SYNDICATION, INC. AND SUBSIDIARY
(formerly SYNDICATION NET.COM, INC.)
CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2010 and December 31, 2009

C O N T E N T S

SYNDICATION, INC. AND SUBSIDIARY
(formerly SYNDICATION NET.COM, INC.)
Balance Sheet

ASSETS

	June 30, 2010	December 31, 2009
CURRENT ASSETS		
Cash	$ 187,651	$ 890,215
Prepaid expenses	1,558	2,679
Employee Advances	1,486	1,486
Trust Activity	-	680
Total Current Assets	190.695	895,060
FIXED ASSETS		
Property, Plant and Equipment, net of accumulated Depreciation of $70,957 and $59,605 respectively	74,542	85,894
OTHER ASSETS		
Capitalized Financing costs, net of accumulated Amortization of $158,541 and $158,541	-	-
Investments Held in Cash	596,162	-
Deposits	2,260	2,260
TOTAL ASSETS	$ 863,666	$ 983,214

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

SYNDICATION, INC. AND SUBSIDIARY
(formerly SYNDICATION NET.COM, INC.)
Balance Sheet

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	June 30, 2010	December 31, 2009
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,330,998	$ 1,073,742
Obligations under capital lease – current portion	18,765	18,033
Note payable – related party	502,309	502,309
Note payable	308,611	357,111
Convertible debentures – current portion	513,700	561,300
Payroll liabilities	13,059	13,059
Total Current Liabilities	2,687,442	2,525,554
LONG TERM LIABILITIES		
Obligations under capital lease	26,838	33,343
Derivative and warranty liability relating to convertible debentures	252,763	690,305
Total Long Term Liabilities	279,601	723,648
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock: 20,000,000 shares authorized of $0.0001 par value, 2,000,000 shares issued and outstanding	200	200
Common stock: 10,000,000,000 shares authorized of $0.0001 par value, 6,016,797,978 shares and 5,970,738,824 shares issued and outstanding respectively	601,680	597,074
Additional paid-in capital	6,612,550	6,521,056
Deficit accumulated prior to the development stage	(2,231,519)	(2,231,519)
Deficit accumulated during the development stage	(7,086,266)	(7,152,777)
Total Stockholders' Equity (Deficit)	(2,103,377)	(2,265,988)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 863,666	$ 983,214

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

SYNDICATION, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended 2010	2009	For the Six Months Ended 2010	2009
REVENUE	$ 4,304	$ 6,048	$ 8,710	$ 42,391
OPERATING EXPENSES				
General, administrative & selling	158,911	135,656	290,830	595,766
Depreciation	5,676	5,676	11,351	16,370
Total Operating Expenses	164,587	141,332	302,181	612,136
OPERATING LOSS	(160,283)	(135,284)	(293,471)	(569,745)
OTHER INCOME (EXPENSES)				
Other Income (expenses)	189	(58,677)	154	(134,086)
Gain (Loss) on investments	-	-	-	-
Gain (Loss) on derivative liability	105,234	(297,413)	437,541	2,855,232
Interest expense	(38,245)	(55,823)	(77,713)	(223,082)
Total Other Income (Expenses)	67,178	(411,913)	359,982	2,498,064
INCOME (LOSS) BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	(93,105)	(547,197)	66,511	1,928,319
INCOME TAX EXPENSE	-	-	-	-
Income (Loss) from Continuing Operations	(93,105)	(547,197)	66,511	1,928,319
LOSS FROM DISCONTINUED OPERATIONS	-	-	-	-
NET (INCOME) LOSS	$ (93,105)	$ (547,197)	$ 66,511	$ 1,928,319
LOSS PER SHARE FROM CONTINUING OPERATIONS	$ (0.00)	$ 0.00	$ 0.00	$ (0.00)
LOSS FROM DISCONTINUED OPERATIONS	-	-	-	-
BASIC INCOME (LOSS) PER SHARE	$ (0.00)	$ 0.00	$ 0.00	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	6,015,699,077	2,372,371,010	6,011,650,284	1,509,619,860

