plans adopted by the Company. In addition, pursuant to the agreement, Mr. McGee was issued a five year, fully vested stock option to purchase 500,000 shares of common stock on with an exercise price equal to the fair market value of the Company's common stock on that date ($1.15/share). Prior to his employment, Mr. McGee provided investor relations services to the company as a consultant for an annualized rate of $102,000 during 2013 and 2014. On January 1, 2014, the Company granted Mr. McGee stock options to acquire 250,000 shares of the Company's common stock, which were granted with an exercise price equal to the fair market value of the Company's common stock on that date ($0.595/share).

(3) Mr. Sylvester was appointed Vice President of Sales in August 2011. The Company and Marcus A. Sylvester have entered into an employment agreement. Pursuant to his employment agreement Mr. Sylvester agreed to be employed by the Company as Vice President of Sales for a period of three years, which term may be renewed subject to the approval by the Board. Mr. Sylvester shall receive an annual base salary equal to $150,000, sales commissions of up to 5% and for transactions completed and closed directly in relation to his efforts, and a management fee of 1% on certain ongoing sales. The base salary will be reduced if certain commissions and management fees are earned. As of December 31, 2014, $37,500 of 2013 salary remained unpaid and is recorded on the Company's balance sheet as an accrued liability.. Under his employment agreement, Mr. Sylvester shall also be entitled to participate in all corporate 401(k) programs and health benefit plans instituted by the Company and yearly structured bonuses, if any, to be reviewed and approved by the Board. Mr. Sylvester shall also be entitled to participate in any stock option and incentive plans adopted by the Company. Pursuant to the December 12, 2013 amendment to his employment agreement, because Mr. Sylvester remained an employee on January 1, 2014 he was issued a 250,000 stock unit award on January 1, 2014, which award replaced stock grants in in the same denominations that were to be made on January 1, 2014 to Mr. Sylvester prior to the December 12, 2013 amendment. The stock units will vest and become non-forfeitable upon the earlier of a change in control of the Company or when the Company has a minimum of $3.5 million in working capital and its cash position equals or exceeds $2.5 million after deducting the amount sufficient to cover all federal, state and local taxes required by law to be withheld with respect to the stock units vesting under the aforesaid award. Such award will be forfeited if the conditions have not been met by January 1, 2017. After the stock units become vested and non-forfeitable, the Company shall distribute to the Mr. Sylvester the number of shares of common stock equal to the number of stock units that so vested and became non-forfeitable, provided, however, that the Company shall withhold shares of common stock from the stock units in an amount sufficient to cover the withholding tax obligation. In addition, pursuant to the December 12, 2013 amendment, Mr. Sylvester was issued a five year, fully vested stock option to purchase 25,000 shares of common stock on December 12, 2013 with an exercise price equal to the fair market value of the Company's common stock on that date ($0.50/share). On January 30, 2014, the Company granted Mr. Kelley nonqualified stock options to acquire 250,000 shares of the Company's common stock under the Company's Equity Plan: The options were granted with an exercise price equal to the fair market value of the Company's common stock on that date ($1.20/share).

(4) Represents the dollar amount recognized for consolidated financial statement reporting purposes of shares to be issued to the executive officers computed in accordance with FASB ASC Topic 718. For a discussion of valuation assumptions, see Note 13 to our consolidated financial statements included herein. There can be no assurance the amounts determined in accordance with FASB ASC Topic 718 will ever be realized. The following table provides information concerning the Stock options issued to the executive officers:

Name	**Year**	**Stock Options (#)**	**FASB ASC Topic 718 Value**
R. Alan Kelley	2014	500,000	$ 861,327
	2013	25,000	$ 9,448
Keith McGee	2014	750,000	$ 466,108
	2013	-	$ -
Marcus A. Sylvester	2014	250,000	$ 430,663
	2013	25,000	$ 9,448

(5) The amounts shown for 2013 in the "All Other Compensation" column are comprised of the following:

Name	Year	401k Match	Group Term Life Insurance	Total Other Compensation
R. Alan Kelley	2014	$ 11,200	$ 3,810	$ 15,010
	2013	$ 5,600	$ 3,810	$ 9,410
Keith McGee	2014	$ -	$ -	$ -
	2013	$ -	$ -	$ -
Marcus A. Sylvester	2014	$ 6,000	$ 1,512	$ 7,512
	2013	$ 4,500	$ 1,512	$ 6,012

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table sets forth certain information about the number of unexercised nonqualified stock options and unearned stock awards held as of December 31, 2014 by each director and executive named in the Summary Compensation Table. There were no stock options exercised during fiscal 2014.

Unexercised Options and Stock Grants

Name	Stock Options Exercisable	Exercise Price	Expiration Date
R. Alan Kelley	500,000	$ 1.20	January 30, 2019
R. Alan Kelley	25,000	$ 0.50	December 12, 2018
Keith McGee	250,000	$ 0.595	January 1, 2019
Keith McGee	500,000	$ 1.15	September 1, 2019
Marcus A. Sylvester	250,000	$ 1.20	January 30, 2019
Marcus A. Sylvester	25,000	$ 0.50	December 12, 2018

Compensation to Directors

The following table sets forth information regarding the compensation for 2014 of each member of the Board of Directors during those years:

Name	Year	Fees earned or paid in cash	Option Awards (1)	All Other Compensation	Total
Chris Greenberg	2014	$ -	$ 365,849	$ -	$ 365,849
Jay Rifkin	2014	$ -	$ 220,602	$ -	$ 220,602
Richard A. MacPherson (2)	2014	$ -	$ -	$ 165,000	$ 165,000

(1) Represents the dollar amount recognized for consolidated financial statement reporting purposes of shares to be issued to the executive officers computed in accordance with FASB ASC Topic 718. For a discussion of valuation assumptions, see Note 13 to our consolidated financial statements included herein. There can be no assurance the amounts determined in accordance with FASB ASC Topic 718 will ever be realized. The following table provides information concerning the Stock options issued to the Directors:

Name	Year	Stock Options (#)	FASB ASC Topic 718 Value
Chris Greenberg	2014	320,000	$ 365,849
Jay Rifkin	2014	140,000	$ 220,602

(2) The Company paid Eastern Emissions Consultants Incorporated, a firm that Mr. MacPherson is the controlling principal and President, $150,000 for consulting services in 2014 and $30,000 for consulting services in 2013. As of December 31, 2013, $150,000 for consulting services in 2013 remained unpaid and was converted into equity in June 2014. Mr. MacPherson was appointed Vice President of Special Initiatives in December 2014. For his services in this position, Mr. MacPherson is to receive an annual base salary of $180,000 and is entitled to participate in all corporate 401(k) programs and health benefit plans instituted by the Company and yearly structured bonuses, if any, to be reviewed and approved by the Board.

All directors are reimbursed for their reasonable out-of-pocket expenses incurred in connection with their duties to the Company.

ITEM 12-SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLD MATTERS

The following table sets forth certain information regarding the beneficial ownership of our common shares as of December 31, 2014, by: (a) our directors and nominees for election as directors; (b) each other person who is known by us to own beneficially more than 5% of our outstanding common shares; (c) the executive officers named in the Summary Compensation Table; and (d) all of our executive officers and directors as a group. The percentages in the table are calculated on the basis of the amount of outstanding securities plus securities deemed outstanding pursuant to Rule 13d-3(d)(1) under the Exchange Act (e.g., exercisable options).

Name of Beneficial Owner	**Number of Shares**	**Percent of Class (11)**
Richard A. MacPherson (1)	17,108,295	41.7%
Christopher Greenberg (2)	3,344,000	8.2%
Jay Rifkin (3)	2,691,371	6.6%
R. Alan Kelley (4)	525,000	1.3%
John Pavlish (5)	2,937,987	7.0%
Keith McGee (6)	750,000	1.8%
Marcus A. Sylvester (7)	275,000	*
Jim Trettel (8)	586,935	1.5%
Richard H Gross (9)	125,000	*
Alterna Core Capital Assets Fund II, L.P., et al (10)	22,975,387	36.4%
All Executive Officers and Directors as a Group	28,343,588	61.5%

* Less than one percent of the outstanding shares of common stock of the Company.

(1) Includes: (a) 15,819,586 shares and 655,059 warrants, which as of December 31, 2014, were owned by 3253517 Nova Scotia Limited of which Mr. MacPherson is the sole managing member; and (b) 506,920 shares and 126,730 warrants owned by Mr. MacPherson personally. Mr. MacPherson's address is 34 Cedarbank Terrace, Halifax Nova Scotia B3P 2T4, Canada.

(2) Includes: (a) 2,004,500 shares of common stock directly owned by Arthur Greenberg, Jr. individually, (b) 5,000 shares of common stock directly owned by Greenberg Family Consolidated Limited Partnership, of which Arthur Greenberg, Jr., L.L.P. serves as the general partner. Arthur Greenberg, Jr. is a general partner and the managing partner of Arthur Greenberg, Jr., L.L.P., (c) 1,005,000 shares of common stock and 320,000 options directly owned by Christopher Greenberg individually, and (d) 4,000 shares of common stock directly owned by Arctic Blast of Fargo, Inc., of which Christopher Greenberg and his wife are the sole shareholders. As stated in Mr. Arthur Greenberg and Mr. Christopher Greenberg's joint Schedule 13G, amendment No. 1., for purposes of Sections 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended, Arthur Greenberg, Jr. and Christopher Greenberg have shared beneficial ownership as a group of the 3,024,000 shares owned by them as set forth above. Mr. Greenberg's address is 3590 S. 42nd St., Grand Forks, ND 58201.

(3) Includes: (a) 361,585 shares owned by Mojo Music Inc. and 998,128 shares owned by Rebel Holdings, LLC; Mr. Rifkin is the sole managing member of both companies; and (b) 339,130 shares, 357,274 options, and a convertible promissory note with an outstanding balance of $191,054 owned directly by Mr. Rifkin and 148,066 shares owned by The Jay Rifkin 2006 Irrevocable Trust. The note is convertible into units, where each unit consists of: (i) one share of common stock of the Company, par value $0.001 per share, and (ii) a warrant to purchase 0.25 shares of common stock of the Company at an exercise price of $0.75 per share. Mr. Rifkin's address is 12237 Sunset Parkway, Los Angeles, CA 90064.

(4) Represents 525,000 shares of common stock that Mr. Kelley has the right to acquire upon the exercise of a stock option.

(5) Represents 140,250 shares owned by Mr. Pavlish, 797,737 shares owned StratTech Solutions, LLC, a firm owned directly by Mr. Pavlish and 2,000,000 shares of common stock that Mr. Pavlish has the right to acquire upon the exercise of a stock option.

(6) Represents 750,000 shares of common stock that Mr. McGee has the right to acquire upon the exercise of a stock option.

(7) Represents 275,000 shares of common stock that Mr. Sylvester has the right to acquire upon the exercise of a stock option.

(8) Represents 136,935 shares owned by Mr. Trettel, 200,000 shares owned by his wife, Amy Trettel and 250,000 shares of common stock that Mr. Trettel has the right to acquire upon the exercise of a stock option.

(9) Represents 125,000 shares of common stock that Mr. Gross has the right to acquire upon the exercise of a stock option.

(10) According to the Schedule 13D filed by Alterna Core Capital Assets Fund II, L.P. and the "Reporting Persons" (as defined in the Schedule 13D) on August 25, 2014, the Reporting Persons have entered into a Joint Filing Agreement, dated August 25, 2014 pursuant to which the Reporting Persons have agreed to file the Schedule 13D jointly in accordance with the provisions of Rule 13d-1(k)(1) of the Securities Exchange Act of 1934, as amended. The amount shown includes: (a) a convertible note for $10,000,000 (the "Note") maturing July 31, 2018. All the indebtedness under the Note is convertible into common stock of the Company at $1.00 per share, subject to the following adjustments: (i) an adjustment of the price per share down to $0.75 per share if the Company fails to generate EBITDA (earnings before taxes, interest, depreciation and amortization) of at least $2,500,000 for calendar year 2015; and (ii) weighted average anti-dilution adjustments to the extent that following the issuance of the Note, the Company issues securities or rights to acquire securities at an effective purchase price below the conversion price for the Note, subject to carve outs for certain exempt issuances by the Company; and (b) a five year warrant to purchase up to 12,500,000 shares of common stock at $1.00 per share, subject to adjustment in a manner similar to the adjustments on the Note. As stated in Schedule 13D the Reporting Persons are:

(i) Alterna Capital Partners LLC, a Delaware limited liability company;

(ii) Alterna General Partner II LLC, a Delaware limited liability company;

(iii) Alterna Core Capital Assets Fund II, L.P., a Delaware limited partnership;

(iv) AC Midwest Entity Corp., a Delaware corporation;

(v) AC Midwest Energy LLC, a Delaware limited liability company;

(vi) Harry V. Toll, James C. Furnivall, Eric M. Press, Roger P. Miller and Earle Goldin.

According to the Schedule 13D the Reporting Persons have shared voting and dispositive power of the 22,660,600 shares set forth above. The address for the Reporting Persons is 15 River Road, Suite 230, Wilton CT, 06897.

(11) Applicable percentage ownership is based on 40,228,123 shares of common stock outstanding as of December 31, 2014 plus, each stockholder and any securities that stockholder has the right to acquire within 60 days of December 31, 2014 pursuant options, warrants, conversion privileges or other rights. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock that a person has the right to acquire beneficial ownership of upon the exercise or conversion of options, convertible stock, warrants or other securities that are currently exercisable or convertible or that will become exercisable or convertible within 60 days of December 31, 2014 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows information with respect to each equity compensation plan under which the Company's common stock is authorized for issuance as of the fiscal year ended December 31, 2014.

Equity Compensation Plan Information

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding secrurities reflected in column (a)) (c)**
Equity compensation plans approved by security holders, terminated	385,458	$ 10.83	0
Equity compensation plans approved by shareholders	4,710,000	0.95	3,290,000

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

One of our directors, Richard MacPherson, is a managing partner of 3253517 Nova Scotia Limited**,** which as of December 31, 2013 beneficially owned approximately 40.6% of our outstanding common stock. The Company agreed to a consulting agreement with Eastern Emissions Consultants Incorporated ("EECI"), a firm that Mr. MacPherson is the controlling principal and President, on January 10, 2012. The contracts calls for monthly payments of $15,000 to EECI, was effective as of November 1, 2011 and has a term of three years. During 2013, Mr. MacPherson converted amounts owed to him for advances made to the company into convertible promissory note, which he then converted into shares of common stock. Prior to the conversion, the advances payable earned interest at 9% per annum. The balance outstanding of these advances payable at December 31, 2014 and zero was zero and $4,167, respectively. Accrued interest on these advances at December 31, 2013 and 2012 was zero and $216,378, respectively. During 2014, Mr. MacPherson converted unpaid consulting fees due to EECI, and the balances outstanding for advances payable and accrued interest into equity of the company.

One of our directors, Jay Rifkin, is the managing partner of Rebel Holdings, LLC, which as of December 31, 2012 beneficially owned approximately 4.6% of our outstanding common stock. Mr. Rifkin converted $169,894 of advances payable into a convertible promissory note bearing interest at 12% on June 30, 2013. Previous to the conversion, the advances payable earned interest at 9% per annum. Unpaid accrued interest on those advances at December 31, 2014 and 2013 was $31,318. The Company has an accrued liability due to Mr. Rifkin of $250,000 as of December 31, 2014 for unpaid consulting fees. All balances due were paid to Mr. Rifkin on January 2, 2015.

Effective as of June 29, 2012 the Company and Ken Rifkin entered into a Consulting Agreement (the "Agreement"). Ken Rifkin is the brother of Jay Rifkin, a company director. With Mr. Rifkin's performance of consulting services over a three month period ending on September 29, 2012 the Company will issue to Mr. Rifkin 100,000 shares of the Company's unregistered common shares after January 1, 2013, upon the receipt of the appropriate stock grant agreement from Mr. Rifkin, as compensation for his service pursuant to the agreement. These shares are valued at $135,000 and the shares were issued on March 5, 2013.

Director Independence

Our Board of Directors currently consists of six members. They are Chris Greenberg, Rick MacPherson, Jay Rifkin, Alan Kelley, Brian Johnson and Chris Lee. Mr. Greenberg, Mr. Johnson and Mr. Lee are independent directors as determined using the general independence criteria set forth in the Nasdaq Marketplace Rules.

ITEM 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

The aggregate fees billed for professional services rendered by Schneider Downs & Co., Inc., our principal accountants, for the audit of our consolidated financial statements included in our annual report on Form 10-K, and for other services normally provided in connection with statutory filings were $69,400 and $62,000 for the year ended December 31, 2014 and 2013, respectively.

Audit-Related Fees

We did not incur any fees for the years ended December 31, 2014 and December 31, 2013, respectively, for professional services rendered by our principal accountants that are reasonably related to the performance of the audit or review of our consolidated financial statements and not included in "Audit Fees."

Tax Fees

For the years ended December 31, 2014 and 2013, we received professional services in the amount of $9,250 and $11,400, respectively, rendered by our principal accountants in connection with the preparation of our tax returns and other tax compliance services.

All Other Fees

We did not incur any other fees for the years ended December 31, 2014 and 2013, for professional services rendered by our principal accountants.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has not set any pre-approval policies and procedures as of December 31, 2014.

PART IV

ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The financial statements identified below and required by Part II, Item 8 of this Form 10-K are set forth above

(1) Financial Statements

Management's Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheet as of December 31, 2014 and 2013
Consolidated Statements of Operations for Years Ended December 31, 2014 and 2013
Consolidated Statements of Stockholders' Deficit for Years Ended December 31, 2014 and 2013
Consolidated Statements of Cash Flows for Years Ended December 31, 2014 and 2013
Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

All other schedules have been omitted because of the absence of the conditions under which they are required or because the required information, where material, is shown in the financial statements or the notes thereto

(3) Exhibits

Exhibit	Description	Filed Herewith	Incorporated by Reference Form	Incorporated by Reference Filing Date
3.1	Certificate Of Incorporation as amended	☒		
3.2	Amendment and Restate By-laws		8-K	10/16/14
10.1	Exclusive Patent and Know-How Agreement including Transfer of Ownership, dated January 15, 2009 between RLP Energy, Inc. and Energy and Environmental Research Foundation		10-K	04/12/12
10.2	Amendment No. 1 to the Exclusive Patent and Know-How License including Transfer of Ownership between RLP Energy, Inc. and Energy and Environmental Research Center Foundation dated May 12, 2009		10-Q	11/13/13
10.3	Amendment No. 2 to the Exclusive Patent and Know-How License including Transfer of Ownership between RLP Energy, Inc. and Energy and Environmental Research Center Foundation dated November 29, 2009		10-Q	11/13/13
10.4	Amendment No. 3 to the Exclusive Patent and Know-How License including Transfer of Ownership between RLP Energy, Inc. and Energy and Environmental Research Center Foundation dated December 22, 2009		10-Q	11/13/13
10.5	Amendment No. 4 to the Exclusive Patent and Know-How License including Transfer of Ownership between RLP Energy, Inc. and Energy and Environmental Research Center Foundation dated December 16, 2013		8-K	12/20/13
10.6	Amendment No. 5 to the Exclusive Patent and Know-How License including Transfer of Ownership between RLP Energy, Inc. and Energy and Environmental Research Center Foundation dated August 14, 2014		10-Q	11/14/14
10.7	Amended and Restated Employment Agreements between R. Alan Kelley and Midwest Energy Emissions Corp, dated July 1, 2012*		10-Q/A	07/02/12
10.8	Amended and Restated Employment Agreements between Rchard H. Gross and Midwest Energy Emissions Corp, dated July 1, 2012*		10-Q/A	07/02/12
10.9	Amended and Restated Employment Agreements between Marcus A. Sylvester and Midwest Energy Emissions Corp, dated March 1, 2013*		10-K	04/13/13
10.10	First Amendment to Amended and Restated Employment Agreement between Midwest Energy Emissions Corp and R. Alan Kelley dated June 1, 2013*		10-Q	11/12/13
10.11	Second Amendment to Amended and Restated Employment Agreement between Midwest Energy Emissions Corp and R. Alan Kelley dated December 12, 2013*		8-K	12/18/13
10.12	First Amendment to Amended and Restated Employment Agreement between Midwest Energy Emissions Corp and Marcus A. Sylvester dated December 12, 2013*		8-K	12/18/13
10.13	First Amendment to Amended and Restated Employment Agreement between Midwest Energy Emissions Corp and Richard H Gross dated December 12, 2013*		8-K	12/18/13
10.14	Employment Agreements between Jim Trettel and Midwest Energy Emissions Corp, dated January 1, 2014*	☒		
10.15	Employment Agreements between Keith McGee and Midwest Energy	☒		

Emissions Corp, dated September 1, 2014*

10.16	Employment Agreements between John Pavlish and Midwest Energy Emissions Corp, dated November 16, 2014*		8-K	11/20/14
10.17	Midwest Energy Emissions Corp. 2014 Equity Incentive Plan.*		10-Q	05/15/14
10.18	Form of Option Award Agreement *		10-Q	05/15/14
10.19	Financing Agreement by and between Midwest Energy Emissions Corp., MES, Inc. and the AC Midwest Energy, LLC dated as of August 14, 2014.		10-Q	11/14/14
10.20	Warrant for 12,500,000 Shares issued to AC Midwest Energy, LLC dated as of August 14, 2014		10-Q	11/14/14
10.21	Security Agreement by and between Midwest Energy Emissions Corp., MES, Inc. and AC Midwest Energy, LLC dated as of August 14, 2014.		10-Q	11/14/14
10.22	Intercreditor Agreement by and between Midwest Energy Emissions Corp., the Holders of 2013 Secured Notes and AC Midwest Energy, LLC dated as of August 14, 2014.		10-Q	11/14/14
10.23	Investor/Registration Rights Agreement by and between Midwest Energy Emissions Corp. and AC Midwest Energy, LLC dated August 14, 2014 dated as of August 14, 2014.		10-Q	11/14/14
10.24	Form of Allonge to each of the 2013 Secured Notes dated as of August 14, 2014.		10-Q	11/14/14
10.25	Waiver and Amendment to Financing Agreement, and Reaffirmation of Guaranty between Midwest energy Emissions Corp., MES, Inc. and AC Midwest Energy, LLC dated as of March 16, 2015.	☒		
10.26	Amendment No. 1 to Warrant for 12,500,000 Shares issued to AC Midwest Energy, LLC dated as of March 16, 2015	☒		
14.1	Code of Ethics	☒		
21.1	Subsidiaries of the registrant	☒		
31.1	Certification by Chief Executive Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act	☒		
31.2	Certification by Chief Financial Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act	☒		
32.1	Certification by Chief Executive Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code	☒		
32.2	Certification by Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code	☒		
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			

* Compensation-related Agreement

SIGNATURES

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

MIDWEST ENERGY EMISSIONS CORP.

