

# SOMATIC SYSTEMS, INC.

## ANNUAL FINANCIAL STATEMENTS

2006 Fiscal Year  
January 1, 2006 – December 31, 2006

**SOMATIC SYSTEMS, INC.**  
**ANNUAL FINANCIAL STATEMENTS**

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**TABLE OF CONTENTS**

Part I. Certification of Chief Executive Officer	Page 1
Part II. Consolidated Statement Of Income <i>For 2006 Fiscal Year, Ending December 31, 2006</i>	Page 2
Part III. Consolidated Balance Sheet Statement <i>As of December 31, 2006</i>	Page 3
Part IV. Statement of Cash Flows <i>For 2006 Fiscal Year, Ending December 31, 2006</i>	Page 4

# CERTIFICATION

I, Steven Aronstein, Chief Executive Officer of Somatic Systems, Inc., hereby certify that the consolidated financial statements filed herewith and the attached notes, fairly present, in all material respects, the financial position, results of operations and cash flows as of and for the year ending December 31, 2006, in conformity with generally accepted accounting principles in the United States of America for financial statements, consistently applied.

Dated this 28th day of August, 2007



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Steven Aronstein,  
Chief Executive Officer

Part II. SOMATIC SYSTEMS, INC.  
CONSOLIDATED STATEMENT OF INCOME  
FOR YEAR ENDING 12/31/2006

	12/31/06
Sales Revenue	\$ 138,953.55
Other Revenue	\$ -
Total Revenue	<u>\$ 138,953.55</u>
Direct Costs	\$ 9,261.62
Raw Materials	\$ -
Labor	\$ -
Total Direct Costs	<u>\$ 9,261.62</u>
Gross Profit	\$ 129,691.93
G & A Expenses	
Salaries & Wages	\$ 31,987.32
Payroll Taxes	\$ 8,431.63
Sales Expenses	\$ 2,285.15
Office Expenses	\$ 189,268.39
Depreciation	\$ 26,145.83
Interest Expense	\$ 3,327.50
Other G & A Expenses	\$ 31,091.30
Total G & A Expenses	<u>\$ 292,537.12</u>
Profit (Loss) before Other Income	\$ (162,845.19)
Other Income	\$ 19,002.86
Income Before FIT	\$ (143,842.33)
Income Tax	<u>\$ -</u>
Net Income	<u><u>\$ (143,842.33)</u></u>

Part III. SOMATIC SYSTEMS, INC.  
CONSOLIDATED BALANCE SHEET STATEMENT  
AS OF 12/31/2006

	12/31/06
<u>ASSETS</u>	
Current Assets	
Cash & Cash Equivalents	\$ 5,488.55
Accounts Receivable	\$ 5,000.98
Notes/Interest Receivable	\$ -
Other Assets/Database	\$ 28,000.00
Total Current Assets	<u>\$ 38,489.53</u>
Property, Plant & Equipment	\$ 158,251.81
Less: Accumulated Depreciation	\$ (26,145.83)
Net Fixed Assets	<u>\$ 132,105.98</u>
 TOTAL ASSETS	 <u><u>\$ 170,595.51</u></u>
 <u>LIABILITIES &amp; EQUITY</u>	
Current Liabilities	
Accounts Payable	\$ 140,775.20
Accrued Liabilities	\$ 1,557.80
FIT Payable	\$ -
Notes Payable	\$ 296,809.91
Total Current Liabilities	<u>\$ 439,142.91</u>
Long Term Debt	\$ -
Notes Payable - Long Term	<u>\$ -</u>
Total Long Term Debt	\$ -
TOTAL LIABILITIES	\$ 439,142.91
STOCKHOLDER'S EQUITY	
Common Stock \$0.0001 Par Value	\$ 140,000.00
Additional Paid In Capital	\$ -
Retained Earnings - Prior	\$ (264,704.87)
Net Income (Loss)	\$ (143,842.33)
Retained Earnings - Total	<u>\$ (408,547.20)</u>
TOTAL STOCKHOLDER'S EQUITY	\$ (268,547.20)
TOTAL LIABILITIES & EQUITY	<u><u>\$ 170,595.71</u></u>

Part IV. SOMATIC SYSTEMS, INC.  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDING 12/31/2006

CASH FLOWS FROM OPERATIONS	12/31/06
Net Earnings	\$ (143,842.33)
Adjustments to earnings not requiring cash	
Depreciation	\$ 26,145.83
Provision of loss on receivables	\$ -
Deferred Income Taxes	\$ -
Cash Flows from Operations Before Changes in Current Assets & Liabilities	\$ (117,696.50)
Changes in Current Assets & Liabilities	
Decrease (Increase) in Receivables	\$ (5,000.98)
Decrease (Increase) in Notes Receivable	\$ -
Decrease (Increase) in Other Assets	\$ (28,000.00)
(Decrease) Increase in Payables	\$ 19,258.32
(Decrease) Increase in Accrued Expenses	\$ 1,557.80
Net Cash Flows from Operating Activities	\$ (129,881.36)
CASH FLOWS FROM INVESTING ACTIVITIES	
Principle Payments on Notes	\$ -
Purchase of Property, Plant & Equipment	\$ (35,251.81)
Sales or Retirement of Property, Plant & Equipment	\$ -
Net Cash Used by Investing Activities	\$ (35,251.81)
Cash Flows from Financing Activities	
Proceeds from Equity Financing & Notes	\$ 171,067.60
Net Cash (Used) Provided by Financing Activities	\$ 135,815.79
NET CHANGE IN CASH & CASH EQUIVALENTS BETWEEN YEARS ENDING 12/31/06 & 12/31/05	<u>\$ 5,934.43</u>