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

SYNDICATION, INC. AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity (Deficit)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Fees	Stock Subscriptions Payable	Stock Warrants Payable	Accumulated Deficit
Balance, December 31, 2003	12,075,088	1,207	2,021,959	(292,000)	-	-	(2,231,519)
Net Income (Loss) for the quarter ended Jun 30, 2010	-	-	-	-	-	-	(93,105)
Balance on June 30, 2010	6,016,797,978	601,680	6,612,551	-	-	-	(9,317,785)

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

SYNDICATION, INC. AND SUBSIDIARY
(formerly SYNDICATION NET.COM, INC.)
Statements of Cash Flows

	For the Six Months Ended June 30, 2010	2009
Net Income (Loss)	$ 66,511	$ (1,787,497)
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments to reconcile net loss to net cash provided (used) in operating activities:		
Amortization of debt offering costs	-	6,980
Amortization of leased equipment	6,803	6,803
Depreciation Expense	4,548	4,549
Loss (Gain) on derivative liability	(437,541)	1,087,869
Shares issued for services/cash	-	424,000
(Increase) decrease in operating assets:		
Prepaid expenses	1,121	70
Trust activity	680	-
Increase (decrease) in operating liabilities:		
Accounts payable	3,585	(5,537)
Accounts payable – related party	177,928	155,299
Payroll liabilities	-	221
Interest payable – convertible debentures	29,439	53,104
Interest payable – related party	29,726	14,073
Interest payable – others	16,579	4,679
Current portion of LT debt	(100,900)	284,624
Debt pending share allocation	4,800	-
Current portion of LT debt – Obligations under Capital lease	732	(3,900)
Rounding adjustments	-	(1)
Net Cash Provided (Used) in Operating Activities	(195,989)	245,336
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Pinnacle Energy	-	-
Investments in Cash ,	(596,168)	-
Incorporation expenses	-	-
Net Cash held in Investing Activities	(596,169)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Common Stock issued on conversion of debt	96,100	-
Notes payable – related party	-	280
Lease payments under Capital Lease	(6,506)	(1,326)
Net Cash Provided by (Used in) Financing Activities	89,594	(1,046)
NET INCREASE (DECREASE) IN CASH	(702,564)	244,290
CASH, BEGINNING OF PERIOD	890,214	4,790
CASH, END OF PERIOD LESS CASH HELD IN INVESTMENTS	$ 187,651	$ 249,080

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

SUPPLEMENTAL CASH FLOW INFORMATION

Cash Payments For:

Income taxes	$	-	$	-
Interest	$	-	$	-

Non-Cash Financing Activities

Common stock issued for deferred fees	$	-	$	-
Common stock issued for converting N/P	$	-	$	-
Common stock issued for converting debt	$	2,000	$	-
Common stock issued for services/cash	$	-	$	424,000
Common stock rescission	$	-	$	-
Common stock converted from preferred stock	$	-	$	-
Preferred stock issued for fee	$	-	$	-

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

NOTE 1 - BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying un-audited condensed consolidated financial statements have been prepared by the Company in accordance with the instructions to Form 10-QSB and pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been or omitted in accordance with such rules and regulations. The information furnished in the condensed consolidated interim financial statements include normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such consolidated financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these condensed consolidated interim financial statements be read in conjunction with the Company's most recent unaudited consolidated financial statements and notes thereto included in its December 31, 2009 Annual Report on Form 10-KSB. Operating results for the three months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

Business and Basis of Presentation

On March 25, 1999, Syndication, Inc. (the "Company") was incorporated under the laws of the State of Delaware. The Company is in the development stage, as defined by Statement of Financial Accounting Standards No. 7 ("SFAS No. 7") and its efforts have been principally devoted to acquire controlling interests in or to participate in the creation of, and to provide financial, management and technical support to, development stage business, e-commerce businesses and traditional brick-and-mortar businesses. Year to date, the Company has earned a revenue of $86,511 and incurred expenses and has sustained losses. For the period from its inception as a development stage enterprise through June 30, 2010, the Company has accumulated losses of $7,086,266.