Date: November 6, 2015

By: */s/ Richard MacPherson*
Richard MacPherson
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2015

By: */s/ Richard H. Gross*
Richard H. Gross
Chief Financial Officer
(Principal Financial Officer)

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:26 PM 05/30/2006
FILED 05:26 PM 05/30/2006
SRV 060519726 - 4159867 FILE

CERTIFICATE OF INCORPORATION

OF

DIGICORP, INC.

FIRST: The name of the Corporation (hereinafter called the "Corporation") is

Digicorp, Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801; and the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

THIRD: The nature of the business and the purposes to be conducted and promoted by the Corporation are as follows:

> To conduct any lawful business, to promote any lawful purpose, and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The Corporation is authorized to issue two classes of stock. One class of stock shall be Common Stock, par value $0.001 per share. The second class of stock shall be Preferred Stock, par value $0.001 per share. The Preferred Stock, or any series thereof, shall have such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors and may be made dependent upon facts ascertainable outside such resolution or resolutions of the Board of Directors, provided that the matter in which such facts shall operate upon such designations, preferences, rights and qualifications; limitations or restrictions of such class or series of stock is clearly and expressly set forth in the resolution or resolutions providing for the issuance of such stock by the Board of Directors.

The total number of shares of stock of each class which the Corporation shall have authority to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	$0.001	60,000,000
Preferred	$0.001	1,000,000
Total:		61,000,000

FIFTH: The name and the mailing address of the incorporator are as follows:

NAME	MAILING ADDRESS
William B. Horne	c/o Digicorp, Inc. 4143 Glencoe Avenue Marina Del Rey, CA 90292

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation, and regulation of the powers of the Corporation and of its directors and of its stockholders or any class thereof, as the case may be, it is further provided:

(a) Powers and Numbers of Directors. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted by the Board of Directors and not inconsistent with the Certificate of Incorporation of the Corporation.

(b) Removal of Directors. Except as may otherwise be provided by Delaware General Corporation Law, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

(c) Vacancies. Subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders, except as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

(d) Bylaw Amendments. The Board is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate of Incorporation, the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the Corporation. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

(e) Stockholder Action. No action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws.

(f) Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

EIGHTH:

(a) A current or former director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability: (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (iii) under Section 174 of the General Corporation Law of the State of Delaware; or (iv) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law of the State of Delaware is hereafter amended to further reduce or to authorize, with the approval of the Corporation's stockholders, further reductions in the liability of the Corporation's directors for breach of fiduciary duty, then a current or former director of the Corporation shall not be liable for any such breach to the fullest extent permitted by the General Corporation Law of the State of Delaware as so amended.

(b) To the extent permitted by applicable law, this Corporation is also authorized to provide indemnification of, and advancement of expenses to, its agents (and any other persons to which Delaware law permits this Corporation to provide indemnification) in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law of the State of Delaware through bylaw provisions, agreements with such agents (or other persons), the requisite vote of stockholders or disinterested directors or otherwise, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to the Corporation, its stockholder and others.

(c) Any repeal or modification of any of the foregoing provisions of this section shall be prospective and shall not adversely affect any right or protection of a director, officer, agent or other person existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

NINTH: The Corporation shall, to the fullest extent permitted by the provisions of Section 145, and any other relevant provisions, of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

TENTH: From time to time any of the provisions of this certificate of incorporation may be amended, altered, or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the Corporation by this certificate of incorporation are granted subject to the provisions of this Article TENTH.

I, The Undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 30th day of May 2006.

/s/ William B. Horne
William B. Horne
Incorporator

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:00 PM 02/22/2007
FILED 04:00 PM 02/22/2007
SRV 070212238 - 4159867 FILE

STATE OF DELAWARE
CERTIFICATE OF MERGER OF
FOREIGN CORPORATION INTO
A DOMESTIC CORPORATION

Pursuant to Title 8, Section 252 of the Delaware General Corporation Law, the undersigned corporation executed the following Certificate of Merger:

FIRST: The name of the surviving corporation is Digicorp, Inc., a Delaware corporation, and the name of the corporation being merged into this surviving corporation is Digicorp, a Utah corporation.

SECOND: The Agreement of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations pursuant to Title 8 Section 252 of the General Corporation Law of the State of Delaware.

THIRD: The name of the surviving corporation is Digicorp, Inc., a Delaware corporation.

FOURTH: The Certificate of Incorporation of the surviving corporation shall be its Certificate of Incorporation. (If amendments are affected please set forth)

FIFTH: The authorized stock and par value of the non-Delaware corporation is 50,000,000 shares authorized; $0.001 par value.

SIXTH: The merger is to become effective on October 6, 2006 (For Accounting Purpose Only)

SEVENTH: The Agreement of Merger is on file at 4143 Glencoe Ave. Unit B Marina Del Rey, CA 90292 (and included as an attachement hereto), an office of the surviving corporation.

EIGHTH: A copy of the Agreement of Merger will be furnished by the surviving corporation on request, without cost, to any stockholder of the constituent corporations.

IN WITNESS WHEREOF, said surviving corporation has caused this certificate to be signed by an authorized officer, the 6th day of October, A.D., 2006.

By: ______________________
Authorized Officer

Name: Jay Rifkin
Print or Type

Title: CEO

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:53 PM 05/23/2008
FILED 03:33 PM 05/23/2008
SRV 080597619 - 4159867 FILE

CERTIFICATE OF THE VOTING POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS, AND THE QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF, WHICH HAVE NOT BEEN SET FORTH IN THE CERTIFICATE OF INCORPORATION OR IN ANY AMENDMENT THERETO, OF THE

SERIES A CONVERTIBLE PREFERRED STOCK
OF
DIGICORP, INC.

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

We, the undersigned, the President and Secretary, respectively, of Digicorp, Inc., a Delaware corporation (the "Company"), DO HEREBY CERTIFY that the following resolution was duly adopted by the Board of Directors of the Company by unanimous written consent of its members:

"RESOLVED, that, pursuant to the authority expressly granted to and vested in the Board of Directors by the Certificate of Incorporation of the Company, as amended, the Board of Directors hereby creates a series of the Preferred Stock of the Company to consist of Five Hundred Thousand (500,000) shares, each of $.001 par value, and the Board of Directors hereby fixes the voting powers, designations, preferences and relative participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the shares of such series, as follows:

1. Designation.

The designation of the said series of Preferred Stock created by this Resolution shall be "Series A Convertible Preferred Stock".

2. Dividends.

The holders of shares of the Series A Convertible Preferred Stock shall be entitled to receive out of funds legally available for such purpose, cash dividends in an amount per share equal the amount of dividends that would have been payable in respect of each such share had such share been converted into shares of Common Stock pursuant to Section 4 hereof immediately prior to the payment of such dividend, when and as any dividends shall be declared by the Board of Directors of the Company in respect of the shares of Common Stock. The Series A Convertible Preferred Stock shall rank pari passu with the Common Stock with respect to the right to receive dividends.

3. Rights upon Liquidation, Dissolution or Winding Up.

(a) With respect to rights on liquidation, dissolution or winding up, the Series A Convertible Preferred Stock shall rank prior to the Common Stock. In the event of any liquidation, dissolution or winding up of the Company, the holders of shares of Series A Convertible Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the Company available for distribution to its stockholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of any stock ranking on liquidation junior to the Series A Convertible Preferred Stock, an amount equal to $.001 per share, plus all accrued but unpaid dividends, if any, to the date of payment (the "Liquidation Value").

(b) If, upon any liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to its stockholders shall be insufficient to pay each holder of shares of Series A Convertible Preferred Stock the Liquidation Value of the shares so held, such amount to be appropriately adjusted upon the occurrence of any of the events specified in Section 4(a) (ii) and (iii) hereof, the holders of shares of Series A Convertible Preferred Stock shall receive ratably all of the assets of the Company then available for distribution to its stockholders.

(c) In the event of any liquidation, dissolution or winding up of the Company after payment shall have been made to the holders of shares of Series A Convertible Preferred Stock of the Liquidation Value of each share of Series A Convertible Preferred Stock so held, holders of any class or classes of stock ranking on liquidation junior to the Series A Convertible Preferred Stock shall be entitled, to the exclusion of the holders of shares of Series A Convertible Preferred Stock, to share, according to their respective rights and preferences, in all remaining assets of the Company available for distribution to its stockholders.

(d) The merger or consolidation of the Company into or with another corporation or the merger or consolidation of any other corporation into or with the Company (in which consolidation or merger the stockholders of the Company receive cash or securities in exchange for disposition of all the assets of the Company), shall not be deemed to be a liquidation, dissolution or winding up of the Company.

4. Conversion.

The holders of the Series A Convertible Preferred Stock shall have the right to convert to shares of Common Stock as follows:

(a) Right to Convert.

The holder of any such shares of Series A Convertible Preferred Stock shall have the right, at any time subsequent to the filing of an amendment to the Company's certificate of incorporation with the Secretary of State of the State of Delaware whereby the authorized

Common Stock is increased to a minimum of 200,000,000 shares, to convert any of such shares of Series A Convertible Preferred Stock into shares of Common Stock at a rate of One Thousand (1,000) shares of Common Stock for every one share of Series A Convertible Preferred Stock (the "Conversion Ratio"), which shall be adjusted as follows:

(i) <u>No Fractional Shares Upon Conversion.</u>

No fractional shares of Common Stock will be issued upon conversion of Series A Convertible Preferred Stock nor shall the Company pay any cash value on any fractional shares.

(ii) <u>Adjustment For Combination or Consolidations of Common Stock.</u>

In the event the Company at any time or from time to time after the effective date of the initial issuance of the Series A Convertible Preferred Stock (hereafter referred to as the "Original Issue Date") effects a subdivision or combination of its outstanding Common Stock into a greater or lesser number of shares without a proportionate and corresponding subdivision or combination of its outstanding Series A Convertible Preferred Stock, than the existing Conversion Ratio for the Series A Convertible Preferred Stock will be increased or decreased proportionately.

(iii) <u>Adjustment For Dividends, Distributions and Common Stock Equivalents.</u>

In the event the Company at any time or from time to time after the Original Issue Date makes or issues a dividend payable in Common Stock to holders of record of its Common Stock, or fixes a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights ("Common Stock Equivalents"), convertible into or entitling the holder thereof to receive additional shares of Common Stock without payment of any consideration by such holder for Common Stock Equivalents or the additional shares of Common Stock, then and in such event, for the purpose of protecting the holders of Series A Convertible Preferred Stock from any dilution in connection therewith, the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable in payment of such dividends or distribution or upon conversion or exercise of such Common Stock Equivalents will be deemed to be issued and outstanding as of the time of such issuance or, in the event such a record date has been fixed, as of the close of business on such a record date. In each such event the then existing Conversion Ratio for the Series A Convertible Preferred Stock will be increased as of the time of such issuance or, in the event such a record date has been fixed, as of the close of business on such record date, by multiplying the Conversion Ratio for the Series A Convertible Preferred Stock by a fraction, the numerator of which will be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents, and the denominator of which will be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close business on such record date; provided, however, if such record date has been fixed and such dividend is not fully paid or if such distribution is not made on the date fixed therefor, the Conversion Ratio for the Series A Convertible Preferred Stock will be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Ratio for the Series A Convertible Preferred Stock will be adjusted pursuant to this Section 4(a)(iii) as of the date of actual payment of such dividends or distributions.

(b) Mechanics of Conversion.

Before any holder of Series A Convertible Preferred Stock will be entitled to receive a certificate or certificates for the number of shares of Common Stock to be issued upon conversion, he will surrender the certificate or certificates representing the Series A Convertible Preferred Stock, duly endorsed, at the office of the Company or of any transfer agent for the Series A Convertible Preferred Stock and he will give written notice to the Company stating the name or names in which he wishes the certificate or certificates for shares of Common Stock to be issued. The Company, as soon as practicable thereafter, will issue and deliver to such holder of Series A Convertible Preferred Stock or to his nominee or nominees, a certificate or certificates for the number of shares of Common Stock to which he will be entitled as aforesaid.

(c) No Impairment.

The Company, whether by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, merger, dissolution, issue or sale of securities or any other voluntary action, will not avoid or seek to avoid the observance or performance of any of the terms to be observed hereunder by the Company, but at all times in good faith will assist in the carrying out of all of such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Convertible Preferred Stock against impairment.

5. Redemption.

The Series A Convertible Preferred Stock shall not be subject to redemption by the Company.

6. Voting Rights.

Except as required under the General Corporation Law of the State of Delaware, the Series A Convertible Preferred Stock shall not be entitled to any voting rights.

7. No Preemptive Rights.

No stockholders of the Company, including, without limitation, the holders of the Series A Convertible Preferred Stock, shall have preemptive rights.

IN WITNESS WHEREOF, said DIGICORP, INC. has caused this certificate to be signed by Jay Rifkin, its President, and attested by Jay Rifkin, its Secretary, this 23rd day of May, 2008.

JAY RIFKIN, President

ATTEST:

JAY RIFKIN, Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:57 PM 10/07/2008
FILED 04:57 PM 10/07/2008
SRV 081020431 - 4159867 FILE

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
DIGICORP, INC.

We, the undersigned, President and Secretary, respectively, of **Digicorp, Inc.**, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware

DO HEREBY CERTIFY:

FIRST: That the name of the Corporation is **Digicorp, Inc.**

SECOND: That Article First of the Certificate of Incorporation be and it hereby is amended to read in its entirety as follows:

"FIRST: The name of the Corporation (hereinafter called the "Corporation") is **China Youth Media, Inc.**"

THIRD: The Corporation is authorized to issue two classes of stock. The total number of shares of stock of each class which the Corporation is authorized to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	$0.001	60,000,000
Preferred	$0.001	1,000,000
Total		61,000,000

FOURTH: That Article Fourth of the Certificate of Incorporation be and it hereby is amended to read in its entirety as follows:

"FOURTH: The Corporation is authorized to issue two classes of stock. One class of stock shall be Common Stock, par value $0.001 per share. The second class of stock shall be Preferred Stock, par value $0.001 per share. The Preferred Stock, or any series thereof, shall have such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors and may be made dependent upon facts ascertainable outside such resolution or resolutions of the Board of Directors, provided that the matter in which such facts shall operate upon such designations, preferences, rights and qualifications; limitations or restrictions of such class or series of stock is clearly and expressly set forth in the resolution or resolutions providing for the issuance of such stock by the Board of Directors.

The total number of shares of stock of each class which the Corporation shall have authority to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	\$0.001	500,000,000
Preferred	\$0.001	2,000,000
Total		502,000,000"

FIFTH: That the amendment shall be effective on October 16, 2008.

SIXTH: That the amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, we have hereunto signed this certificate this 3rd day of October, 2008, and we affirm the statements contained herein as true under penalties of perjury.

Jay Rifkin, President

Attest:

Jay Rifkin, Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:26 AM 06/23/2011
FILED 08:23 AM 06/23/2011
SRV 110753182 - 4159867 FILE

CERTIFICATE OF DESIGNATION OF THE RIGHTS, PREFERENCES, PRIVILEGES, AND RESTRICTIONS, WHICH HAVE NOT BEEN SET FORTH IN THE CERTIFICATE OF INCORPORATION OR IN ANY AMENDMENT THERETO, OF THE SERIES B CONVERTIBLE PREFERRED STOCK OF CHINA YOUTH MEDIA, INC.

(Pursuant to Section 151 of the General Corporation Law of Delaware)

The undersigned, Jay Rifkin, does hereby certify that:

A. He is the duly elected and acting Chief Executive Officer and Secretary of China Youth Media, Inc., a Delaware corporation (the "Corporation").

B. Pursuant to the Unanimous Written Consent of the Board of Directors of the Corporation dated June 20, 2011, the Board of Directors duly adopted the following resolutions:

WHEREAS, the Certificate of Incorporation of the Corporation authorizes a class of stock designated as Preferred Stock, with a par value of $0.001 per share (the "Preferred Class"), comprising Two Million (2,000,000) shares and provides that the Board of Directors of the Corporation may fix the terms, including any dividend rights, dividend rates, conversion rights, voting rights, rights and terms of any redemption, redemption, redemption price or prices, and liquidation preferences, if any, of the Preferred Class;

WHEREAS, the Corporation has previously established a series of stock known as the Series A Convertible Preferred Stock, consisting of 500,000 shares, none of which are issued and outstanding as of the date hereof A Certificate of Designation was previously filed with the Delaware Secretary of State on May 23, 2008, setting forth the rights, preferences, privileges, restrictions, and other matters relating to the Series A Convertible Preferred Stock;

WHEREAS, the Board of Directors believes it in the best interests of the Corporation to create a second series of preferred stock consisting of 10,000 shares and designated as the "Series B Convertible Preferred Stock" having certain rights, preferences, privileges, restrictions, and other matters relating to the Series B Convertible Preferred Stock.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby fix and determine the rights, preferences, privileges, restrictions, and other matters relating to the Series B Convertible Preferred Stock as follows:

1. Definitions. For purposes of this Certificate of Designation, the following definitions shall apply:

1.1 "Board" shall mean the Board of Directors of the Corporation.

1.2 "Corporation" shall mean China Youth Media, Inc., a Delaware Corporation.

1.3 "Common Stock" shall mean the common stock, $0.001 par value per share, of the Corporation.

1.4 "Common Stock Dividend" shall mean a stock dividend declared and paid on the Common Stock that is payable in shares of Common Stock.

1.5 "Conversion Date" shall have the meaning set forth in Section 4.2.

1.6 "Distribution" shall mean the transfer of cash or property by the Corporation to one or more of its stockholders without consideration, whether by dividend or otherwise (except a dividend in shares of Corporation's stock).

1.7 "Holder" shall mean a holder of the Series B Convertible Preferred Stock.

1.8 "Merger Agreement" shall mean the Agreement and Plan of Merger dated as of June 1, 2011 among the Corporation, China Youth Media Merger Sub, Inc. and Midwest Energy Emissions Corp.

1.9 "Original Issue Date" shall mean the date on which the first share of Series B Convertible Preferred Stock is issued by the Corporation.

1.10 "Original Issue Price" shall mean $10.00 per share for the Series B Convertible Preferred Stock.

1.11 "Person" shall mean an individual, a corporation, a partnership, an association, a limited liability company, an unincorporated business organization, a trust or other entity or organization, and any government or political subdivision or any agency or instrumentality thereof.

1.12 "Series A Convertible Preferred Stock" shall mean the Series A Convertible Preferred Stock, $0.001 par value per share, of the Corporation.

1.13 "Series B Convertible Preferred Stock" shall mean the Series B Convertible Preferred Stock, $0.001 par value per share, of the Corporation.

1.14 "Subsidiary" shall mean any corporation or limited liability company or corporation of which at least fifty percent (50%) of the outstanding voting stock or membership interests, as the case may be, is at the time owned directly or indirectly by the Corporation or by one or more of such subsidiary corporations.

2. Dividend Rights.

2.1 In each calendar year, the holders of the then outstanding Series B Convertible Preferred Stock shall be entitled to receive, when, as and if declared by the Board, out of any funds and assets of the Corporation legally available therefore, noncumulative dividends in an amount equal to any dividends or other Distribution on the Common Stock in such calendar year (other than a Common Stock Dividend). No dividends (other than a Common Stock Dividend) shall be paid, and no Distribution shall be made, with respect to the Common Stock unless dividends in such amount shall have been paid or declared and set apart for payment to the holders of the Series B Convertible Preferred Stock simultaneously. Dividends on the Series B Convertible Preferred Stock shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Series B Convertible Preferred Stock by reason of the fact that the Corporation shall fail to declare or pay dividends on the Series B Convertible Preferred Stock, except for such rights or interest that may arise as a result of the Corporation paying a dividend or making a Distribution on the Common Stock in violation of the terms of this Section 2.

2.2 Participation Rights. Dividends shall be declared pro rata on the Common Stock and the Series B Convertible Preferred Stock on a pari passu basis according to the number of shares of Common Stock held by such holders, where each holder of shares of Series B Convertible Preferred Stock is to be treated for this purpose as holding the number of shares of Common Stock to which the holders thereof would be entitled if they converted their shares of Series B Convertible Preferred Stock at the time of such dividend in accordance with Section 4 hereof.

2.3 Non-Cash Dividends. Whenever a dividend or Distribution provided for in this Section 2 shall be payable in property other than cash (other than a Common Stock Dividend), the value of such dividend or Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board.

3. Liquidation Rights. In the event of any liquidation, dissolution, or winding up of the Corporation; whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's shareholders (the "Available Funds and Assets") shall be distributed to shareholders in the following manner:

3.1 Series B Convertible Preferred Stock. The holders of each share of Series B Convertible Preferred Stock then outstanding shall be entitled to be paid, out of the Available Funds and Assets, and prior and in preference to any payment or Distribution (or any setting apart of any payment or Distribution) of any Available Funds and Assets on any shares of Common Stock, and equal in preference to any payment or Distribution (or any setting apart of any payment or Distribution) of any Available Funds and Assets on any shares of a subsequent series of preferred stock, an amount per share equal to the Original Issue Price of the Series B Convertible Preferred Stock plus all declared but unpaid dividends on the Series B Convertible Preferred Stock. If upon any liquidation, dissolution, or winding up of the Corporation, the Available Funds and Assets shall be insufficient to permit the payment to holders of the Series B Convertible Preferred Stock of their full preferential amount as described in this subsection, then all of the remaining Available Funds and Assets shall be distributed among the holders of the then outstanding Series B Convertible Preferred Stock pro rata, according to the number of outstanding shares of Series B Convertible Preferred Stock held by each holder thereof.

3.2 Merger or Sale of Assets. A reorganization or any other consolidation or merger of the Corporation with or into any other corporation, or any other sale of all or substantially all of the assets of the Corporation, shall not be deemed to be a liquidation, dissolution, or winding up of the Corporation within the meaning of this Section 3 and the Series B Convertible Preferred Stock shall be entitled only to the rights contained in this Section 3.

3.3 Non-Cash Consideration. If any assets of the Corporation distributed to shareholders in connection with any liquidation, dissolution or winding up of the Corporation are other than cash, then the value of such assets shall be their fair market value as determined by the Board.

4. Conversion Rights.

4.1 Conversion of Preferred Stock. Each share of Series B Convertible Preferred Stock shall automatically convert, without any action on the part of the Holder, into Three Hundred One Thousand Two Hundred Fifty Five (301,255) fully paid and nonassessable shares of Common Stock of the Company, upon the effectiveness of a Certificate of Amendment filed with the Delaware Secretary of State sufficient to increase the authorized Common Stock of the Company to allow for the conversion of all the Series B Convertible Preferred Stock . Such date shall be referred to herein as the "Conversion Date."

4.2 Procedures for Exercise of Conversion Rights. As promptly as practicable after the Conversion Date, but not later than ten (10) business days thereafter, the Company shall issue and deliver to or upon the written order of such Holder, at such office or other place designated by the Company, a certificate or certificates for the number of full shares of Common Stock to which such Holder is entitled. The Holder shall be deemed to have become a shareholder of record on the Conversion Date.

4.3 No Fractional Shares. No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series B Convertible Preferred Stock. The number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series B Convertible Preferred Stock. Any fractional shares of Common Stock which would otherwise be issuable upon conversion of the shares of Series B Convertible Preferred Stock will be rounded up to the next whole share.

4.4 Payment of Taxes for Conversions. The Company shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion pursuant hereto of Series B Convertible Preferred Stock. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of

Common Stock in a name other than that in which the shares of Series B Convertible Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

4.5 Status of Common Stock Issued Upon Conversion. All shares of Common Stock which may be issued upon conversion of the shares of Series B Convertible Preferred Stock will upon issuance by the Company be validly issued, fully paid, and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

4.6 Status of Converted Preferred Stock. In case any shares of Series B Convertible Preferred Stock shall be converted pursuant to this Section 4, the shares so converted shall be canceled and shall not be issuable by the Company.

4.7 Reservation of Common Stock. The Company shall at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the Series B Convertible Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all shares of Series B Convertible Preferred Stock from time to time outstanding. Notwithstanding the foregoing, as of the date hereof the Company does not have sufficient authorized but unissued shares of Common Stock to satisfy the conversion provisions hereof; the Company will use commercially reasonable efforts to amend its Certificate of Incorporation to increase its authorized common stock after the Original Issuance Date.

4.8 Registration or Listing of Shares of Common Stock. If any shares of Common Stock to be reserved for the purpose of conversion of shares of Series B Convertible Preferred Stock require registration or listing with, or approval of, any governmental authority, stock exchange, or other regulatory body under any federal or state law or regulation or otherwise, before such shares may be validly issued or delivered upon conversion, the Company will in good faith and as expeditiously as possible endeavor to secure such registration, listing, or approval, as the case may be.

5. Adjustment of Conversion Price.

5.1 General Provisions. In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split, or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common Stock), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Series B Convertible Preferred Stock shall, after such reorganization, reclassification, consolidation, merger, sale, or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such Holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale, or other disposition it had converted its shares of Series B Convertible Preferred Stock into Common Stock. The provisions of this section 5.1 shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, or other dispositions.

5.2 No Impairment. The Corporation will not, through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, including amending this Certificate of Designation, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series B Convertible Preferred Stock against impairment. This provision shall not restrict the Corporation from amending its Articles of Incorporation in accordance with the General Corporation Law of Delaware and the terms hereof.

6. Call Provisions. The Series B Convertible Preferred Stock shall not be callable by the Company.

7. Redemption. The Series B Convertible Preferred Stock shall not be redeemable by the Company.

8. Notices. Any notices required by the provisions of this Certificate of Designation to be given to the holders of shares of Series B Convertible Preferred Stock shall be deemed given if sent by facsimile or overnight courier to the address appearing on the books of the Corporation, and shall be conclusively deemed given at the time of delivery if made during normal business hours, otherwise notice shall be deemed given on the next business day.

9. Voting Provisions. Each share of Series B Convertible Preferred Stock shall be entitled to the number of votes to which the holders thereof would be entitled if they converted their shares of Series B Convertible Preferred Stock at the time of voting in accordance with Section 4 hereof.

10. Protective Provisions. The Company may not take any of the following actions without the approval of a majority of the holders of the outstanding Series B Convertible Preferred Stock: (i) alter or change the rights, preferences, or privileges of the Series B Convertible Preferred Stock, (ii) increase or decrease the number of authorized shares of Series B Convertible Preferred Stock, or (iii) authorize the issuance of securities having a preference over the Series B Convertible Preferred Stock.

[signature page to follow]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation of Series B Convertible Preferred Stock to be duly executed by its Chief Executive Officer and attested to by its Secretary this 21st day of June, 2011

By: Jay Rifkin
Its: Chief Executive Officer

By: Jay Rifkin
Its: Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:00 PM 09/12/2011
FILED 01:54 PM 09/12/2011
SRV 110996668 - 4159867 FILE

**CERTIFICATE OF DESIGNATION
OF THE RIGHTS, PREFERENCES, PRIVILEGES,
AND RESTRICTIONS, WHICH HAVE NOT BEEN SET
FORTH IN THE CERTIFICATE OF INCORPORATION
OR IN ANY AMENDMENT THERETO,
OF THE
SERIES C CONVERTIBLE PREFERRED STOCK
OF
CHINA YOUTH MEDIA, INC.**

(Pursuant to Section 151 of the General Corporation Law of Delaware)

The undersigned, Richard MacPherson, does hereby certify that:

A. He is the duly elected and acting President and Secretary of China Youth Media, Inc., a Delaware corporation (the "Corporation").

B. Pursuant to the Unanimous Written Consent of the Board of Directors of the Corporation dated August 23, 2011, the Board of Directors duly adopted the following resolutions:

WHEREAS, the Certificate of Incorporation of the Corporation authorizes a class of stock designated as Preferred Stock, with a par value of $0.001 per share (the "Preferred Class"), comprising Two Million (2,000,000) shares and provides that the Board of Directors of the Corporation may fix the terms, including any dividend rights, dividend rates, conversion rights, voting rights, rights and terms of any redemption, redemption, redemption price or prices, and liquidation preferences, if any, of the Preferred Class;

WHEREAS, the Corporation has previously established a series of stock known as the Series A Convertible Preferred Stock, consisting of 500,000 shares, none of which are issued and outstanding as of the date hereof. A Certificate of Designation was previously filed with the Delaware Secretary of State on May 23, 2008, setting forth the rights, preferences, privileges, restrictions, and other matters relating to the Series A Convertible Preferred Stock;

WHEREAS, the Corporation has previously established a series of stock known as the Series B Convertible Preferred Stock, consisting of 10,000 shares, 10,000 of which are issued and outstanding as of the date hereof. A Certificate of Designation was previously filed with the Delaware Secretary of State on June 23, 2011, setting forth the rights, preferences, privileges, restrictions, and other matters relating to the Series B Convertible Preferred Stock;

WHEREAS, the Board of Directors believes it in the best interests of the Corporation to create a third series of preferred stock consisting of 22,000 shares and designated as the "Series C Convertible Preferred Stock" having certain rights, preferences, privileges, restrictions, and other matters relating to the Series C Convertible Preferred Stock.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby fix and determine the rights, preferences, privileges, restrictions, and other matters relating to the Series C Convertible Preferred Stock as follows:

1. Definitions. For purposes of this Certificate of Designation, the following definitions shall apply:

1.1 "Board" shall mean the Board of Directors of the Corporation.

1.2 "Corporation" shall mean China Youth Media, Inc., a Delaware Corporation.

1.3 "Common Stock" shall mean the common stock, $0.001 par value per share, of the Corporation.

1.4 "Common Stock Dividend" shall mean a stock dividend declared and paid on the Common Stock that is payable in shares of Common Stock.

1.5 "Conversion Date" shall have the meaning set forth in Section 4.2.

1.6 "Distribution" shall mean the transfer of cash or property by the Corporation to one or more of its stockholders without consideration, whether by dividend or otherwise (except a dividend in shares of Corporation's stock).

1.7 "Holder" shall mean a holder of the Series C Convertible Preferred Stock.

1.8 "Original Issue Date" shall mean the date on which the first share of Series C Convertible Preferred Stock is issued by the Corporation.

1.9 "Original Issue Price" shall mean $10.00 per share for the Series C Convertible Preferred Stock.

1.10 "Person" shall mean an individual, a corporation, a partnership, an association, a limited liability company, an unincorporated business organization, a trust or other entity or organization, and any government or political subdivision or any agency or instrumentality thereof.

1.11 "Series A Convertible Preferred Stock" shall mean the Series A Convertible Preferred Stock, $0.001 par value per share, of the Corporation.

1.12 "Series B Convertible Preferred Stock" shall mean the Series B Convertible Preferred Stock, $0.001 par value per share, of the Corporation.

1.13 "Series C Convertible Preferred Stock" shall mean the Series C Convertible Preferred Stock, $0.001 par value per share, of the Corporation.

1.14 "Subsidiary" shall mean any corporation or limited liability company or corporation of which at least fifty percent (50%) of the outstanding voting stock or membership interests, as the case may be, is at the time owned directly or indirectly by the Corporation or by one or more of such subsidiary corporations.

2. Dividend Rights.

2.1 In each calendar year, the holders of the then outstanding Series C Convertible Preferred Stock shall be entitled to receive, when, as and if declared by the Board, out of any funds and assets of the Corporation legally available therefore, noncumulative dividends in an amount equal to any dividends or other Distribution on the Common Stock in such calendar year (other than a Common Stock Dividend). No dividends (other than a Common Stock Dividend) shall be paid, and no Distribution shall be made, with respect to the Common Stock unless dividends in such amount shall have been paid or declared and set apart for payment to the holders of the Series C Convertible Preferred Stock simultaneously. Dividends on the Series C Convertible Preferred Stock shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Series C Convertible Preferred Stock by reason of the fact that the Corporation shall fail to declare or pay dividends on the Series C Convertible Preferred Stock, except for such rights or interest that may arise as a result of the Corporation paying a dividend or making a Distribution on the Common Stock in violation of the terms of this Section 2.

2.2 Participation Rights. Dividends shall be declared pro rata on the Common Stock, the Series B Convertible Preferred Stock and Series C Convertible Preferred Stock on a pari passu basis according to the number of shares of Common Stock held by such holders, where each holder of shares of Series B Convertible Preferred Stock and Series C Convertible Preferred Stock is to be treated for this purpose as holding the number of shares of Common Stock to which the holders thereof would be entitled if they converted their shares of Series B Convertible Preferred Stock and Series C Convertible Preferred Stock at the time of such dividend in accordance with Section 4 hereof.

2.3 Non-Cash Dividends. Whenever a dividend or Distribution provided for in this Section 2 shall be payable in property other than cash (other than a Common Stock Dividend), the value of such dividend or Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board.

3. Liquidation Rights. In the event of any liquidation, dissolution, or winding up of the Corporation; whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's shareholders (the "Available Funds and Assets") shall be distributed to shareholders in the following manner:

3.1 Series C Convertible Preferred Stock. The holders of each share of Series C Convertible Preferred Stock then outstanding shall be entitled to be paid, out of the Available Funds and Assets, and prior and in preference to any payment or Distribution (or any setting apart of any payment or Distribution) of any Available Funds and Assets on any shares of Common Stock, and equal in preference to any payment or Distribution (or any setting apart of any payment or Distribution) of any Available Funds and Assets on any shares of a subsequent series of preferred stock, an amount per share equal to the Original

Issue Price of the Series C Convertible Preferred Stock plus all declared but unpaid dividends on the Series C Convertible Preferred Stock. If upon any liquidation, dissolution, or winding up of the Corporation, the Available Funds and Assets shall be insufficient to permit the payment to holders of the Series C Convertible Preferred Stock of their full preferential amount as described in this subsection, then all of the remaining Available Funds and Assets shall be distributed among the holders of the then outstanding Series C Convertible Preferred Stock pro rata, according to the number of outstanding shares of Series C Convertible Preferred Stock held by each holder thereof.

3.2 Merger or Sale of Assets. A reorganization or any other consolidation or merger of the Corporation with or into any other corporation, or any other sale of all or substantially all of the assets of the Corporation, shall not be deemed to be a liquidation, dissolution, or winding up of the Corporation within the meaning of this Section 3 and the Series C Convertible Preferred Stock shall be entitled only to the rights contained in this Section 3.

3.3 Non-Cash Consideration. If any assets of the Corporation distributed to shareholders in connection with any liquidation, dissolution or winding up of the Corporation are other than cash, then the value of such assets shall be their fair market value as determined by the Board.

4. Conversion Rights.

4.1 Conversion of Preferred Stock. Each share of Series C Convertible Preferred Stock shall automatically convert, without any action on the part of the Holder, into Ten Thousand (10,000) fully paid and nonassessable shares of Common Stock of the Company, upon the effectiveness of a Certificate of Amendment filed with the Delaware Secretary of State sufficient to increase the authorized Common Stock of the Company to allow for the conversion of all the Series B Convertible Preferred Stock and Series C Convertible Preferred Stock. Such date shall be referred to herein as the "Conversion Date."

4.2 Procedures for Exercise of Conversion Rights. As promptly as practicable after the Conversion Date, but not later than ten (10) business days thereafter, the Company shall issue and deliver to or upon the written order of such Holder, at such office or other place designated by the Company, a certificate or certificates for the number of full shares of Common Stock to which such Holder is entitled. The Holder shall be deemed to have become a shareholder of record on the Conversion Date.

4.3 No Fractional Shares. No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series C Convertible Preferred Stock. The number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series C Convertible Preferred Stock. Any fractional shares of Common Stock which would otherwise be issuable upon conversion of the shares of Series C Convertible Preferred Stock will be rounded up to the next whole share.

4.4 Payment of Taxes for Conversions. The Company shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of

Common Stock on conversion pursuant hereto of Series C Convertible Preferred Stock. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Series C Convertible Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

4.5 Status of Common Stock Issued Upon Conversion. All shares of Common Stock which may be issued upon conversion of the shares of Series C Convertible Preferred Stock will upon issuance by the Company be validly issued, fully paid, and nonassessable and free from all taxes, liens, and charges with respect to the issuance thereof.

4.6 Status of Converted Preferred Stock. In case any shares of Series C Convertible Preferred Stock shall be converted pursuant to this Section 4, the shares so converted shall be canceled and shall not be issuable by the Company.

4.7 Reservation of Common Stock. The Company shall at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the Series C Convertible Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all shares of Series C Convertible Preferred Stock from time to time outstanding. Notwithstanding the foregoing, as of the date hereof the Company does not have sufficient authorized but unissued shares of Common Stock to satisfy the conversion provisions hereof; the Company will use commercially reasonable efforts to amend its Certificate of Incorporation to increase its authorized common stock after the Original Issuance Date.

4.8 Registration or Listing of Shares of Common Stock. If any shares of Common Stock to be reserved for the purpose of conversion of shares of Series C Convertible Preferred Stock require registration or listing with, or approval of, any governmental authority, stock exchange, or other regulatory body under any federal or state law or regulation or otherwise, before such shares may be validly issued or delivered upon conversion, the Company will in good faith and as expeditiously as possible endeavor to secure such registration, listing, or approval, as the case may be.

5. Adjustment of Conversion Price.

5.1 General Provisions. In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split, or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common Stock), or of the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Series C Convertible Preferred Stock shall, after such reorganization, reclassification, consolidation, merger, sale, or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such Holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale, or other disposition it had converted its shares of Series C Convertible Preferred Stock into Common Stock. The provisions of this section 5.1 shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, or other dispositions.

5.2 No Impairment. The Corporation will not, through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, including amending this Certificate of Designation, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series C Convertible Preferred Stock against impairment. This provision shall not restrict the Corporation from amending its Articles of Incorporation in accordance with the General Corporation Law of Delaware and the terms hereof.

6. Call Provisions. The Series C Convertible Preferred Stock shall not be callable by the Company.

7. Redemption. The Series C Convertible Preferred Stock shall not be redeemable by the Company.

8. Notices. Any notices required by the provisions of this Certificate of Designation to be given to the holders of shares of Series C Convertible Preferred Stock shall be deemed given if sent by facsimile or overnight courier to the address appearing on the books of the Corporation, and shall be conclusively deemed given at the time of delivery if made during normal business hours, otherwise notice shall be deemed given on the next business day.

9. Voting Provisions. Each share of Series C Convertible Preferred Stock shall be entitled to the number of votes to which the holders thereof would be entitled if they converted their shares of Series C Convertible Preferred Stock at the time of voting in accordance with Section 4 hereof.

10. Protective Provisions. The Company may not take any of the following actions without the approval of a majority of the holders of the outstanding Series C Convertible Preferred Stock: (i) alter or change the rights, preferences, or privileges of the Series C Convertible Preferred Stock, (ii) increase or decrease the number of authorized shares of Series C Convertible Preferred Stock, or (iii) authorize the issuance of securities having a preference over the Series C Convertible Preferred Stock.

[signature page to follow]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation of Series C Convertible Preferred Stock to be duly executed by its Chief Executive Officer and attested to by its Secretary this 09 day of September, 2011.

By: Richard MacPherson	By: Richard MacPherson
Its: President	Its: Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:30 PM 09/22/2011
FILED 01:30 PM 09/22/2011
SRV 111031806 - 4159867 FILE

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
CHINA YOUTH MEDIA, INC.

We, the undersigned, President and Secretary, respectively, of **China Youth Media, Inc.**, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware

DO HEREBY CERTIFY:

FIRST: That the name of the Corporation is **China Youth Media, Inc.**

SECOND: That Article First of the Certificate of Incorporation be and it hereby is amended to read in its entirety as follows:

"FIRST: The name of the Corporation (hereinafter called the "Corporation") is **Midwest Energy Emissions Corp.**"

THIRD: The Corporation is authorized to issue two classes of stock. The total number of shares of stock of each class which the Corporation is authorized to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	$0.001	500,000,000
Preferred	$0.001	2,000,000
Total		502,000,000

FOURTH: That Article Fourth of the Certificate of Incorporation be and it hereby is amended to read in its entirety as follows:

"FOURTH: The Corporation is authorized to issue two classes of stock. One class of stock shall be Common Stock, par value $0.001 per share. The second class of stock shall be Preferred Stock, par value $0.001 per share. The Preferred Stock, or any series thereof, shall have such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors and may be made dependent upon facts ascertainable outside such resolution or resolutions of the Board of Directors, provided that the matter in which such facts shall operate upon such designations, preferences, rights and qualifications; limitations or restrictions of such class or series of stock is clearly and expressly set forth in the resolution or resolutions providing for the issuance of such stock by the Board of Directors.

The total number of shares of stock of each class which the Corporation shall have authority to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	$0.001	100,000,000
Preferred	$0.001	2,000,000
Total		102,000,000

Upon the effectiveness of the Certificate of Amendment of the Certificate of Incorporation whereby this Article FOURTH is amended to read as set forth herein (the "Effective Time"), each one hundred ten (110) shares of Common Stock, with a par value of $0.001 per share, of the Corporation issued and outstanding immediately prior to the Effective Time shall thereby and thereupon be combined into and shall constitute and represent one (1) validly issued, fully paid and nonassessable share of Common Stock, with a par value of $0.001 per share, of the Corporation. No scrip or fractional shares will be issued by reason of this amendment. Fractional share interests created as a result of this amendment shall be rounded up to the next whole number of shares by the Corporation."