Reclassification

Certain prior period amounts have been reclassified for comparative purposes.

NOTE 2 - GOING CONCERN

The Company's condensed consolidated financial statements are prepared using accounting principals generally accepted in the Unites States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. At the 1st Quarter close, the Company had cash resources of $783,820, consisting of $187,651 in cash and $596,169 in cash investments, which the Company believes will be adequate resources along with the expected stream of revenue to cover its operating costs and to allow it to continue as a going concern. The condensed consolidated financial statements do not reflect any adjustments that might result from the outcome of this uncertainty. It is management's intent to seek growth by way of a merger or acquisition. It is the belief that over the next 12 months that Company will acquire at least one or more of acquisition candidates. The acquisition process should provide capital, revenue and incomes as a result. There is no assurance that the Company will be successful in its acquisition efforts or in raising the needed capital.

NOTE 3 - CONVERTIBLE DEBENTURE

On December 30th 2005, Syndication, Inc. (the "Company"), in order to obtain alternative funding for its ongoing operations of the Company, entered into a Termination Agreement with Cornell Capital Partners, LP (the "Investor") pursuant to which the Standby Equity Distribution Agreement entered between the Company and the Investor dated June 2004 was terminated. To that end, on December 30 th 2005, the company then executed a Securities Purchase Agreement (the "Agreement") for the sale of (i) $1,150,000 in secured convertible debentures (the "Debentures") and (ii) stock purchase warrants (the "Warrants") to buy 120,000,000 shares of our common stock. In accordance with EITF-00-19 and SFAS 150, since there is no explicit limit on the number of shares that are to be delivered upon exercise of the conversion feature, the Company is not able to assert that it will have sufficient authorized and un-issued shares to settle the conversion option. As a result, the conversion feature should be accounted for as a derivative liability, with the fair value recorded in earnings each period. On February 6th 2006 the company issued an additional $700,000 of the $1,150,000 debenture and on June 8th 2006 issued the final $150,000 of the $1,150,000 debenture. As of June 30, 2010, the Company converted $689,600 of its debenture to equity reducing the outstanding debenture balance from $1,150,000 to $460,400.

NOTE 4 - CAPITAL LEASE OBLIGATION

Property and equipment includes the following amounts for capitalized leases at June 30, 2010:

Surgical Treatment equipment	$	95,246
Less: accumulated depreciation and amortization		42,222
	$	51,024

Future minimum lease payments required under the capital leases are as follows:

2010	$	11,614
2011		23,227
2012		17,421
Total	$	52,262
Less: Amount representing interest		(6,659)
	$	45,603
Less: Current portion		(18,765)
Long term portion		$ 26,838

NOTE 5 - SUBSEQUENT EVENTS

ITEM 1 July 2nd, 2010; $592,000 Escrow

On July 2nd, 2010, a court of competent jurisdiction granted the Company's request to freeze an escrow account holding $592,000 dollars of the Company's money that was to be used for interest expenses and various closing fees associated to a $5 million dollar credit instrument. The $5 million dollar financing package was brought to the Company by Peter Katzburg its CFO. He recommended, signed and promoted the arrangement to the Board of Directors. The international banking arrangement is being issued by HSBC Bank, London. Mr. Katzburg was solely responsible for personally endorsing, developing and aggressively encouraging the Board of Directors to agree to the transaction. Later understanding of the transaction and for reasons related to the differences of interpretation on terms and functionality, the Company filed a request with the court to freeze the escrow account until such issues are decided by the court. It is the position of the Board that the decision of the Judge to grant our request is a testament to the legitimacy of our claims. It is the position of the Board that these issues should find a resolution in due time however, until the final legal resolution it is the position of our accounting department to write off the investment. At this time, it remains the general consensus of the BOD that the Company will either receive its money back with interest and legal fees or have a 5 million dollar loan at its disposal.