FIFTH: That the amendment shall be effective on October 7, 2011.

SIXTH: That the amendment was authorized by the unanimous written consent of the Board of Directors followed by written consent of the stockholders being given in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be duly executed by its President and attested to by its Secretary this 21st day of September, 2011.

By: Richard MacPherson	By: Richard MacPherson
Its: President	Its: Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:00 PM 11/25/2014
FILED 03:56 PM 11/25/2014
SRV 141456805 - 4159867 FILE

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
MIDWEST ENERGY EMISSIONS CORP.

We, the undersigned, President and Secretary, respectively, of Midwest Energy Emissions Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware

DO HEREBY CERTIFY:

FIRST: The Corporation is currently authorized to issue two classes of stock. The total number of shares of stock of each class which the Corporation is authorized to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	\$0.001	100,000,000
Preferred	\$0.001	2,000,000
Total		102,000,000

SECOND: That at a meeting of the Board of Directors of Midwest Energy Emissions Corp. held on October 9, 2014, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said Corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this Corporation be amended by changing the Article thereof numbered "Fourth" so that, as amended, said Article shall be and read as follows:

> FOURTH: The Corporation is authorized to issue two classes of stock. One class of stock shall be Common Stock, par value \$0.001 per share. The second class of stock shall be Preferred Stock, par value \$0.001 per share. The Preferred Stock, or any series thereof, shall have such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors and may be made dependent upon facts ascertainable outside such resolution or resolutions of the Board of Directors, provided that the matter in which such facts shall operate upon such designations, preferences, rights and qualifications; limitations or restrictions of such class or series of stock is clearly and expressly set forth in the resolution or resolutions providing for the issuance of such stock by the Board of Directors.

The total number of shares of stock of each class which the Corporation shall have authority to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
Common	$0.001	150,000,000
Preferred	$0.001	2,000,000
Total		152,000,000

THIRD: That thereafter, pursuant to resolution of its Board of Directors, a meeting of the stockholders of said Corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

FOURTH: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be duly executed this 18th day of November, 2014.

By: R. Alan Kelley
Its: President

By: Richard Gross
Its: Secretary

EMPLOYMENT AGREEMENT

THIS Employment Agreement ("***Agreement***") is made and executed effective as of January 1, 2014 (the "***Effective Date***"), by and between Midwest Energy Emissions Corp., a Delaware corporation (the "***Company***"), and James Trettel ("***Employee***").

RECITALS:

WHEREAS, Employee has knowledge of the coal-fired power plant industry and previous experience in creating, installing and operating the systems necessary to the business of the Company; and

WHEREAS, the Company desires to avail itself to the expertise of Employee in the aforesaid areas.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee agree as follows:

Employment. The Company hereby employs Employee, and Employee hereby accepts employment with the Company, on the terms and conditions set forth in this Agreement. During the Term (as defined below), Employee shall serve as the Vice President of Operations of the Company (unless earlier terminated pursuant to the terms of this Agreement). Employee's duties and responsibilities as an employee of the Company shall include advisory, strategic. corporate management, and other services as a reasonably expected form a person in the position of Vice President – Operations, and/or such other or additional duties and responsibilities as are reasonably assigned to Employee from time to time by the President. While serving as Vice President of Operations, Employee shall report to the President.

1 . Devotion to Duties. Employee shall devote such time, attention, energy, skill and efforts to his duties and responsibilities hereunder and to the business of the Company and, as applicable, its Affiliates (as defined below), as is reasonably necessary to enable Employee to carry out such duties efficiently and effectively. During the Term, Employee shall not be engaged in any other business activity that conflicts with his duties and responsibilities to the Company or with the business of the Company, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Exceptions to this provision may be made by the President.

2 . Location. Employee shall perform his services as Vice President of Operations from the Company's current headquarters existing as of the date hereof, or at such location as otherwise mutually agreed to between the Company and Employee. Employee shall be required to travel from time to time as is necessary to perform his duties and responsibilities on behalf of the Company.

3. Compensation.

(a) *Base Salary*. For all services rendered by Employee under this Agreement, the Company shall compensate Employee beginning on the Effective Date at an annual base rate of $150,000 per year, payable in accordance with the Company's standard payroll procedures, as may exist from time to time (such annual salary, as such may be amended from time to time, the "***Base Salary***"). Beginning January 1, 2015, Employee will be eligible for a raise in Base Salary if such is deemed appropriate by the Board.

(b) *Option Grant*. The Company hereby grants to the Employee an option (the "Option") to purchase the number of shares (the Option Shares") of the Company's common stock, $0.001 par value per share (the "Common Stock"), for an exercise price per share equal to the Fair Market Value (as defined below) of the Common Stock (the "Option Price") and based upon a Grant Date, all as set forth below:

Shares under Option:		250,000
Option Price per Share:	$	0.595
Grant Date:		January 1, 2014

The Option is a non-qualified option. For purposes hereof, the "Fair Market Value" of the Common Stock equals the mean between the highest and lowest quoted selling prices of the Common Stock on the trading day immediately prior to the Grant Date.

(c) *Benefits*. During the Term, Employee may participate in group health plans, retirement plans, incentive plans and other employee benefits that may from time to time be made generally available to executive employees of the Company subject to the eligibility requirements and other terms, conditions, plans and policies thereof of general applicability (including applicable employee contributions). The Company and its Affiliates reserve the right to change, amend or terminate any perquisites or benefits provided to senior management, or other employees in their sole discretion. Eligibility for any and all such benefits provided in this **Section 4(c)** shall terminate on the expiration or earlier termination of the Term, except as otherwise required by law. Employee shall be subject to the policies or procedures that the Company or its Affiliates may adopt or implement from time to time with respect to its senior management.

(d) V*acation*. During the Term, Employee shall be entitled to four weeks of paid vacation per year.

(e) *Expense Reimbursement.* The Company will reimburse Employee for (or, at the Company's option, pay) business travel and other out-of-pocket expenses reasonably incurred by Employee in the performance of his services hereunder during the Term, in accordance with the policies of the Company, subject to Employee submitting appropriate receipts and other documentation in reasonable detail to the President.

(f) *Withholding*. The Company shall be entitled to withhold such amounts on account of employment and payroll taxes and similar matters required by applicable law, rule or regulation of any appropriate governmental authority.

4. Term. The term of this Agreement (the "***Term***") shall commence as of the Effective Date and shall extend from that date for a period of two years, unless earlier terminated as provided in **Section 6** of this Agreement.

5. Termination.

(a) *Termination without Cause*. Prior to the end of the Term, the Company may terminate this Agreement and Employee's employment hereunder at any time upon giving 30 days prior written notice to Employee.

(b) *Termination for Cause*. Prior to the end of the Term, the Company may terminate this Agreement and Employee's employment hereunder for Cause, upon giving written notice thereof to Employee. For purposes of this Agreement, "***Cause***" means any of the following:

(i) Employee's conviction of, indictment for (or its procedural equivalent), or entering of a guilty plea or plea of no contest with respect to any felony or any crime of moral turpitude;

(ii) the commission by Employee of any act of gross negligence, gross incompetence, intentional misconduct or repeated insubordination in the performance of Employee's duties as an employee of the Company or its Affiliates;

(iii) the commission by Employee of any act of fraud, embezzlement, theft or dishonesty with respect to the Company or its Affiliates or in connection with Employee's employment hereunder;

(iv) Employee's continued insobriety, abuse of alcohol or use of illegal drugs or other acts or conduct that results in material public disgrace or disrepute for Employee or the Company;

(v) Employee's failure to comply with the directives or policies of the Company; or

(vi) Employee's material breach of this Agreement.

(c) *Voluntary Resignation*. Prior to the end of the Term, Employee may voluntarily resign and thereby terminate this Agreement and his employment hereunder, at any time upon at least 30 days prior written notice to the Company.

(d) *Resignation for Good Reason*. Prior to the end of the Term, Employee may resign and thereby terminate this Agreement and his employment hereunder for Good Reason if (i) he gives the Company at least 30 days prior written notice of such termination, which notice must be given within 30 days after the initial occurrence of the event constituting Good Reason and set forth in reasonable detail the occurrence act, deficiency, conduct, breach or failure of the Company that constitutes Good Reason ("***Good Reason Notice***"), and (ii) the Company fails to cure (as determined by the Board in good faith) such occurrence, act, deficiency, conduct, breach or failure during the period of 30 days immediately following the date such Good Reason Notice is given to the Company. For purposes of this Agreement, "***Good Reason***" means any of the following undertaken without the consent of Employee:

(i) The Company's breach of this Agreement;

(ii) A material reduction by the Company of Employee's salary; or

(iii) A material diminution by the Company in Employee's level of duties, authority or responsibilities for the Company.

(e) *Death*. Prior to the end of the Term, this Agreement and Employee's employment hereunder shall terminate automatically upon Employee's death.

(f) *Disability*. In the event that Employee is unable to perform his services under this Agreement, due to physical or mental disability or incapacity, for a continuous period of at least 90 days, or a total of at least 120 days during any 12 month period, during the Term of this Agreement, or if Employee is determined to be disabled under the Company's or its Affiliates' long-term disability plan (if such exists) (each, a "***Disability***"), the Company may terminate the Term and Employee's employment hereunder upon written notice, subject to the Americans with Disabilities Act of 1990, as amended, and other applicable law.

(g) *Expiration*. The Term and Employee's employment hereunder shall terminate upon expiration of the Term as provided herein. The expiration of the Term shall not constitute termination without Cause or for Good Reason.

(h) *Return of Materials*. Upon termination of Employee's employment hereunder for any reason, Employee shall deliver promptly to the Company all computers, keys, telephones, other electronic devices, card keys, credit cards, files, correspondence, memoranda, notes, records, drawings, sketches, plans, lists or other documents or property of the Company or its Affiliates, which are in Employee's possession, custody or control.

(i) *Resignation from Boards*. Upon termination of Employee's employment hereunder for any reason, Employee agrees to resign, as of the date of such termination and to the extent applicable, as a director, manager, governor and/or officer of the Company or its Affiliates.

(j) *Provisions that Survive Termination of Employment*. All rights and obligations of the Company and Employee under this Agreement shall cease as of the effective date of termination or expiration of employment and the Term, except that **Sections 4(b)**, **6(h)**, **6(i)**, **6(j)**, **7**, **8**, **9**, **10** and **11** shall survive such termination or expiration in accordance with their terms.

6. Severance Benefits.

(a) *Earned Salary*. Upon termination of Employee's employment for any reason, Employee shall be entitled to the following (collectively, the "***Accrued But Unpaid Compensation***");

(i) Any Base Salary earned, but unpaid, prior to such termination;

(ii) Reimbursement for any unreimbursed business expenses properly incurred by Employee in accordance with **Section 4(e)** hereof prior to the date of termination, so long as claims for such reimbursement (accompanied by appropriate receipts and other supporting documentation) are submitted to the Company within 45 days following the date of termination; and

(iii) Such employee benefits, if any, as to which Employee may be entitled under the terms and conditions of the Company's retirement plans or other employee benefit plans as of such termination.

No other compensation or benefits will be due or payable to Employee upon or after any termination expiration of this Agreement, except as expressly provided otherwise in **Section 4(b)** and in subsection (b) of this **Section 7** or as required by law.

(b) *Severance upon Termination without Cause or Resignation for Good Reason*. If (i) the Company terminates this Agreement and employment of Employee other than for Cause, death, Disability or expiration of this Agreement, or (ii) Employee resigns and terminates this Agreement and his employment for Good Reason, then, in addition to all Accrued by Unpaid Compensation payable to Employee hereunder, and conditioned upon and subject to Employee executing and delivering to the Company (and not revoking) a written release of claims in favor of the Company and its subsidiaries, Affiliates, directors, officers, shareholders, employees, agents, representatives, successors and assigns relating to Employee's employment with the Company and the termination thereof which is reasonably satisfactory in form and substance to the Company ("***Release***"), the Company shall continue to pay to Employee his Base Salary as in effect immediately prior to such termination (the "***Severance Payments***") for the number of months or partial months remaining during the Term from the date of such termination (the "***Severance Period***"). The Severance Payments shall be payable in accordance with the Company's standard payroll procedures, as such may exist from time to time, commencing with the first payday that occurs at least five business days after the date on which the Release becomes fully effective and is no longer subject to revocation by Employee under the terms thereof, and shall be subject to applicable withholdings.

7 . Cooperation. During the Term and thereafter, Employee shall reasonably cooperate with the Company, as reasonably requested by the Company, in any internal investigation or administrative, regulatory or judicial proceeding relating to matters that occurred during the Term.

8. No Conflicting Agreements. Employee hereby represents and warrants to the Company that the execution of this Agreement by Employee and his employment by the Company and the performance of his duties and responsibilities hereunder will not violate or be a breach of any agreement with a former employer or any other person.

9. Restrictive Covenants.

(a) *Definitions.*

(i) "***Affiliate***" means a Person Controlling, Controlled by or under common Control with, another Person.

(ii) "***Confidential Information***" means all information, trade secrets, inventions, data, processes, or other records relating to the Company's or its Affiliates' business, financial affairs, or operations, including, but not limited to, information related to past, present or future business plans, strategic plans, technical data, technology, source code, software, product or service requirements, customers, financial information, sales information, product design, research and development, prices and methods of pricing, marketing techniques and plans, unannounced products, product and process information, any rates, analyses, summaries, compilations, studies or other records and any other information which, if disclosed to others, might be competitively detrimental to the Company, whether disclosed in any tangible, written, oral, electronic, visual, or other medium. Confidential Information shall also include all information, know-how, trade secrets, technical data, non-technical data, or other confidential information concerning the operations, projects, organization, business, or finances of the Company or any third party to which the Company owes a duty of confidentiality, in whatever form (whether disclosed in any tangible, written, oral, electronic, visual, or other medium), that Company or its Representatives (as defined below) learns, generates, or acquires in conjunction with the prospective business or business relationship with the Company.Notwithstanding the foregoing, Confidential Information shall not include information or data which: (i) was independently developed by Company or its Representatives, provided that such information or data is not subject to another confidentiality agreement or other obligation of secrecy to the Company; (ii) becomes available to the public other than as a result of disclosure by Company or its Representatives; (iii) becomes available to Company or its Representatives on a non-confidential basis from a source other than the Company or its Representatives, so long as that source is not prohibited from disclosing such information or data to Company based on another confidentiality agreement or other obligation of secrecy to the Company; or (iv) was already in the possession of Company or its Representatives, as evidenced by written documentation, prior to receiving such information from the Company.

(iii) "***Control***" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through ownership of voting securities or equity ownership, by contract or otherwise, including the holding of more than 50% of the outstanding equity securities or voting rights of another Person.

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

(v) "***Customer***" means any consumer, retailer, wholesaler, dealer, distributor or other Person (or any Affiliate thereof), which, at any time during the Term, purchased any product or service distributed, marketed, installed, sold or provided by the Company or any of its Affiliates.

(vi) "***Restricted Period***" means that period beginning on the Effective Date and continuing through the Term and for a period thereafter of one year immediately following the termination of this Agreement for any reason or expiration of the Term.

(vii) "***Restricted Territory***" means anywhere in the United States or Canada.

(viii) "***Representatives***" mean the partners, members, managers, directors, officers, employees, agents, advisors (including, without limitation, attorneys, accountants, investment bankers, and consultants), lenders, and all affiliates, of a specified party.

(b) *Acknowledgements*. Employee hereby acknowledges and agrees that: (i) the covenants and agreements of Employee contained herein are reasonably necessary to protect the interests of the Company and are not greater than are necessary for the protection of the Company in light of the substantial harm that it and its Affiliates might suffer should Employee breach any of the provisions of said covenants or agreements, (ii) the period of restriction and geographical area of restrictions contained herein are fair and reasonable, and the nature, kind and character of the activities Employee is prohibited to engage in are reasonable and necessary to protect the Company and its Affiliates, (iii) the products and services of the Company are or are intended to be marketed, distributed, sold, installed and provided throughout the Restricted Territory, and it competes with other businesses that are or could be located in any part of the Restricted Territory, (iv) the covenants and agreements of Employee contained herein are material inducements for the Company to enter into this Agreement, and Employee desires that the Company enter into this Agreement and Employee will materially benefit herefrom, and (v) the disclosure by Employee of any Confidential Information to competitors or potential competitors of the Company or its Affiliates may place the Company or its Affiliates at a competitive disadvantage and may do monetary or other damage to the Company or its Affiliates. By reason of the abilities and experience of Employee, the enforcement of the covenants and agreements set forth in this **Section 10** will not prevent him from obtaining other suitable employment or earning a livelihood in his profession.

(c) *Non-Competition.*

(i) Employee acknowledges that the Confidential Information in his possession would enable Employee to establish goodwill with the Customers and potential Customers, and vendors and suppliers, who provide products and services to or on behalf of the Company, or who receive products or services from the Company and that the Confidential Information constitutes a valuable asset of the Company or its Affiliates. Employee also acknowledges that he has developed relationships with Customers, potential Customers, vendors, suppliers, employees, contractors or potential contractors and consultants or potential consultants of the Company. Employee further acknowledges and agrees that the scope of the Restricted Territory and Restricted Period is reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates.

(ii) Accordingly, Employee agrees that during the Restricted Period Employee and each Affiliate of Employee shall not, anywhere in the Restricted Territory, directly or indirectly, either alone or in conjunction with any other Person, conduct, engage in, render services or advice to, finance or participate or become interested in (in any manner, whether as manager, employee, officer, director, consultant, contractor, owner, partner or otherwise, or through equity ownership or other investment or financial interest) any company, enterprise, venture, entity, business or other Person (other than the Company or its Affiliates) that engages or proposes to engage in the design, development, manufacture, production, distribution, marketing, installation or sale of any mercury removal products or business or related equipment, supplies or products, that is or are, in whole or in part, the same as, similar to, substitutes for or competitive with any of the Company's products or services; *provided however,* that the foregoing restriction shall not apply to the ownership of less than one percent of the outstanding equity securities of a Person having securities that are listed for trading on a national securities exchange, subject to the other restrictions and covenants in this Agreement.

(d) *Non-Disclosure of Trade Secrets and Confidential Information*.

(i) Employee shall not, at any time from and after the Effective Date, directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, transmit or disclose any Confidential Information to any Person, concern or entity, and shall not make use of any such Confidential Information, directly or indirectly except to advance the interests of the Company and its Affiliates; *provided, however,* that Employee may disclose or use any Confidential Information to the extent, and only to the extent, that such Confidential Information is required to be disclosed (i) in the course of performing Employee's duties on behalf of the Company as an employee, or (ii) by law, provided that Employee must give the Company reasonable advance written notice of the proceeding or legal requirement requiring such disclosure, so that the Company may seek a protective order if it chooses to do so.

(ii) Upon termination or expiration of the Term or Employee's employment or the request of the Company, Employee shall deliver to the Company all documents and materials reflecting Confidential Information in the possession or control of Employee, and shall not retain any copies of any such documents or materials.

(iii) The restrictions of this **Section 10(d)** shall apply regardless of whether the Confidential Information is in written, graphic, computer, recorded, photographic or any machine-readable form, is orally conveyed to or is otherwise known by Employee.

(e) *Non-Solicitation, Non-Interference*.

(i) Employee acknowledges and agrees that valuable relationships have been or will be established between the Company or its Affiliates and their respective Customers or potential Customers, and that such relationships constitute or will constitute a valuable asset of the Company or its Affiliates.

(ii) Accordingly, Employee agrees that, during the Restricted Period, with respect to the Business (as defined below) of the Company, neither Employee nor any Affiliate of Employee shall directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, solicit, entice, divert, take away or sell or market to, or attempt to solicit, entice, divert or take away or sell or market to, any Customer, or potential Customer having relations with the Company or any of its Affiliates. The "***Business***" means mercury emissions control, technology relating thereto and the activities directly related to such business.

(iii) Employee further agrees that, during the Restricted Period, neither Employee nor any Affiliate of Employee shall, directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, induce or entice or attempt to induce or entice any Customer, potential Customer, vendor, supplier, distributor, dealer or other Person having relations with the Company or any of its Affiliates to breach, terminate, limit or modify any existing contract or other business arrangement with the Company or any of its Affiliates or take any other action intended to damage or impair any relationship between the Company or any of its Affiliates and any Customer, potential Customer, vendor, supplier, distributor or other Person having business relations with the Company or any of its Affiliates.

(f) *Non-Solicitation of Employees.* Employee acknowledges and agrees that the Company's and its Affiliates' arrangements, agreements and relationships with their respective employees and independent contractors and the services provided by such employees and independent contractors are integral to the operations of the Company and its Affiliates and that the loss of such arrangements, agreements and relations would result in irreparable damages to the Company and its Affiliates. Accordingly, Employee agrees that during the Restricted Period neither Employee nor any Affiliate of Employee shall, directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, solicit, entice, divert, take away, hire or engage, or attempt to solicit, entice, divert, take away, hire or engage, any Person who is an employee or independent contractor of the Company or any of its Affiliates who has been so employed or contracted at any time during the 24 months prior to such solicitation, enticement, diversion, taking away, hiring, engagement or attempt (it being conclusively presumed by the parties so as to avoid disputes that any such action within such 24 month period is in violation of this clause).

(g) *Third Party Information*. Employee acknowledges that the Company and its Affiliates have received and in the future will receive from third parties confidential or proprietary information ("***Third Party Information***") subject to a duty on the Company's and/or its Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. To the extent it is identified by the Company or the third party to Employee as such, during the Term and thereafter, Employee will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel and advisors who need to know such information in connection with their work for the Company) or use Third Party Information, except as necessary in connection with the performance of his duties on behalf of the Company as an employee. In addition, in the performance of his duties on behalf of the Company, Employee will not improperly disclose, publish, reverse engineer or use any confidential information or trade secrets of any former employer or other Person to whom Employee has an obligation of confidentiality, nor bring onto the premises of the Company or its Affiliates any unpublished documents or any property belonging to any former employer or any other Person to whom the Employee has an obligation of confidentiality unless consented to in writing by that former employer or Person.

(h) *Nondisparagement.* During the Term and thereafter, Employee shall not make any statements or comments that disparage the Company or any of its Affiliates, nor any of their products, officers, directors, employees or businesses, other than statements or comments made in good faith (i) to members of senior management or Board of Directors of the Company or its Affiliates in the course of carrying out Employee's duties on behalf of the Company during the Term, (ii) regarding employees of the Company to members of senior management of the Company or its Affiliates or the applicable employee in connection with internal employee evaluations, reviews or terminations in the course of carrying out Employee's duties on behalf of the Company during the Term, (iii) in connection with enforcement of this Agreement or claims hereunder or (iv) to the extent required by applicable law, legal process or subpoena. Likewise, the Company will not make any statements or comments that disparage Employee other than in good faith (i) to Employee, (ii) in connection with internal evaluations, reviews or terminations, (iii) in connection with enforcement of this Agreement or claims hereunder, or (iv) to the extent required by applicable law, legal process or subpoena.

(i) *Enforcement and Remedies*.

(i) Employee acknowledges and agrees that the covenants set forth in this **Section 10** are reasonable and valid in time and scope and in all other respects. The covenants set forth in this Agreement shall be considered and construed as separate and independent covenants. The parties agree that the existence of any claim or cause of action by the Employee against the Company or any of its Affiliates on the one hand, or by the Company or any of its Affiliates against Employee, on the other hand, shall not constitute a defense to the enforcement of the restrictive covenants set forth herein, but shall be litigated separately. Should any part or provision of any covenant be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement.

(ii) The parties hereunder agree that it is their intention that such covenants be enforced in accordance with their terms to the maximum extent possible under applicable law. The parties further agree that, in the event any court of competent jurisdiction shall find that any of such covenants or restrictions is invalid or unenforceable, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the parties in agreeing to the provisions of this Agreement will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

(iii) Without limiting the remedies available to the Company, the parties acknowledge that a breach of any of the covenants contained in this **Section 10** will result in material, irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof by Employee, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining Employee from engaging in activities prohibited by this Agreement or such other relief as may be required to specifically enforce any of the covenants hereof without the necessity of posting any bond or proving actual damages. Employee hereby waives the claim or defense that an adequate remedy at law for such a breach exists. If Employee breaches any covenant in this Agreement, the applicable period of restriction shall be extended by the period of the duration of such breach. Further, without limiting the remedies available to Employee, the parties acknowledge that a breach of the covenant in **Section 10(h)** will result in material, irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof by Company, the Employee shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining Company from engaging in activities prohibited by this Agreement or such other relief as may be required to specifically enforce any of the covenants hereof without the necessity of posting any bond or proving actual damages, Company hereby waives the claim or defense that an adequate remedy at law for such a breach exists.

(iv) Employee shall be liable in connection with any breach by Employee or any Affiliate of Employee of the terms of this Agreement. Employee also specifically acknowledges and agrees that the Company shall be entitled to seek monetary damages and other remedies at law for breaches of this Agreement in addition to any injunctive or other equitable relief.

10. Inventions.

(a) Employee acknowledges that Employee's work on and contributions to any documents, programs, designs, methodologies, protocols, inventions, discoveries, innovations, trade secrets, ideas, processes, formulas, data, works of authorship, know-how, improvements, developments, techniques and other expressions in any medium, whether patentable or copyrightable, which have been or will be prepared by Employee, or to which Employee has contributed or will contribute, related to the Company or its Affiliates or their respective businesses and in connection with Employee's services to the Company or any of its Affiliates, whether before or during the Term (collectively, " ***Works***"), are and will be within the scope of Employee's services and part of Employee's duties and responsibilities hereunder. Employee's work on and contributions to the Works will be rendered and made by Employee for, at the instigation of, and under the overall direction of, the Company, and are and at all times shall be regarded, together with the Works, as "work made for hire" as that term is used in the United States copyright laws. However, to the extent that any court or agency should conclude that the Works (or any of them) do not constitute or qualify as a "work made for hire," Employee hereby assigns, grants, and delivers exclusively and throughout the world to the Company all rights, titles, and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. Employee agrees to cooperate with the Company and to execute and deliver to the Company and its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual, and worldwide ownership of all rights, titles, and interests of every kind and nature, including all copyrights, in and to the Works, and Employee constitutes and appoints the Company as his agent to execute and deliver any assignments or documents Employee fails or refuses to execute and deliver, this power and agency being coupled with an interest and being irrevocable. Without limiting the preceding provisions of this **Section 10**, Employee agrees that the Company may edit and otherwise modify, and use, publish and otherwise exploit, the Works in all media and in such manner as the Company, in its sole discretion, may determine.

(b) Employee shall disclose promptly to the Company, and only to the Company, any invention or idea of Employee in any way related to the Company or its Affiliates or their businesses and connected with Employee's services, the research or development of the Company or its Affiliates or demonstrably anticipated research or development (developed alone or with others), conceived or made during the Term and hereby assigns to the Company any such invention or idea. Employee agrees to cooperate with the Company and sign all papers deemed necessary by the Company to enable the Company to obtain, maintain, protect and defend patents covering such inventions and ideas and to confirm the exclusive ownership by the Company, of all rights in such inventions, ideas and patents, and irrevocably appoints the Company as its agents to execute and deliver any assignments or documents Employee fails or refuses to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable. This constitutes the Company's written notification that this assignment does not apply to an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless (i) at the time of conception or reduction to practice, the invention relates directly to the business of the Company or any of its Affiliates, or to the Company's or its Affiliates' actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by Employee for the Company or any of its Affiliates.

(c) All records, designs, patents, business plans, financial statements, manuals, memoranda, customer lists, customer database, rolodex and other property delivered to or compiled by Employee by or on behalf of the Company or any of its Affiliates or representatives, vendors or Customers or potential Customers which pertain to the Company or its Affiliates shall be and remain the property of the Company or its Affiliates, as applicable, and be subject at all times to its discretion and control. This does not include customer lists, customer databases, rolodex or business card files that were the property of Employee before being hired by the Company, even where they have been used by the Employee for the Company's benefit during the Term. Upon the request of the Company and, in any event, upon the termination of Employee's employment with the Company, Employee shall deliver all such non-excluded materials to the Company. Likewise, all correspondence, reports, records, charts, advertising materials and other similar data pertaining to the business, activities or future plans of the Company or its Affiliates which are collected by Employee shall be delivered promptly to the Company without request by it upon termination or expiration of Employee's employment.

11. Miscellaneous.

(a) *Assignment; Binding Effect.* Employee understands that he has been selected for employment by the Company on the basis of his personal qualifications, experience and skills. Employee agrees, therefore, that he cannot assign all or any portion of his performance under this Agreement. The Company may assign this Agreement, in whole or in part, to any Affiliate of the Company or to any assignee or successor to the Company, whether by merger, consolidation, sale of stock, sale of assets or otherwise, provided, however, that, the Company may not assign this Agreement to a subsidiary without the prior written consent of Employee. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective heirs, legal representatives, successors and assigns.

(b) *Complete Agreement; Waiver; Amendment*. This Agreement constitutes a single integrated contract expressing the entire agreement of the parties, and supersedes and replaces any and all other agreements or offers, whether written or oral, express or implied, among the parties with respect to the subject matter hereof. This Agreement is the final, complete, and exclusive statement of expression of the agreement among the parties with respect to the subject matter hereof, and cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous oral or written agreements. This Agreement may not be later modified except by a further writing signed by each of the parties, and no term of this Agreement may be waived except by a writing signed by the party waiving the benefit of such term.

(c) *Notice.* All notices and other communications under this Agreement shall be in writing and shall be delivered in person or by reputable overnight delivery (delivery charges prepaid), addressed as follows, and shall be deemed effective and given when delivered in person or on receipt (or when delivery is refused) after dispatch by reputable overnight delivery:

Employee: James Trettel
424 Halston Road
Slippery Rock, PA 16057

Company: Midwest Energy Emissions Corp.
500 West Wilson Bridge Road
Suite 140
Worthington, Ohio 43085
Attention: R. Alan Kelley, President

Any party hereto may change its address specified for notices herein by designating a new address by notice in accordance with this **Section 10(c)**.

(d) *Remedies on Breach*. In addition to, and not in limitation of, the provisions of **Section 10** hereof, the parties agree that any breach of this Agreement by either party may cause irreparable damage to the other party, and that in the event of such breach the damaged party shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of any obligations hereunder, without the necessity of posting a bond or other security. With respect to any dispute between the Company and Employee as to the interpretation, terms, validity or enforceability of (including any dispute about the amount of any payment pursuant to) this Agreement, the losing party in such dispute shall pay to the prevailing party all of the prevailing party's costs and expenses, including reasonable attorneys' fees in connection with the enforcement of this Agreement.

(e) *Waiver of Breach.* The waiver by either party of a breach of any provisions of this Agreement by either party shall not operate or be construed as a waiver of any subsequent breach by either party.

(f) *Governing Law; Permitted Venue*. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Ohio. The parties agree that any dispute arising out of or relating to this Agreement, may be brought in the state or federal courts located in Franklin County, Ohio. Each party hereby waives any objection to the personal or subject matter jurisdiction and venue of such courts.

(g) *Waiver of Right to Trial by Jury.* EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. EACH PARTY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(h) *Severability*. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative.

(i) *Counterparts*. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Facsimile or scanned or pdf and e-mailed counterpart signatures to this Agreement shall be acceptable and binding on the parties hereto.

(j) *Construction*. The headings in this Agreement are for convenience only, are not a part of this Agreement and shall not affect the construction of the provisions of this Agreement. As used in this Agreement, the words “include” and “including”, and variations thereof, shall not be deemed to be terms of limitation but rather will be deemed to be followed by the words “without limitation.” No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or the government or judicial authority by reason of such party having or being deemed to have structured or drafted such provision of this Agreement.

[SIGNATURE PAGE FOLLOWS. REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MIDWEST ENERGY EMISSIONS CORP.

By: */s/ R. Alan Kelley*
R. Alan Kelley, President

EMPLOYEE:

By: */s/ James Trettel*
James Trettel

[SIGNATURE PAGE TO EMPLOYMENT AGREEMENT]

EMPLOYMENT AGREEMENT

THIS Employment Agreement ("***Agreement***") is made and executed effective as of September 1, 2014 (the "***Effective Date***"), by and between Midwest Energy Emissions Corp., a Delaware corporation (the "***Company***"), and Keith McGee ("***Employee***").

RECITALS:

WHEREAS, Employee has knowledge of the energy industry and previous experience in financial markets where such experience is necessary to the business of the Company; and

WHEREAS, the Company desires to avail itself to the expertise of Employee in the aforesaid areas.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee agree as follows:

1 . Employment. The Company hereby employs Employee, and Employee hereby accepts employment with the Company, on the terms and conditions set forth in this Agreement. During the Term (as defined below), Employee shall serve as the Senior Vice President of Business Development and Investor Relations of the Company (unless earlier terminated pursuant to the terms of this Agreement). Employee's duties and responsibilities as an employee of the Company shall include advisory, strategic. corporate management, and other services as a reasonably expected from a person in the position of Senior Vice President of Business Development and Investor Relations, and/or such other or additional duties and responsibilities as are reasonably assigned to Employee from time to time by the President. While serving as Senior Vice President of Business Development and Investor Relations, Employee shall report to the President.

2 . Devotion to Duties. Employee shall devote such time, attention, energy, skill and efforts to his duties and responsibilities hereunder and to the business of the Company and, as applicable, its Affiliates (as defined below), as is reasonably necessary to enable Employee to carry out such duties efficiently and effectively. During the Term, Employee shall not be engaged in any other business activity that conflicts with his duties and responsibilities to the Company or with the business of the Company, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Exceptions to this provision may be made by the President.

3 . Location. Employee shall perform his services as Senior Vice President of Business Development and Investor Relations from the Company's current headquarters existing as of the date hereof, or at such location as otherwise mutually agreed to between the Company and Employee. Employee shall be required to travel from time to time as is necessary to perform his duties and responsibilities on behalf of the Company.

4. Compensation.

(a) *Base Salary*. For all services rendered by Employee under this Agreement, the Company shall compensate Employee beginning on the Effective Date at an annual base rate of $200,000 per year, payable in accordance with the Company's standard payroll procedures, as may exist from time to time (such annual salary, as such may be amended from time to time, the "***Base Salary***").

(b) *Option Grant*. The Board of Directors shall cause to be granted on September 1, 2014 pursuant to the Company's 2014 Equity Incentive Plan an option to purchase 500,000 shares of the Company's common stock, $0.001 par value per share. The Option is to be a non-qualified stock option.

(c) *Benefits*. During the Term, Employee may participate in group health plans, retirement plans, incentive plans and other employee benefits that may from time to time be made generally available to executive employees of the Company subject to the eligibility requirements and other terms, conditions, plans and policies thereof of general applicability (including applicable employee contributions). The Company and its Affiliates reserve the right to change, amend or terminate any perquisites or benefits provided to senior management, or other employees in their sole discretion. Eligibility for any and all such benefits provided in this **Section 4(c)** shall terminate on the expiration or earlier termination of the Term, except as otherwise required by law. Employee shall be subject to the policies or procedures that the Company or its Affiliates may adopt or implement from time to time with respect to its senior management.

(d) V*acation*. During the Term, Employee shall be entitled to four weeks of paid vacation per year.

(e) *Expense Reimbursement.* The Company will reimburse Employee for (or, at the Company's option, pay) business travel and other out-of-pocket expenses reasonably incurred by Employee in the performance of his services hereunder during the Term, in accordance with the policies of the Company, subject to Employee submitting appropriate receipts and other documentation in reasonable detail to the President.

(f) *Withholding*. The Company shall be entitled to withhold such amounts on account of employment and payroll taxes and similar matters required by applicable law, rule or regulation of any appropriate governmental authority.

5 . Term. Subject to the provisions for renewal and termination hereinafter provided, (i) the Term of this Employment Agreement (the "***Term***") shall begin on the Effective Date shall continue until December 31, 2016 and (ii) provided the Employee is less than 65 years old as of the first day of each succeeding calendar year after December 31, 2016, such Term automatically shall be extended for one (1) additional calendar year, beginning with the calendar year commencing January 1, 2017. This Employment Agreement may be terminated at any time as provided in Section 6 or by either the Employee or the Company at the end of the then current Term upon written notice of termination of this Employment Agreement given to the other party at least 90 days before the end of the then current Term.

6. Termination.

(a) *Termination without Cause*. Prior to the end of the Term, the Company may terminate this Agreement and Employee's employment hereunder at any time upon giving 30 days prior written notice to Employee.

(b) *Termination for Cause*. Prior to the end of the Term, the Company may terminate this Agreement and Employee's employment hereunder for Cause, upon giving written notice thereof to Employee. For purposes of this Agreement, "***Cause***" means any of the following:

(i) Employee's conviction of, indictment for (or its procedural equivalent), or entering of a guilty plea or plea of no contest with respect to any felony or any crime of moral turpitude;

(ii) the commission by Employee of any act of gross negligence, gross incompetence, intentional misconduct or repeated insubordination in the performance of Employee's duties as an employee of the Company or its Affiliates;

(iii) the commission by Employee of any act of fraud, embezzlement, theft or dishonesty with respect to the Company or its Affiliates or in connection with Employee's employment hereunder;

(iv) Employee's continued insobriety, abuse of alcohol or use of illegal drugs or other acts or conduct that results in material public disgrace or disrepute for Employee or the Company;

(v) Employee's failure to comply with the directives or policies of the Company; or

(vi) Employee's material breach of this Agreement.

(c) *Voluntary Resignation*. Prior to the end of the Term, Employee may voluntarily resign and thereby terminate this Agreement and his employment hereunder, at any time upon at least 30 days prior written notice to the Company.

(d) *Resignation for Good Reason*. Prior to the end of the Term, Employee may resign and thereby terminate this Agreement and his employment hereunder for Good Reason if (i) he gives the Company at least 30 days prior written notice of such termination, which notice must be given within 30 days after the initial occurrence of the event constituting Good Reason and set forth in reasonable detail the occurrence act, deficiency, conduct, breach or failure of the Company that constitutes Good Reason ("***Good Reason Notice***"), and (ii) the Company fails to cure (as determined by the Board in good faith) such occurrence, act, deficiency, conduct, breach or failure during the period of 30 days immediately following the date such Good Reason Notice is given to the Company. For purposes of this Agreement, "***Good Reason***" means any of the following undertaken without the consent of Employee:

(i) The Company's breach of this Agreement;

(ii) A material reduction by the Company of Employee's salary; or

(iii) A material diminution by the Company in Employee's level of duties, authority or responsibilities for the Company.

(e) *Death*. Prior to the end of the Term, this Agreement and Employee's employment hereunder shall terminate automatically upon Employee's death.

(f) *Disability*. In the event that Employee is unable to perform his services under this Agreement, due to physical or mental disability or incapacity, for a continuous period of at least 90 days, or a total of at least 120 days during any 12 month period, during the Term of this Agreement, or if Employee is determined to be disabled under the Company's or its Affiliates' long-term disability plan (if such exists) (each, a "***Disability***"), the Company may terminate the Term and Employee's employment hereunder upon written notice, subject to the Americans with Disabilities Act of 1990, as amended, and other applicable law.

(g) *Expiration*. The Term and Employee's employment hereunder shall terminate upon expiration of the Term as provided herein. The expiration of the Term shall not constitute termination without Cause or for Good Reason.

(h) *Return of Materials*. Upon termination of Employee's employment hereunder for any reason, Employee shall deliver promptly to the Company all computers, keys, telephones, other electronic devices, card keys, credit cards, files, correspondence, memoranda, notes, records, drawings, sketches, plans, lists or other documents or property of the Company or its Affiliates, which are in Employee's possession, custody or control.

(i) *Resignation from Boards*. Upon termination of Employee's employment hereunder for any reason, Employee agrees to resign, as of the date of such termination and to the extent applicable, as a director, manager, governor and/or officer of the Company or its Affiliates.

(j) *Provisions that Survive Termination of Employment*. All rights and obligations of the Company and Employee under this Agreement shall cease as of the effective date of termination or expiration of employment and the Term, except that **Sections 4(b)**, **6(h)**, **6(i)**, **6(j)**, **7**, **8**, **9**, **10**, **and 11** shall survive such termination or expiration in accordance with their terms.

7. Severance Benefits.

(a) *Earned Salary*. Upon termination of Employee's employment for any reason, Employee shall be entitled to the following (collectively, the "***Accrued But Unpaid Compensation***");

(i) Any Base Salary earned, but unpaid, prior to such termination;

(ii) Reimbursement for any unreimbursed business expenses properly incurred by Employee in accordance with **Section 4(e)** hereof prior to the date of termination, so long as claims for such reimbursement (accompanied by appropriate receipts and other supporting documentation) are submitted to the Company within 45 days following the date of termination; and

(iii) Such employee benefits, if any, as to which Employee may be entitled under the terms and conditions of the Company's retirement plans or other employee benefit plans as of such termination.

No other compensation or benefits will be due or payable to Employee upon or after any termination expiration of this Agreement, except as expressly provided otherwise in **Section 4(b)** and in subsection (b) of this **Section 7** or as required by law.

(b) *Severance upon Termination without Cause or Resignation for Good Reason*. If (i) the Company terminates this Agreement and employment of Employee other than for Cause, death, Disability or expiration of this Agreement, or (ii) Employee resigns and terminates this Agreement and his employment for Good Reason, then, in addition to all Accrued by Unpaid Compensation payable to Employee hereunder, and conditioned upon and subject to Employee executing and delivering to the Company (and not revoking) a written release of claims in favor of the Company and its subsidiaries, Affiliates, directors, officers, shareholders, employees, agents, representatives, successors and assigns relating to Employee's employment with the Company and the termination thereof which is reasonably satisfactory in form and substance to the Company ("***Release***"), the Company shall continue to pay to Employee his Base Salary as in effect immediately prior to such termination (the "***Severance Payments***") for the number of months or partial months remaining during the Term from the date of such termination (the "***Severance Period***"). The Severance Payments shall be payable in accordance with the Company's standard payroll procedures, as such may exist from time to time, commencing with the first payday that occurs at least five business days after the date on which the Release becomes fully effective and is no longer subject to revocation by Employee under the terms thereof, and shall be subject to applicable withholdings.

8 . Cooperation. During the Term and thereafter, Employee shall reasonably cooperate with the Company, as reasonably requested by the Company, in any internal investigation or administrative, regulatory or judicial proceeding relating to matters that occurred during the Term.

9. No Conflicting Agreements . Employee hereby represents and warrants to the Company that the execution of this Agreement by Employee and his employment by the Company and the performance of his duties and responsibilities hereunder will not violate or be a breach of any agreement with a former employer or any other person.

10. Restrictive Covenants.

(a) *Definitions*.