ITEM 2 August 4th 2010; Board Rejects Marshall Employment Contract;

On August 4th 2010, the Board's of Syndication Inc. and Sentinel Renewable Energies S.C. Inc., (SRE S.C.), by unanimous vote rejected the proposed employment terms offered by McCutcheon Marshall Jr., President and Chairman of the Board of SRE S.C. Key demands of Mr. Marshall's employment proposal included a commitment for a 1 year contract with a salary totaling $220,000 which included a $100,000 cash signing bonus. Further conditions of the proposal demanded that SRE SC pay invoices from non-affiliated companies in excess of $35,000. The Board wishes to note that his terms were non-negotiable. Mr. Marshall Jr. has been the point man on the development of our bio-diesel manufacturing facility for SRE S.C. and his office has been principally responsible for the overall development activities of the project. They included the time lines of financing, development strategies of key contracts and the introduction of the Company to Mr. Peter Katzburg who under his watch ultimately, became the CFO for the project. Mr. Marshall Jr. originally a 51% shareholder of SRE S.C. was reduced late in the year of 2009 to a 20% shareholder for reasons related to continued delays, caused by his office, in the procurement of a $3.5 Million Dollar USDA government backed loan.

The need to move the project forward forced the company to seek alternative sources of financing and fostered Mr. Marshall's introduction of Peter Katzburg as CFO for the project. It's important to note that this loan was conditioned on a number of criteria, including that the Company be minority owned and that Mr. Marshall be willing to collateralize his personal assets. These two conditions, specifically the agreement of Mr. Marshall to go at risk for $3.5 million dollars among other issues, were the basis under which the original terms of Mr. Marshall's employment contract and 51% ownership in SRE S.C. were structured. When the company decided to seek alternative financing that did not require Mr. Marshall to be at risk, all parties agreed to modify the terms of his employment contract. It was the concern of the Board that control of the company should not be vested in an individual that shares no financial risk or stake in the success of the project.

The Board also rejected the Marshall Employment proposal on the basis of salary. Originally, and to this date, all Board members had agreed that until there was an operating plant that was producing both revenue and income there would be no salary packages for Board Members. Mr. Marshall demanded a 1 year $220,000 dollar salary package and stated clearly that his focus would not be exclusive to the SRE S.C. project but, on many other projects in the US and around the world. The Board rejected his position stating in response that their only concerns where vested in its SRE S.C. project and the best interest of the Syndication shareholders. The Board stated further that it would only grant such a generous salary package based on exceptional performance and the assurance that Company's needs were a 100% priority, of which neither condition was met by Mr. Marshall.

ITEM 3 September 14^{h}, 2010; 20% SALE of SRE, S.C.

On September 14th, 2010 the Board of Directors agreed to vote on the sale terms of approximately 20% of Sentinel Renewable Energy S.C., (SRE S.C.). SRE S.C. a subsidiary of Syndication Inc. is the Company's bio-diesel manufacturing project located in South Carolina. Until the Board votes to approve the sale, the company can not release the exact terms of the transaction but, the broad strokes of the agreement include an exchange of 18% to 30% interest in SRE S.C. for an estimated payment of approximately $1 million dollars, a contractual agreement granting the purchasers oversight of their $1 million investment, 2 (two), consulting arrangements, (one for market development and the other for plant engineering management), and a 10% common stock dividend of the purchasing company to be paid to the shareholders of Syndication Inc. The Board indicated that the sale is in the process of closing.

ITEM 4 October 7th 2010; Dividend Approval

On October 7th, 2010 the BOD approved an additional 2% to 5% common stock dividend of Syndication's stock to be paid in conjunction with the settlement of the % sale of SRE S.C. However, the BOD did not approve the "Declaration Date" of the dividend and stated that the declaration date will co-inside with the settlement date of the 20% sale of SRE S.C

ITEM 5 December 22nd 2010; Board Agrees to Schedule Resolution;

On December 22nd 2010 the Board of Directors held a meeting in which the 1st Quarter 2011 agenda was resolved. The BOD passed resolutions on our warehouse purchase, 20% stake sale of Sentinel Renewable Energies, (the Company's subsidiary), and the 1st Quarter dividend distribution policy. The Board further stated that it's their intent to aggressively launch into the new year. In early January 2011 the Company will begin to release announcements on the specific terms and arrangements surrounding the approved agenda.