(i) "***Affiliate***" means a Person Controlling, Controlled by or under common Control with, another Person.

(ii) "***Confidential Information***" means all information, trade secrets, inventions, data, processes, or other records relating to the Company's or its Affiliates' business, financial affairs, or operations, including, but not limited to, information related to past, present or future business plans, strategic plans, technical data, technology, source code, software, product or service requirements, customers, financial information, sales information, product design, research and development, prices and methods of pricing, marketing techniques and plans, unannounced products, product and process information, any rates, analyses, summaries, compilations, studies or other records and any other information which, if disclosed to others, might be competitively detrimental to the Company, whether disclosed in any tangible, written, oral, electronic, visual, or other medium. Confidential Information shall also include all information, know-how, trade secrets, technical data, non-technical data, or other confidential information concerning the operations, projects, organization, business, or finances of the Company or any third party to which the Company owes a duty of confidentiality, in whatever form (whether disclosed in any tangible, written, oral, electronic, visual, or other medium), that Company or its Representatives (as defined below) learns, generates, or acquires in conjunction with the prospective business or business relationship with the Company.Notwithstanding the foregoing, Confidential Information shall not include information or data which: (i) was independently developed by Company or its Representatives, provided that such information or data is not subject to another confidentiality agreement or other obligation of secrecy to the Company; (ii) becomes available to the public other than as a result of disclosure by Company or its Representatives; (iii) becomes available to Company or its Representatives on a non-confidential basis from a source other than the Company or its Representatives, so long as that source is not prohibited from disclosing such information or data to Company based on another confidentiality agreement or other obligation of secrecy to the Company; or (iv) was already in the possession of Company or its Representatives, as evidenced by written documentation, prior to receiving such information from the Company.

(iii) "***Control***" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through ownership of voting securities or equity ownership, by contract or otherwise, including the holding of more than 50% of the outstanding equity securities or voting rights of another Person.

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

(v) "***Customer***" means any consumer, retailer, wholesaler, dealer, distributor or other Person (or any Affiliate thereof), which, at any time during the Term, purchased any product or service distributed, marketed, installed, sold or provided by the Company or any of its Affiliates.

(vi) "***Restricted Period***" means that period beginning on the Effective Date and continuing through the Term and for a period thereafter of one year immediately following the termination of this Agreement for any reason or expiration of the Term.

(vii) "***Restricted Territory***" means anywhere in the United States or Canada.

(viii) "***Representatives***" mean the partners, members, managers, directors, officers, employees, agents, advisors (including, without limitation, attorneys, accountants, investment bankers, and consultants), lenders, and all affiliates, of a specified party.

(b) *Acknowledgements*. Employee hereby acknowledges and agrees that: (i) the covenants and agreements of Employee contained herein are reasonably necessary to protect the interests of the Company and are not greater than are necessary for the protection of the Company in light of the substantial harm that it and its Affiliates might suffer should Employee breach any of the provisions of said covenants or agreements, (ii) the period of restriction and geographical area of restrictions contained herein are fair and reasonable, and the nature, kind and character of the activities Employee is prohibited to engage in are reasonable and necessary to protect the Company and its Affiliates, (iii) the products and services of the Company are or are intended to be marketed, distributed, sold, installed and provided throughout the Restricted Territory, and it competes with other businesses that are or could be located in any part of the Restricted Territory, (iv) the covenants and agreements of Employee contained herein are material inducements for the Company to enter into this Agreement, and Employee desires that the Company enter into this Agreement and Employee will materially benefit herefrom, and (v) the disclosure by Employee of any Confidential Information to competitors or potential competitors of the Company or its Affiliates may place the Company or its Affiliates at a competitive disadvantage and may do monetary or other damage to the Company or its Affiliates. By reason of the abilities and experience of Employee, the enforcement of the covenants and agreements set forth in this **Section 11** will not prevent him from obtaining other suitable employment or earning a livelihood in his profession.

(c) *Non-Competition.*

(i) Employee acknowledges that the Confidential Information in his possession would enable Employee to establish goodwill with the Customers and potential Customers, and vendors and suppliers, who provide products and services to or on behalf of the Company, or who receive products or services from the Company and that the Confidential Information constitutes a valuable asset of the Company or its Affiliates. Employee also acknowledges that he has developed relationships with Customers, potential Customers, vendors, suppliers, employees, contractors or potential contractors and consultants or potential consultants of the Company. Employee further acknowledges and agrees that the scope of the Restricted Territory and Restricted Period is reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates.

(ii) Accordingly, Employee agrees that during the Restricted Period Employee and each Affiliate of Employee shall not, anywhere in the Restricted Territory, directly or indirectly, either alone or in conjunction with any other Person, conduct, engage in, render services or advice to, finance or participate or become interested in (in any manner, whether as manager, employee, officer, director, consultant, contractor, owner, partner or otherwise, or through equity ownership or other investment or financial interest) any company, enterprise, venture, entity, business or other Person (other than the Company or its Affiliates) that engages or proposes to engage in the design, development, manufacture, production, distribution, marketing, installation or sale of any mercury removal products or business or related equipment, supplies or products, that is or are, in whole or in part, the same as, similar to, substitutes for or competitive with any of the Company's products or services; *provided however,* that the foregoing restriction shall not apply to the ownership of less than one percent of the outstanding equity securities of a Person having securities that are listed for trading on a national securities exchange, subject to the other restrictions and covenants in this Agreement.

(d) *Non-Disclosure of Trade Secrets and Confidential Information*.

(i) Employee shall not, at any time from and after the Effective Date, directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, transmit or disclose any Confidential Information to any Person, concern or entity, and shall not make use of any such Confidential Information, directly or indirectly except to advance the interests of the Company and its Affiliates; *provided, however,* that Employee may disclose or use any Confidential Information to the extent, and only to the extent, that such Confidential Information is required to be disclosed (i) in the course of performing Employee's duties on behalf of the Company as an employee, or (ii) by law, provided that Employee must give the Company reasonable advance written notice of the proceeding or legal requirement requiring such disclosure, so that the Company may seek a protective order if it chooses to do so.

(ii) Upon termination or expiration of the Term or Employee's employment or the request of the Company, Employee shall deliver to the Company all documents and materials reflecting Confidential Information in the possession or control of Employee, and shall not retain any copies of any such documents or materials.

(iii) The restrictions of this **Section 10(d)** shall apply regardless of whether the Confidential Information is in written, graphic, computer, recorded, photographic or any machine-readable form, is orally conveyed to or is otherwise known by Employee.

(e) *Non-Solicitation, Non-Interference*.

(i) Employee acknowledges and agrees that valuable relationships have been or will be established between the Company or its Affiliates and their respective Customers or potential Customers, and that such relationships constitute or will constitute a valuable asset of the Company or its Affiliates.

(ii) Accordingly, Employee agrees that, during the Restricted Period, with respect to the Business (as defined below) of the Company, neither Employee nor any Affiliate of Employee shall directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, solicit, entice, divert, take away or sell or market to, or attempt to solicit, entice, divert or take away or sell or market to, any Customer, or potential Customer having relations with the Company or any of its Affiliates. The "***Business***" means mercury emissions control, technology relating thereto and the activities directly related to such business.

(iii) Employee further agrees that, during the Restricted Period, neither Employee nor any Affiliate of Employee shall, directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, induce or entice or attempt to induce or entice any Customer, potential Customer, vendor, supplier, distributor, dealer or other Person having relations with the Company or any of its Affiliates to breach, terminate, limit or modify any existing contract or other business arrangement with the Company or any of its Affiliates or take any other action intended to damage or impair any relationship between the Company or any of its Affiliates and any Customer, potential Customer, vendor, supplier, distributor or other Person having business relations with the Company or any of its Affiliates.

(f) *Non-Solicitation of Employees*. Employee acknowledges and agrees that the Company's and its Affiliates' arrangements, agreements and relationships with their respective employees and independent contractors and the services provided by such employees and independent contractors are integral to the operations of the Company and its Affiliates and that the loss of such arrangements, agreements and relations would result in irreparable damages to the Company and its Affiliates. Accordingly, Employee agrees that during the Restricted Period neither Employee nor any Affiliate of Employee shall, directly or indirectly, in any manner or capacity either alone or in conjunction with any other Person, solicit, entice, divert, take away, hire or engage, or attempt to solicit, entice, divert, take away, hire or engage, any Person who is an employee or independent contractor of the Company or any of its Affiliates who has been so employed or contracted at any time during the 24 months prior to such solicitation, enticement, diversion, taking away, hiring, engagement or attempt (it being conclusively presumed by the parties so as to avoid disputes that any such action within such 24 month period is in violation of this clause).

(g) *Third Party Information*. Employee acknowledges that the Company and its Affiliates have received and in the future will receive from third parties confidential or proprietary information ("***Third Party Information***") subject to a duty on the Company's and/or its Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. To the extent it is identified by the Company or the third party to Employee as such, during the Term and thereafter, Employee will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel and advisors who need to know such information in connection with their work for the Company) or use Third Party Information, except as necessary in connection with the performance of his duties on behalf of the Company as an employee. In addition, in the performance of his duties on behalf of the Company, Employee will not improperly disclose, publish, reverse engineer or use any confidential information or trade secrets of any former employer or other Person to whom Employee has an obligation of confidentiality, nor bring onto the premises of the Company or its Affiliates any unpublished documents or any property belonging to any former employer or any other Person to whom the Employee has an obligation of confidentiality unless consented to in writing by that former employer or Person.

(h) *Nondisparagement.* During the Term and thereafter, Employee shall not make any statements or comments that disparage the Company or any of its Affiliates, nor any of their products, officers, directors, employees or businesses, other than statements or comments made in good faith (i) to members of senior management or Board of Directors of the Company or its Affiliates in the course of carrying out Employee's duties on behalf of the Company during the Term, (ii) regarding employees of the Company to members of senior management of the Company or its Affiliates or the applicable employee in connection with internal employee evaluations, reviews or terminations in the course of carrying out Employee's duties on behalf of the Company during the Term, (iii) in connection with enforcement of this Agreement or claims hereunder or (iv) to the extent required by applicable law, legal process or subpoena. Likewise, the Company will not make any statements or comments that disparage Employee other than in good faith (i) to Employee, (ii) in connection with internal evaluations, reviews or terminations, (iii) in connection with enforcement of this Agreement or claims hereunder, or (iv) to the extent required by applicable law, legal process or subpoena.

(i) *Enforcement and Remedies*.

(i) Employee acknowledges and agrees that the covenants set forth in this **Section 10** are reasonable and valid in time and scope and in all other respects. The covenants set forth in this Agreement shall be considered and construed as separate and independent covenants. The parties agree that the existence of any claim or cause of action by the Employee against the Company or any of its Affiliates on the one hand, or by the Company or any of its Affiliates against Employee, on the other hand, shall not constitute a defense to the enforcement of the restrictive covenants set forth herein, but shall be litigated separately. Should any part or provision of any covenant be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness or unenforceability shall not render invalid, void or unenforceable any other part or provision of this Agreement.

(ii) The parties hereunder agree that it is their intention that such covenants be enforced in accordance with their terms to the maximum extent possible under applicable law. The parties further agree that, in the event any court of competent jurisdiction shall find that any of such covenants or restrictions is invalid or unenforceable, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the parties in agreeing to the provisions of this Agreement will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

(iii) Without limiting the remedies available to the Company, the parties acknowledge that a breach of any of the covenants contained in this **Section 10** will result in material, irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof by Employee, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining Employee from engaging in activities prohibited by this Agreement or such other relief as may be required to specifically enforce any of the covenants hereof without the necessity of posting any bond or proving actual damages. Employee hereby waives the claim or defense that an adequate remedy at law for such a breach exists. If Employee breaches any covenant in this Agreement, the applicable period of restriction shall be extended by the period of the duration of such breach. Further, without limiting the remedies available to Employee, the parties acknowledge that a breach of the covenant in **Section 10(h)** will result in material, irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof by Company, the Employee shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining Company from engaging in activities prohibited by this Agreement or such other relief as may be required to specifically enforce any of the covenants hereof without the necessity of posting any bond or proving actual damages, Company hereby waives the claim or defense that an adequate remedy at law for such a breach exists.

(iv) Employee shall be liable in connection with any breach by Employee or any Affiliate of Employee of the terms of this Agreement. Employee also specifically acknowledges and agrees that the Company shall be entitled to seek monetary damages and other remedies at law for breaches of this Agreement in addition to any injunctive or other equitable relief.

11. Inventions.

(a) Employee acknowledges that Employee's work on and contributions to any documents, programs, designs, methodologies, protocols, inventions, discoveries, innovations, trade secrets, ideas, processes, formulas, data, works of authorship, know-how, improvements, developments, techniques and other expressions in any medium, whether patentable or copyrightable, which have been or will be prepared by Employee, or to which Employee has contributed or will contribute, related to the Company or its Affiliates or their respective businesses and in connection with Employee's services to the Company or any of its Affiliates, whether before or during the Term (collectively, " ***Works***"), are and will be within the scope of Employee's services and part of Employee's duties and responsibilities hereunder. Employee's work on and contributions to the Works will be rendered and made by Employee for, at the instigation of, and under the overall direction of, the Company, and are and at all times shall be regarded, together with the Works, as "work made for hire" as that term is used in the United States copyright laws. However, to the extent that any court or agency should conclude that the Works (or any of them) do not constitute or qualify as a "work made for hire," Employee hereby assigns, grants, and delivers exclusively and throughout the world to the Company all rights, titles, and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. Employee agrees to cooperate with the Company and to execute and deliver to the Company and its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual, and worldwide ownership of all rights, titles, and interests of every kind and nature, including all copyrights, in and to the Works, and Employee constitutes and appoints the Company as his agent to execute and deliver any assignments or documents Employee fails or refuses to execute and deliver, this power and agency being coupled with an interest and being irrevocable. Without limiting the preceding provisions of this **Section 10.** Employee agrees that the Company may edit and otherwise modify, and use, publish and otherwise exploit, the Works in all media and in such manner as the Company, in its sole discretion, may determine.

(b) Employee shall disclose promptly to the Company, and only to the Company, any invention or idea of Employee in any way related to the Company or its Affiliates or their businesses and connected with Employee's services, the research or development of the Company or its Affiliates or demonstrably anticipated research or development (developed alone or with others), conceived or made during the Term and hereby assigns to the Company any such invention or idea. Employee agrees to cooperate with the Company and sign all papers deemed necessary by the Company to enable the Company to obtain, maintain, protect and defend patents covering such inventions and ideas and to confirm the exclusive ownership by the Company, of all rights in such inventions, ideas and patents, and irrevocably appoints the Company as its agents to execute and deliver any assignments or documents Employee fails or refuses to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable. This constitutes the Company's written notification that this assignment does not apply to an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless (i) at the time of conception or reduction to practice, the invention relates directly to the business of the Company or any of its Affiliates, or to the Company's or its Affiliates' actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by Employee for the Company or any of its Affiliates.

(c) All records, designs, patents, business plans, financial statements, manuals, memoranda, customer lists, customer database, rolodex and other property delivered to or compiled by Employee by or on behalf of the Company or any of its Affiliates or representatives, vendors or Customers or potential Customers which pertain to the Company or its Affiliates shall be and remain the property of the Company or its Affiliates, as applicable, and be subject at all times to its discretion and control. This does not include customer lists, customer databases, rolodex or business card files that were the property of Employee before being hired by the Company, even where they have been used by the Employee for the Company's benefit during the Term. Upon the request of the Company and, in any event, upon the termination of Employee's employment with the Company, Employee shall deliver all such non-excluded materials to the Company. Likewise, all correspondence, reports, records, charts, advertising materials and other similar data pertaining to the business, activities or future plans of the Company or its Affiliates which are collected by Employee shall be delivered promptly to the Company without request by it upon termination or expiration of Employee's employment.

12. Miscellaneous.

(a) *Assignment; Binding Effect*. Employee understands that he has been selected for employment by the Company on the basis of his personal qualifications, experience and skills. Employee agrees, therefore, that he cannot assign all or any portion of his performance under this Agreement. The Company may assign this Agreement, in whole or in part, to any Affiliate of the Company or to any assignee or successor to the Company, whether by merger, consolidation, sale of stock, sale of assets or otherwise, provided, however, that, the Company may not assign this Agreement to a subsidiary without the prior written consent of Employee. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective heirs, legal representatives, successors and assigns.

(b) *Complete Agreement; Waiver; Amendment*. This Agreement constitutes a single integrated contract expressing the entire agreement of the parties, and supersedes and replaces any and all other agreements or offers, whether written or oral, express or implied, among the parties with respect to the subject matter hereof. This Agreement is the final, complete, and exclusive statement of expression of the agreement among the parties with respect to the subject matter hereof, and cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous oral or written agreements. This Agreement may not be later modified except by a further writing signed by each of the parties, and no term of this Agreement may be waived except by a writing signed by the party waiving the benefit of such term.

(c) *Notice*. All notices and other communications under this Agreement shall be in writing and shall be delivered in person or by reputable overnight delivery (delivery charges prepaid), addressed as follows, and shall be deemed effective and given when delivered in person or on receipt (or when delivery is refused) after dispatch by reputable overnight delivery:

Employee: Keith McGee
103 East End Ave
Shrewsbury, NJ 07702

Company: Midwest Energy Emissions Corp.
500 West Wilson Bridge Road
Suite 140
Worthington, Ohio 43085
Attention: R. Alan Kelley, President

Any party hereto may change its address specified for notices herein by designating a new address by notice in accordance with this **Section 12(c)**.

(d) *Remedies on Breach*. In addition to, and not in limitation of, the provisions of **Section 10** hereof, the parties agree that any breach of this Agreement by either party may cause irreparable damage to the other party, and that in the event of such breach the damaged party shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of any obligations hereunder, without the necessity of posting a bond or other security. With respect to any dispute between the Company and Employee as to the interpretation, terms, validity or enforceability of (including any dispute about the amount of any payment pursuant to) this Agreement, the losing party in such dispute shall pay to the prevailing party all of the prevailing party's costs and expenses, including reasonable attorneys' fees in connection with the enforcement of this Agreement.

(e) *Waiver of Breach.* The waiver by either party of a breach of any provisions of this Agreement by either party shall not operate or be construed as a waiver of any subsequent breach by either party.

(f) *Governing Law; Permitted Venue*. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Ohio. The parties agree that any dispute arising out of or relating to this Agreement, may be brought in the state or federal courts located in Franklin County, Ohio. Each party hereby waives any objection to the personal or subject matter jurisdiction and venue of such courts.

(g) *Waiver of Right to Trial by Jury.* EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. EACH PARTY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(h) *Severability*. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative.

(i) *Counterparts*. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Facsimile or scanned or pdf and e-mailed counterpart signatures to this Agreement shall be acceptable and binding on the parties hereto.

(j) *Construction*. The headings in this Agreement are for convenience only, are not a part of this Agreement and shall not affect the construction of the provisions of this Agreement. As used in this Agreement, the words “include” and “including”, and variations thereof, shall not be deemed to be terms of limitation but rather will be deemed to be followed by the words “without limitation.” No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or the government or judicial authority by reason of such party having or being deemed to have structured or drafted such provision of this Agreement.

[SIGNATURE PAGE FOLLOWS. REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MIDWEST ENERGY EMISSIONS CORP.

By: */s/ R. Alan Kelley*
R. Alan Kelley, President

EMPLOYEE:

By: */s/ Keith McGee*
Keith McGee

[SIGNATURE PAGE TO EMPLOYMENT AGREEMENT]

WAIVER AND AMENDMENT TO FINANCING AGREEMENT, AND REAFFIRMATION OF GUARANTY

This WAIVER AND AMENDMENT TO FINANCING AGREEMENT AND REAFFIRMATION OF GUARANTY dated as of March 16, 2015 (the "**Amendment**"), is executed by and among Midwest Energy Emissions Corp., a Delaware corporation, (the "**Borrower**"), MES, Inc., a North Dakota corporation ("**MES**" or "**Guarantor**"), and AC Energy Midwest LLC, a Delaware limited liability company (the "**Lender**").

R E C I T A L S:

A. Borrower, Guarantor and Lender entered into that certain Financing Agreement dated as of August 14, 2014 (the "**Financing Agreement**"), pursuant to which Financing Agreement the Lender has made certain financial accommodations to Borrower, as evidenced by that certain Senior Secured Convertible Note dated as of August 14, 2014 in the original principal amount of $10,000,000 (the "**Note**"), which financial accommodations were guaranteed by the Guarantor pursuant to the Financing Agreement.

B. In connection with the Financing Agreement, Borrower and Guarantor granted the Lender a security interest in and to certain of the Borrower's and Guarantor's assets pursuant to that certain Security Agreement by and among the Borrower, Guarantor and Lender dated as of August 14, 2014 (the "**Security Agreement**"), that certain Securities Pledge Agreement between the Borrower and the Lender dated as of August 14, 2014 (the "**Securities Pledge Agreement**") and that certain Collateral Assignment of License Agreement by and among the Borrower, Guarantor and Lender dated as of August 14, 2014 (the "**Collateral Assignment of License Agreement** " and collectively with the Security Agreement and the Securities Pledge Agreement referred to herein as the "**Security Documents**").

C. In connection with the Financing Agreement, the Borrower issued to the Lender a warrant which entitles the Lender to purchase 12,500,000 shares of the Borrower's common stock as evidenced by that certain Warrant executed by the Borrower in favor of the Lender dated of August 14, 2014 (the "**Warrant**").

D. In connection with the Financing Agreement, Richard Galterio ("**Agent**") as agent for the Investors (as defined in that certain Noteholder Agency Appointment Agreement by and between the Investors and Agent, the "**Agency Agreement**")) (each a "**Subordinated Creditor**" and collectively the "**Subordinated Creditors**"), Borrower and Guarantor executed and delivered to the Lender that certain Intercreditor Agreement dated as of August 14, 2014 (the "**Intercreditor Agreement**").

E. At the present time the Borrower and the Guarantor request, and the Lender is agreeable to (i) a modification of various financial and other covenants and provisions as set forth in the Financing Agreement, and (ii) a waiver of a violation by the Borrower of the Minimum SG&A or Minimum Units Contracted covenant set forth in Section 8.1(b) of the Financing Agreement, pursuant to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Borrower, the Guarantor and the Lender hereby agree as follows:

A G R E E M E N T S:

1. RECITALS. The foregoing recitals are hereby made a part of this Amendment.

2. DEFINITIONS. Capitalized words and phrases used herein without definition shall have the respective meanings ascribed to such words and phrases in the Financing Agreement.

3. AMENDMENTS TO THE FINANCING AGREEMENT.

3.1 Reduction of Principal Balance of the Note. Contemporaneously with the execution and delivery of this Amendment, Borrower shall pay Lender the amount of $3,000,000.00, as a reduction in the outstanding principal balance of the Note. All references to the principal balance of the Note in any of the Loan Documents are hereby amended to $7,000,000.

3.2 Reduction of Conversion Price. The definition of "Conversion Price" in Section 1.1 of the Financing Agreement is hereby amended in its entirety to read as follows:

"**Conversion Price**" shall mean $0.50 per share (and shall be further subject to adjustment as provided in Section 2.10 hereof)."

3.3 Revised Definition of SG&A. The definition of "SG&A" in Section 1.1 of the Financing Agreement is hereby amended in its entirety to read as follows:

"**SG&A**" means the Borrower's and its Subsidiaries' (determined on the consolidated basis) selling, general and administrative expenses plus the professional fees as set in the Borrower's and its Subsidiaries' consolidated financial statements, excluding non-cash charges (including, but not limited to: (i) common stock or other equity linked securities issued as compensation for services; (ii), professional fees incurred in connection with the transactions contemplated under this Agreement and in connection with any future equity or debt financing transactions which have been consented to by Lender from time to time; (iii) any extraordinary expenses incurred by the Borrower's and/or its Subsidiaries which have been approved by Lender; (iv) legal expenses incurred in connection with the Waiver and Amendment to Financing Agreement and Reaffirmation of Guaranty dated as of March 16, 2015; and (v) management salaries accrued but not paid in cash).

3.4 Revisions With Respect to Provisions Governing Certain Mandatory Prepayments. Section 2.3(c)(iii) of the Financing Agreement is hereby amended in its entirety to read as follows:

"(iii) Within five (5) days following the date of receipt by a Credit Party of any net cash proceeds from a capital contribution to, or the issuance of any Equity Interests of a Credit Party other than: (A) issuances by Borrower pursuant to any employee stock or stock option compensation plan permitted pursuant to the terms of this Agreement; or (B) cash applied toward payment of the indebtedness with respect to any of the Prior Convertible Notes; or (C) non-cash conversions of indebtedness with respect to any of the Prior Convertible Notes to equity, the Borrower shall prepay the Notes as set forth in Section 2.3(d) in an aggregate amount equal to 100% of such net cash proceeds; provided, however, if the net cash proceeds are to be applied to payment of the indebtedness with respect to a Prior Junior Convertible Note, such net cash proceeds may be held by Borrower until the maturity date of such Prior Junior Convertible Note as long as they are then so applied."

3.5 Revised Definition of Management Annualized Compensation. The definition of "Management Annualized Compensation" in Section 1.1 of the Financing Agreement is hereby amended in its entirety to read as follows:

"**Management Annualized Compensation**" means the annualized cash compensation earned and paid in the period by Borrower and/or MES to Alan Kelley, Richard Gross, Marc Sylvester, Jim Trettel, Keith McGee, Rick MacPherson, John Pavlish or any other member of the Borrower's or MES' management team (exclusive of cash payments for sales commissions earned and paid to Marc Sylvester or any other sales personnel of the Borrower and/or MES.

3.6 Revised Financial Covenants. Section 8.1 of the Financing Agreement is hereby amended in its entirety to read as follows:

(a) "Section 8.1 Financial Covenants **Minimum EBITDA**. On the dates listed below, Borrower and its Subsidiaries, on a consolidated basis, shall have EBITDA for the twelve (12) month period ending on the date of such calculation of not less than:

Testing Period	**LTM EBITDA**
March 2015	Not Tested
April 2015	Not Tested
May 2015	Not Tested
June 2015	Not Tested
July 2015	Not Tested
August 2015	Not Tested
September 2015	Not Tested
October 2015	($2,100,000)
November 2015	($2,100,000)
December 2015	($1,500,000)
January 2016	($1,000,000)
February 2016	($500,000)
March 2016	$0
April 2016	$1,000,000
May 2016	$2,000,000
June 2016	$3,000,000
July 2016	$3,750,000
August 2016	$4,500,000
September 2016	$5,000,000
October 2016	$5,750,000
November 2016	$6,500,000
Thereafter	$7,000,000

(b) **Maximum SG&A or Minimum Contracted Units**. On the dates listed below, Borrower and its Subsidiaries, on a consolidated basis, shall have SG&A for the three (3) month period ending on the date of such calculation of not more than, or have Contracted Units on the date of such calculation of not less than:

Testing Period	**Last Three Month SG&A**	**Minimum Contracted Units**
March 31, 2015	$800,000	18
April 30, 2015	$750,000	18
May 31, 2015	$700,000	18
June 30, 2015	$700,000	18
July 31 2015	$700,000	18
August 31, 2015	$700,000	18
September 30, 2015	$700,000	18
October 31, 2015	$700,000	18
Thereafter	$650,000	18

(c) **Minimum Contracted Units**. On the dates listed below, Borrower and its Subsidiaries, on a consolidated basis, shall have Contracted Units on the date of such calculation of not less than:

Testing Period	**Contracted Units**
March 2015	13
April 2015	13
May 2015	13
June 2015	13
July 2015	13
August 2015	13
September 2015	15
October 2015	15
November 2015	15
December 2015	15
January 2016	15
February 2016	15
March 2016	15
April 2016	18
May 2016	18
June 2016	18
Thereafter	20

(d) **Maximum Management Annualized Compensation**. Borrower and its Subsidiaries, on a consolidated basis, shall be paying Management Annualized Compensation of not more than $150,000 to any member of Borrower's or MES' management team (other than John Pavlish) until such time as Borrower's trailing last twelve month EBITDA exceeds $0.00. For John Pavlish, the Management Annualized Compensation limit shall be $225,000.

3.7 Notices Regarding Enforcement Actions Related to Indebtedness represented by the Prior Junior Convertible Notes. Section 8.3 of the Financing Agreement is hereby amended to add the following to the end of Section 8.3(l):

> "and, without limiting the foregoing, the Borrower shall promptly notify the Lender of any threat, in writing received by Borrower, or institution of a Proceeding with respect to the Indebtedness represented by the Prior Junior Convertible Notes;"

3.8 Revised Definition of Event of Default Under Section 10.1(b). Section 10.1(b) of the Financing Agreement is hereby amended in its entirety to read as follows:

> "(b) any default occurs and is continuing with respect to, or any redemption of or acceleration prior to maturity of, any Indebtedness of any of the Credit Parties or any of their Subsidiaries, including, without limitation, the Indebtedness represented by the Prior Convertible Notes; provided, that, in the event that any such default or acceleration of Indebtedness is cured or rescinded by the holders thereof prior to acceleration of the Note, no Event of Default shall exist as a result of such cured default or rescinded acceleration; provided further that if the default relates to a matter where the creditor is subject to the Intercreditor Agreement and pursuant to that agreement has agreed not to take action to enforce the obligation, then such default shall not be deemed a default hereunder; and provided further, that with respect to the Indebtedness represented by the Prior Junior Convertible Notes, such default, redemption or acceleration shall not constitute an Event of Default hereunder until a Proceeding with respect to the Indebtedness represented by the Prior Junior Convertible Notes is initiated against one or more of the Credit Parties with respect to all or any portion of such Indebtedness."

3.9 Revised Definition of Events of Default Under Section 10.1(m). Section 10.1(m) of the Financing Agreement is hereby amended in its entirety to read as follows:

> "(m) the material breach by any Credit Party of an agreement or agreements (in each case, other than a Transaction Document) to which it is a party that involves the payment to or by such Credit Party, individually or in the aggregate, of more than $500,000 (whether by set-off or otherwise) in any six (6) month period; provided, however, that with respect to the breach of any agreement to repay the Indebtedness represented by the Prior Junior Convertible Notes such breach shall not constitute an Event of Default hereunder until a Proceeding with respect to the Indebtedness represented by the Prior Junior Convertible Notes is initiated against one or more of the Credit Parties with respect to all or any portion of such Indebtedness."

3.10 Amendment and Restatement of Senior Secured Convertible Note. All references in the Financing Agreement and the Transaction Documents to the Note in the form of Exhibit "A" to the Financing Agreement shall be deemed to be references to that certain Amended and Restated Senior Secured Convertible Note dated as of March 16, 2015 to be executed by the Borrower in favor of the Lender (the "Replacement Note").

4. REAFFIRMATION OF GUARANTY. Guarantor hereby expressly (a) consents to the execution by the Borrower and the Lender of this Amendment; (b) acknowledges that the "Obligations" (as defined in the Financing Agreement) includes all of the obligations and liabilities owing from the Borrower to the Lender, including, but not limited to, the obligations and liabilities of the Borrower to the Lender under and pursuant to the Financing Agreement, as amended from time to time, and as evidenced by the Replacement Note, as modified, extended and/or replaced from time to time; (c) reaffirms, assumes and binds itself in all respects to all of the obligations, liabilities, duties, covenants, terms and conditions that are contained in the Financing Agreement; (d) agrees that all such obligations and liabilities under the Financing Agreement shall continue in full force and that the execution and delivery of this Amendment to, and its acceptance by, the Lender shall not in any manner whatsoever (i) impair or affect the liability of Guarantor to the Lender under the Financing Agreement, (ii) prejudice, waive, or be construed to impair, affect, prejudice or waive the rights and abilities of the Lender at law, in equity or by statute, against Guarantor pursuant to the Financing Agreement, and/or (iii) release or discharge, nor be construed to release or discharge, any of the obligations and liabilities owing to the Lender by Guarantor under the Financing Agreement; and (e) represents and warrants that each of the representations and warranties made by Guarantor in any of the documents executed in connection with the Loan remain true and correct as of the date hereof.

5. WAIVER OF DEFAULTED COVENANTS . The Borrower has informed the Lender that the Borrower has failed to comply with the Maximum SG&A or Minimum Contracted Units set forth in Section 8.1(b) of the Financing Agreement for certain fiscal periods ending on or before February 28, 2015 (the "**Defaulted Covenants**"). The Borrower and the Guarantor agrees and acknowledge that, as a result of the occurrence of such Defaulted Covenants, an Event of Default has occurred and is continuing under Section 10.1(f) of the Financing Agreement. The Borrower and the Guarantors have therefore requested that the Lender waive compliance by the Borrower with the Defaulted Covenants as well as the resulting Event of Default.

The Lender hereby waives: (a) compliance by the Borrower with the Defaulted Covenants, (b) the Event of Default occurring by reason of the Borrower's failure to comply with the Defaulted Covenants occurring on or before February 28, 2015 and (c) the Lender's remedies under the Financing Agreement with respect to the Defaulted Covenants and the resulting Event of Default. This waiver shall be narrowly construed and shall neither extend to any other violations of the covenants or other Events of Default under the Financing Agreement nor shall this waiver prejudice any rights or remedies which the Lender may have or be entitled to with respect to such future covenant violations or other Events of Default under the Financing Agreement.

6. REPRESENTATIONS AND WARRANTIES . To induce the Lender to enter into this Amendment, the Borrower and the Guarantor hereby certify, represent and warrant to the Lender that:

6.1 Organization. The Borrower, the Guarantor and each of their Subsidiaries are entities duly incorporated or organized and validly existing in good standing under the laws of the jurisdiction in which they are formed or incorporated, and have the requisite power and authorization to own their properties and carry on their business as now being conducted. The Borrower, the Guarantor and each of their Subsidiaries are duly qualified as foreign entities to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have, either individually or in the aggregate, a Material Adverse Effect.

6.2 Authorization. The Borrower and the Guarantor duly authorized to execute and deliver this Amendment and is and will continue to be duly authorized to borrow monies under the Financing Agreement, as amended hereby, and to perform its obligations under the Financing Agreement, as amended hereby.

6.3 No Conflicts/No Consent. The execution and delivery of this Amendment and the performance by the Borrower and the Guarantor of their respective obligations under the Financing Agreement, as amended hereby, does not and will not conflict with any provision of law or of the articles of incorporation or bylaws of the Borrower or the Guarantor. In addition, the execution and delivery of this Amendment and the performance by the Borrower and the Guarantor of their respective obligations under the Financing Agreement, as amended hereby, does not and will not conflict with the provisions of or require consent of any third party under any agreement binding upon the Borrower and/or the Guarantor. Without limiting the foregoing, the Borrower represents and warrants that the execution and delivery of this Amendment and the performance by the Borrower and the Guarantor of their respective obligations under the Financing Agreement, as amended hereby, does not violate the terms of or require the consent of Subordinated Creditors or the Agent under the Intercreditor Agreement.

6.4 Validity and Binding Effect. The Financing Agreement, as amended hereby, is a legal, valid and binding obligation of the Borrower and the Guarantor, enforceable against the Borrower and the Guarantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

6.5 Compliance with Financing Agreement. Subject to the updates to the Disclosure Schedules attached hereto as Schedules 7.7, 7.8, 7.32 and 7.37 the representations and warranties set forth in Article 7 of the Financing Agreement, as amended hereby, are true and correct with the same effect as if such representations and warranties had been made on the date hereof, with the exception that all references to the financial statements shall mean the financial statements most recently delivered to the Lender and except for such changes as are specifically permitted under the Financing Agreement. In addition, except for the Defaulted Covenants, the Borrower and the Guarantor have complied with and are in compliance with all of the covenants set forth in the Financing Agreement, as amended hereby, including, but not limited to, those set forth in Section 8.1(a), Section 8.1(c) and Section 8.1(d) thereof.

6.6 No Event of Default. As of the date hereof and except for the Event of Default occurring as a result of the Defaulted Covenants, no Event of Default under the Financing Agreement, as amended hereby, or event or condition which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, has occurred or is continuing.

6.7 No Subordinated Debt Default. As of the date hereof, no default under any of the documents evidencing or securing any of the Prior Convertible Notes, or event or condition which, with the giving of notice or the passage of time, or both, would constitute a default under any of the documents evidencing or securing any of the Prior Convertible Notes, has occurred or is continuing.

7. CONDITIONS PRECEDENT. This Amendment shall become effective as of the date above first written after receipt by the Lender of the following:

7.1 Fully Executed Copy of the Amendment. This Amendment executed by the Borrower, the Guarantor and the Lender.

7.2 Fully Executed Copy of the Replacement Note. A fully executed copy of the Amended and Restated Senior Secured Convertible Note dated as of March 16, 2015 in the principal amount of $7,735,826, executed by the Borrower and made payable to the order of the Lender, in the form of Exhibit "A" attached hereto.

7.3 Fully Executed Copy of Reaffirmation of Security Documents. A Reaffirmation of the Security Documents executed by the Borrower, the Guarantor and the Lender in the form of Exhibit "B" attached hereto.

7.4 Fully Executed Copy of an Amendment to the Warrant. An amendment to the Warrant executed by the Borrower in favor of the Lender in the form of Exhibit "C" attached hereto.

7.5 Principal Paydown. The Borrower shall have paid to the Lender the amount of Three Million and 00/100 Dollars ($3,000,000.00) to reduce the principal amount of the Note.

7.6 Resolutions. A certified copy of resolutions of the Board of Directors of the Borrower and the Guarantor authorizing the execution, delivery and performance of this Amendment and the related documents.

7.7 Other Documents. Such other documents, certificates and/or opinions of counsel as the Lender may request.

8. GENERAL.

8.1 Governing Law; Severability. This Amendment shall be construed in accordance with and governed by the laws of the State of New York. Wherever possible each provision of the Financing Agreement and this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Financing Agreement and this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Financing Agreement and this Amendment.

8.2 Successors and Assigns. This Amendment shall be binding upon the Borrower, the Guarantor and the Lender and their respective successors and assigns, and shall inure to the benefit of the Borrower, the Guarantor and the Lender and the successors and assigns of the Lender.

8.3 Continuing Force and Effect of Loan Documents. Except as specifically modified or amended by the terms of this Amendment, all other terms and provisions of the Financing Agreement and the other Loan Documents are incorporated by reference herein, and in all respects, shall continue in full force and effect. The Borrower, by execution of this Amendment, hereby reaffirms, assumes and binds itself to all of the obligations, duties, rights, covenants, terms and conditions that are contained in the Financing Agreement and the other Loan Documents. The Guarantor, by execution of this Amendment, hereby reaffirms, assumes and binds itself to all of the obligations, duties, rights, covenants, terms and conditions that are contained in the Financing Agreement.

8.4 References to Financing Agreement. Each reference in the Financing Agreement to “this Agreement”, “hereunder”, “hereof”, or words of like import, and each reference to the Financing Agreement in any and all instruments or documents delivered in connection therewith, shall be deemed to refer to the Financing Agreement, as amended hereby.

8.5 Expenses. The Borrower shall pay all costs and expenses in connection with the preparation of this Amendment and other related loan documents, including, without limitation, reasonable attorneys’ fees and time charges of attorneys who may be employees of the Lender or any affiliate or parent of the Lender. The Borrower shall pay any and all stamp and other taxes, UCC search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such costs and expenses.

8.6 Counterparts/Electronic Signatures. This Amendment may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party; *provided* that a facsimile or other electronic signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or electronic signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Waiver and Amendment to Financing Agreement and Reaffirmation of Guaranty as of the date first above written.

MIDWEST ENERGY EMISSIONS CORP., a Delaware corporation

By *<u>/s/ Richard H Gross</u>*
Name: Richard H Gross
Its: Chief Financial Officer

MES, INC., a North Dakota corporation

By: *<u>/s/ Richard H Gross</u>*
Name: Richard H Gross
Its: Chief Financial Officer

AC MIDWEST ENERGY LLC, a Delaware limited
liability company

By: *<u>/s/ Paul Schaffer</u>*
Name: Paul Schaffer
Its: Secretary/Treasurer

EXHIBIT A

Amended and Restated Senior Secured Convertible Note

See attached

EXHIBIT B

Reaffirmation of the Security Documents

See attached

EXHIBIT C

Warrant Amendment

See attached

EXHIBIT A

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THIS NOTE MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THIS NOTE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR (B) AN OPINION OF COUNSEL, IN A FORM REASONABLY ACCEPTABLE TO THE BORROWER REPRESENTATIVE, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THIS NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THIS NOTE, PROVIDED SUCH PLEDGE IS MADE IN COMPLIANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS.

AMENDED AND RESTATED SENIOR SECURED CONVERTIBLE NOTE

March 16, 2015 Principal: U.S. $7,735,826

FOR VALUE RECEIVED, Midwest Energy Emissions Corp., a Delaware corporation (the "**Borrower**") hereby promises to pay to the order of AC Midwest Energy LLC, a Delaware limited liability company or its registered assigns (the "**Lender**") the amount set out above as the Principal pursuant to the terms of that certain Financing Agreement dated as of August 14, 2014, as amended from time to time, by and among the Borrower, MES, Inc., a North Dakota corporation ("**MES**" or "**Guarantor**") and the Lender (together with all exhibits and schedules thereto and as may be amended, restated, modified and supplemented from time to time the "**Financing Agreement**"). Borrower hereby promises to pay accrued and unpaid interest and premium, if any, on the Principal on the dates, rates and in the manner provided for in the Financing Agreement. This Senior Secured Note is referred to herein and in the Financing Agreement and the Security Documents as the "**Note**" and all Senior Secured Notes issued in exchange, transfer, or replacement hereof in accordance with the terms of the Financing Agreement is referred to herein and in the Financing Agreement and the Security Documents collectively as the "**Notes**". Capitalized terms used and not herein are defined in the Financing Agreement.

This Note is subject to optional redemption, mandatory prepayment and shall be convertible into shares of common stock of the Borrower on the terms specified in the Financing Agreement. At any time an Event of Default exists, the Principal of this Note, together with all accrued and unpaid interest and any applicable premium due, if any, may be declared or otherwise become due and payable in the manner, at the price and with the effect, all as provided in the Financing Agreement.

This repayment of this Note is guaranteed by the Guarantor in accordance with the terms set forth in Article 9 of the Financing Agreement and is secured by a pledge of all of the assets of the Borrower and the Guarantor in accordance with the Security Documents.

All payments in respect of this Note are to be made in lawful money of the United States of America at the Lender's office in New York, New York or at such other place as the Holder of Notes shall inform the Borrower from time to time.

This Note may be assigned by the Lender, subject to the terms of Section 11.8 of the Financing Agreement. This Note is a registered Note and, as provided in the Financing Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered Lender hereof or such Lender's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Borrower may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Borrower will not be affected by any notice to the contrary.

This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note and all disputes arising hereunder shall be governed by, the laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The parties hereto (a) agree that any legal action or proceeding with respect to this Note shall be brought in any state or federal and state court located within New York, New York, (b) irrevocably waive any objections which either may now or hereafter have to the venue of any suit, action or proceeding arising out of or relating to this Note brought in the aforementioned courts, and (c) further irrevocably waive any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

THE LENDER AND THE BORROWER IRREVOCABLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT TO ENFORCE ANY PROVISION OF THIS NOTE.

This Note constitutes a renewal and restatement of, and replacement and substitution for, that certain Senior Secured Convertible Note dated as of August 14, 2014 in the principal amount of Ten Million and 00/100 Dollars ($10,000,000.00), executed by the Borrower and made payable to the order of the Lender (the "Prior Note") and the balance hereof includes all accrued and unpaid interest on the indebtedness evidenced by the Prior Note as of the date hereof. The indebtedness evidenced by the Prior Note is continuing indebtedness evidenced hereby, and nothing herein shall be deemed to constitute a payment, settlement or novation of the Prior Note, or to release or otherwise adversely affect any lien, mortgage or security interest securing such indebtedness or any rights of the Lender against any guarantor, surety or other party primarily or secondarily liable for such indebtedness.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date set out above.

BORROWER:

Midwest Energy Emissions Corp.

By: */s/ Richard H Gross*
Name: Richard H Gross
Its: Chief Financial Officer

EXHIBIT B

REAFFIRMATION OF SECURITY DOCUMENTS

THIS REAFFIRMATION OF SECURITY DOCUMENTS (this "Reaffirmation") is made as of the 16th day of March, 2015 by Midwest Energy Emissions Corp., a Delaware corporation, (the "**Borrower**") and MES, Inc., a North Dakota corporation ("**Guarantor**") in favor of AC Energy Midwest LLC, a Delaware limited liability company (the "**Lender**").

R E C I T A L S:

A. Borrower, Guarantor and Lender entered into that certain Financing Agreement dated as of August 14, 2014 (the "**Financing Agreement**"), pursuant to which Financing Agreement the Lender has made certain financial accommodations to Borrower, as evidenced by that certain Senior Secured Convertible Note dated as of August 14, 2014 in the original principal amount of $10,000,000 (the "**Note**"), which financial accommodations were guaranteed by the Guarantor pursuant to the Financing Agreement.

B. In connection with the Financing Agreement, Borrower and Guarantor granted the Lender a security interest in and to certain of the Borrower's and Guarantor's assets pursuant to that certain Security Agreement by and among the Borrower, Guarantor and Lender dated as of August 14, 2014 (the "**Security Agreement**"), that certain Securities Pledge Agreement between the Borrower and the Lender dated as of August 14, 2014 (the "**Securities Pledge Agreement**") and that certain Collateral Assignment of License Agreement by and among the Borrower, Guarantor and Lender dated as of August 14, 2014 (the "**Collateral Assignment of License Agreement**" and collectively with the Security Agreement and the Securities Pledge Agreement referred to herein as the "**Security Documents**").

C. Borrower and the Guarantor have requested from the Lender (i) a modification of various financial and other covenants and provisions as set forth in the Financing Agreement and (ii) a waiver of a violation by the Borrower of the Minimum SG&A or Minimum Units Contracted covenant set forth in Section 8.1(b) of the Financing Agreement and the Lender has agreed pursuant and subject to the terms and conditions set forth in that certain Waiver and Amendment to Financing Agreement and Reaffirmation of Guaranty by and among the Borrower, the Guarantor and the Lender dated as of March 16, 2015 (the "**Financing Agreement Amendment**").

D. The Lender has required, as a condition precedent to its agreement to execute the Financing Agreement Amendment that the Borrower and the Guarantor reaffirm their obligations under the Security Documents as set forth herein.

NOW THEREFORE, in consideration for the Lender's agreement to execute the Financing Agreement Amendment and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Borrower and the Guarantor agree as follows:

1. Notwithstanding the execution and delivery of the Financing Agreement Amendment, the Borrower and the Guarantor hereby reaffirm all of the agreements, representations, covenants and obligations of the Borrower and the Guarantor under the Security Documents and acknowledge and agree that the Security Documents shall remain and continue to be the valid and binding obligation of the Borrower and the Guarantor. Without limiting the foregoing, the Borrower and the Guarantor hereby agrees that all of the pledges, assignments, transfers, conveyances, mortgages and grants of security interest of any property given to Lender by any Credit Party pursuant to the Security Documents constituted and shall and hereinafter do continue to constitute pledges, assignments, transfers, conveyances, mortgages and grants of security interests of property to secure the Obligations.

2. The Borrower and the Guarantor acknowledge and agree that the Security Documents have not been discharged to any extent and that no rights or remedies of the Lender thereunder have been waived. The Borrower and the Guarantor further agree to and hereby waive any and all defenses that would arise as a result of the Lender’s agreement to amend certain provisions of the Financing Agreement and waive its rights with respect to any Events of Default pursuant to the Financing Agreement Amendment.

3. All recitals are hereby incorporated into and made a part of this Reaffirmation. Except as set forth herein, capitalized terms contained in this Reaffirmation shall have the respective meanings herein as such terms have in the Financing Agreement (as amended by the Financing Agreement Amendment).

4. This Reaffirmation may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this Reaffirmation by facsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this agreement. Any party delivering an executed counterpart of this agreement by facsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Reaffirmation, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Reaffirmation of Security Documents effective as of the day and year first above written.

MIDWEST ENERGY EMISSIONS CORP., a
Delaware corporation

By: */s/ Richard H Gross*
Name: Richard H Gross
Title: Chief Financial Officer

MES, INC., a North Dakota corporation

By: */s/ Richard H Gross*
Name: Richard H Gross
Title: Chief Financial Officer

Acknowledged and Agreed:

AC MIDWEST ENERGY LLC, a Delaware
limited
liability company

By: */s/ Paul Schaffer*
Name: Paul Schaffer
Title: Secretary / Treasurer

EXHIBIT 10.26

AMENDMENT NO. 1 TO WARRANT

THIS AMENDMENT NO. 1 TO WARRANT (the "Amendment") is made as of the16 th day of March 2015, by Midwest Energy Emissions Corp., a Delaware corporation, (the "**Borrower**") in favor of AC Energy Midwest LLC, a Delaware limited liability company (the "**Lender**").

R E C I T A L S:

A. Borrower, MES, Inc., a North Dakota corporation ("**Guarantor**") and Lender entered into that certain Financing Agreement dated as of August 14, 2014 (the "**Financing Agreement**"), pursuant to which Financing Agreement the Lender has made certain financial accommodations to Borrower, as evidenced by that certain Senior Secured Convertible Note dated as of August 14, 2014 in the original principal amount of $10,000,000 (the "**Note**"), which financial accommodations were guaranteed by the Guarantor pursuant to the Financing Agreement.

B. In connection with the Financing Agreement, the Borrower issued to the Lender a warrant which entities the Lender to purchase 12,500,000 shares of the Borrower's common stock as evidenced by that certain Warrant executed by the Borrower in favor of the Lender dated of August 14, 2014 (the "**Warrant**").

C. Borrower and the Guarantor have requested from the Lender (i) a modification of various financial and other covenants and provisions as set forth in the Financing Agreement and (ii) a waiver of a violation by the Borrower of the Minimum SG&A or Minimum Units Contracted covenant set forth in Section 8.1(b) of the Financing Agreement and the Lender has agreed pursuant and subject to the terms and conditions set forth in that certain Waiver and Amendment to Financing Agreement and Reaffirmation of Guaranty by and among the Borrower, the Guarantor and the Lender dated as of March 16, 2015 (the "**Financing Agreement Amendment**").

D. As a condition precedent to the effectiveness of the Financing Agreement Amendment the Lender is requiring and the Borrower agree to amend the Warrant as set forth in this Amendment.

NOW THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower s agrees as follows:

1 . Incorporation of Recitals/Defined Terms. All the recitals contained herein and in the Warrant are hereby incorporated into and made a part of this Amendment. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Warrant. All references in the Financing Agreement, as amended by the Financing Agreement Amendment and the other Transaction Documents (as such term if defined in the Financing Agreement) shall be deemed to include the Warrant as amended by this Amendment.

2. Revised Definition of Exercise Price. The definition of the term "Exercise Price" as set forth in Section 1.1 of the Warrant is hereby amended and restated in its entirety and is replaced with the following:

"**Exercise Price**" has the meaning set forth in Section 3(b).

3. Revised Exercise Price of Warrant. Section 3.1(b) of the Warrant is hereby amended and restated in its entirety and is replaced with the following:

(b) **Exercise Price**. This Warrant may be exercised at a price equal to $.50 per share, as the same may be adjusted proportionately from time to time upon the occurrence of the adjustment events set forth in Section 4 below.

4. Continuing Obligations. Except as expressly amended and modified by this Amendment, the Warrant is and shall continue to be in full force and effect in accordance with the terms thereof.

5. Successors and Assigns. This Amendment shall be binding on Borrower, its successors and assigns, and shall inure to the benefit of Lender, and its successors and assigns.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of New York (without giving effect to New York conflicts or choice of law provisions).

7. Payment of Expenses. Borrower shall pay all reasonable expenses (including reasonable attorneys' fees) incurred by Lender in connection with this Amendment.

8. Counterparts/Electronic Signatures. This Amendment may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party; *provided* that a facsimile or other electronic signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or electronic signature.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Amendment No. 1 to Warrant effective as of the day and year first above written.

MIDWEST ENERGY EMISSIONS CORP., a
Delaware corporation

By: */s/ Richard H Gross*
Name: Richard H Gross
Title: Chief Financial Officer

Acknowledged and Agreed:

AC MIDWEST ENERGY LLC, a Delaware
limited
liability company

By: */s/ Paul Schaffer*
Name: Paul Schaffer
Title: Secretary / Treasurer

**CODE OF ETHICS AND BUSINESS CONDUCT FOR OFFICERS,
DIRECTORS AND EMPLOYEES OF
MIDWEST ENERGY EMISSIONS CORP. (the "*COmpany*")**

A. Purpose

This Code of Business Conduct and Ethics (the "*Code*") addresses the Company's commitment to the honesty, integrity and ethical behavior of the Company's employees, officers and directors. These qualities are essential to the Company's reputation and success. This Code governs the actions and working relationships of the Company's employees, officers and directors with current and potential customers, consumers, fellow employees, competitors, government and self-regulatory agencies, investors, the public, the media, and anyone else with whom the Company has or may have contact. Each member of management of the Company has the added responsibility of setting an example by his or her personal performance, which should convey the Company's commitment to the highest ethical values. If you are ever unsure of the appropriate action, you are encouraged to take advantage of the Company's open door and informal environment and raise your concerns with appropriate management personnel.

B. Introduction

The Company and each of its employees, officers and directors must conduct their business affairs with the highest standards of honesty and integrity. Employees, officers and directors must also respect the rights of their fellow employees, officers, directors and third- parties. Your actions must be free from discrimination, libel, slander or harassment. Misconduct cannot be excused because it was directed or requested by another party. In this regard, you are expected to alert the Company in the manner set forth in **Section M (Reporting Violations)** whenever an illegal, dishonest or unethical act is discovered or suspected. You will not be penalized for reporting your discoveries or suspicions provided you have acted in good faith. Persons who violate this Code will be subject to disciplinary action, up to and including termination. Periodically, you may be required to review this Code and acknowledge in writing your understanding of and compliance with this Code.

C. Core Principles

1. Employees, officers and directors shall act with honesty and integrity and shall avoid actual or apparent conflicts of interest between personal and professional relationships and shall disclose to the audit committee any material transaction or relationship that reasonably could be expected to give rise to such conflict.

2. Employees, officers and directors shall endeavor to provide information that is full, fair, accurate, timely, and understandable in all reports and documents that the Company files with, or submits to, the Securities and Exchange Commission ("*SEC*") as well as other public filings or communications made by the Company.

3. Employees, officers and directors shall endeavor to faithfully comply with all laws, rules and regulations of federal, state, and local governments and applicable private or public regulatory agencies.

4. Employees, officers and directors shall act in good faith, responsibly, with due care, competence, and diligence and shall not knowingly or recklessly misrepresent material facts or allow their independent judgments to be subordinated.

5. Employees, officers and directors shall not use confidential information acquired in the course of their work for personal advantage and shall not buy or sell the Company's securities in violation of the securities laws or the Company's insider trading and stock pre-clearance policies.

6. Employees, officers and directors shall act responsibly in their use of and control over the Company's assets and resources.

D. Conflicts of Interest

A "conflict of interest" occurs when your private interest interferes or appears to interfere in any way with the interests of the Company. You must avoid all situations that might lead to a real or apparent material conflict between your self-interest and your duties and responsibilities as an employee, officer or director of the Company. Any position or interest, financial or otherwise, which could materially conflict with your performance as an employee, officer or director of the Company, or which affects or could reasonably be expected to affect your independence or judgment concerning transactions between the Company, its customers, suppliers or competitors or otherwise reflects negatively on the Company would be considered a conflict of interest. In addition, you may not exploit your position or relationship with the Company for personal gain. For example, there is a likely conflict of interest if you (i) cause the Company to engage in business transactions with relatives or friends; (ii) use nonpublic, client or vendor information for personal gain by you, relatives or friends (including securities transactions based on or while aware of such information); or (iii) compete, or prepare to compete, with the Company while still employed by, or serving as a director of, the Company.

E. Confidentiality

Nonpublic information regarding the Company or its businesses, employees, customers and suppliers is confidential. As a Company employee, officer or director you are trusted with confidential information. You are only to use such confidential information for the business purpose intended and not for personal gain (as further described in the Company's Insider Trading Policy). You may not share (or "tip") confidential information with anyone outside the Company (except for the Company's professional advisors in connection with their provision of services), including family and friends, or with other employees who do not need the information to carry out their duties. You remain under an obligation to keep all information confidential even if your employment or directorship ends.

F. Corporate Opportunities

Using confidential information about the Company or its businesses, employees, officers, directors, customers, consumers or suppliers for personal benefit or disclosing such information to others outside your normal duties is prohibited. All non-public information about the Company should be considered confidential. Employees, officers and directors are prohibited from:

- Personally benefiting from opportunities that are discovered through the use of the Company property, contacts, information or position.
- Accepting employment or engaging in a business (including consulting or similar arrangements) while employed by the Company that may conflict with the performance of your duties or the Company's interest.
- Soliciting, demanding, accepting or agreeing to accept anything of value from any person in conjunction with the performance of your employment or duties at the Company.
- Acting on behalf of the Company in any transaction in which you or your immediate family has a significant direct or indirect financial interest.

There are certain limited situations in which you may accept a personal benefit from someone with whom you transact business, such as:

- Accepting gifts not to exceed an aggregate total value of $500 per year from any one individual or entity in recognition of a commonly recognized events or occasions (such as a promotion, new job, wedding, retirement or holiday). Awards in recognition of service and accomplishment may also be accepted without violating these guidelines.
- Accepting something of value if the benefit is available to the general public under the same conditions on which it is available to you.
- Accepting meals, refreshments, travel arrangements and accommodations and entertainment of reasonable value in the course of a meeting or other occasion to conduct business or foster business relations if the expense would be reimbursed by the Company as a business expense if the other party did not pay for it.

G. Fair Dealing

No employee, officer and director may take unfair advantage of anyone, including the Company's customers, suppliers, competitors and employees. Additionally, no one may take advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices.

Employees must disclose prior to or at their time of hire the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality agreement or similar agreement with a former employer that in any way restricts or prohibits the performance of any duties or responsibilities of their positions with the Company. Copies of such agreements should be provided to the Company to permit evaluation of the agreement in light of the employee's position. In no event shall an employee use any trade secrets, proprietary information or other similar property acquired in the course of his or her employment with another employer in the performance of his or her duties for or on behalf of the Company.

H. Company Property

Employees, officers and directors must protect the Company's property and assets and ensure their efficient and proper use. Therefore, each employee, officer and director must safeguard the Company's property and assets from loss or theft and may not take such property for personal use. The Company's property includes confidential information, software, computers, office equipment, and supplies. You must appropriately secure all of the Company's property within your control to prevent its unauthorized use or theft. Using the Company's computers or communications systems to access or distribute personal "non-business related" information, data or graphics is strictly prohibited.

I. Protecting Yourself, Your Fellow Employees, and the World We Live In

We are committed to providing a drug-free, safe and healthy work environment, and to observing environmentally sound business practices. We will strive, at a minimum, to do no harm and where possible, to make the communities in which we work a better place to live. Each of us is responsible for compliance with environmental, health and safety laws and regulations.

J. Keeping Accurate & Complete Records; Covering up Mistakes; Falsifying Records

We must maintain accurate and complete Company records. Transactions between the Company and outside individuals and organizations must be promptly and accurately entered in our books in accordance with generally accepted accounting practices and principles. No one should rationalize or even consider misrepresenting facts or falsifying records. Mistakes should never be covered up; they should be immediately and fully disclosed to appropriate members of management. Falsification of any Company, client or third-party record is prohibited and will result in disciplinary action.

K. Use of and Third-Party Software

The Company's and third-party software may be distributed and disclosed only to employees authorized to use it and to clients in accordance with terms of a license agreement. Company and third-party software may not be copied without specific authorization and may only be used to perform assigned responsibilities. All third-party software must be properly licensed. The license agreements for such third-party software may place various restrictions on the disclosure, use and copying of software.

L. Fair Competition

The Company must comply with all applicable fair competition and antitrust laws. These laws attempt to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition.

M. Reporting Violations

Unless the matter involves the Chief Financial Officer or his or her subordinates, any employee, officer or director who becomes aware or suspicious of any violation of this Code is required to contact the Chief Financial Officer as soon as practicable. Violations or suspected violations may be disclosed in writing, telephonically or in person. Contact information for the Chief Financial Officer is as follows:

Richard H. Gross
Midwest Energy Emissions Corp.
500 West Wilson Bridge Road, Suite 140
Worthington, Ohio 43085
(614) 505-6115
Fax (614) 505-7377
e-mail: rgross@midwestemissions.com

In the event the violation(s) concerns the Chief Financial Officer or his or her subordinates, the disclosure should be filed with the audit committee of the Board of Directors. Contact information for the audit committee chairperson is as follows:

[__________________] [AUDIT COMMITTEE CHAIRMAN]
Attention: [_________] [CHAIRMAN ONCE CHAIRMAN OF AUDIT COMMITTEE IS SELECTED.]
Midwest Energy Emissions Corp.
500 West Wilson Bridge Road, Suite 140
Worthington, Ohio 43085
(614) 505-6115
Fax (614) 505-7377
e-mail: [_________]

The Company encourages its employees, officers and directors to talk to supervisors, managers or other appropriate personnel to report and discuss any known or suspected criminal or unethical business activity involving the Company or its employees. Reporting the activity will not subject the employee to discipline absent a knowingly false report and the Company may not subject any person to adverse employment action who makes a good faith report pursuant to this Code.

N. Waivers

There shall be no waiver of any part of this Code of Business Conduct except by a vote of the Board of Directors or a designated committee of the board of directors (currently no committee has been designated by the Board of Directors) which will ascertain whether a waiver is appropriate and ensure that the waiver is accompanied by appropriate controls designed to protect the Company. In the event that any waiver is granted, the waiver shall be promptly disclosed as required by applicable law or regulation or by the exchange listing rules applicable to the Company.

O. Conclusion

Each of the Company's employees, officers and directors is the guardian of the Company's ethics and reputation. Employees, officer and directors are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best and ethical course of action in a particular situation. While there are no universal rules, when in doubt, ask yourself the following questions:

- Will my actions be ethical in every respect and fully comply with the law and with the Company's policies?
- Will my actions have the appearance of impropriety?
- Will my actions be questioned by my supervisors, associates, clients, family or the general public?
- Am I trying to fool anyone, including myself, as to the propriety of my actions?

If you are uncomfortable with your answer to any of the above, you should not take the contemplated actions without first discussing them with appropriate management.

EXHIBIT 21.1

Subsidiaries of Midwest Energy Emissions Corp.

MES, Inc., d/b/a Midwest Energy Emissions Corp.	North Dakota Corporation

EXHIBIT 31.1

I, Richard MacPherson, certify that:

1. I have reviewed this annual report on Form 10-K/A of Midwest Energy Emissions Corp.;

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 consolidated 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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 6, 2015

By: */s/ Richard MacPherson*
Richard MacPherson
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

I, Richard H. Gross certify that:

1. I have reviewed this annual report on Form 10-K/A of Midwest Energy Emissions Corp.;

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 consolidated 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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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;

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 the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 6, 2015

By: */s/ Richard H. Gross*
Richard H. Gross
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Annual Report of Midwest Energy Emissions Corp. (the "Corporation") on Form 10-K/A for period ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard MacPherson, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 and the Sarbanes-Oxley Act of 2002:

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

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

Date: November 6, 2015

By: */s/ Richard MacPherson*
Richard MacPherson
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Annual Report of Midwest Energy Emissions Corp. (the "Corporation") on Form 10-K/A for period ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard H. Gross, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 and the Sarbanes-Oxley Act of 2002:

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

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

Date: November 6, 2015

By: */s/ Richard H. Gross*
Richard H. Gross
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.