SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2011-11-07** | Period of Report: **2011-09-30**
SEC Accession No. 0001445866-11-000027

(HTML Version on secdatabase.com)

FILER

Freedom Environmental Services, Inc.

CIK:**1443818**| IRS No.: **562291458** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-53388** | Film No.: **111182522**
SIC: **4955** Hazardous waste management

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

FORM 10-Q

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

For the quarterly period ended June 30, 2011

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

For the transition period from N/A to N/A

Commission File No. 000-53388

FREEDOM ENVRIONMENTAL SERVICES, INC.

(Name of small business issuer as specified in its charter)

Delaware	27-3218629
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

11372 United Way, Orlando, Florida 32824
(Address of principal executive offices) (Zip Code)
(407) 905-5000
Registrant's telephone number, including area code

Indicate by check mark whether the Registrant (1) has filed all reports required 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non–Accelerated filer	☐	Small reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b–2 of the Exchange Act). Yes ☐ No ☒
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 26, 2011
Common stock, $0.001 par value	128,343,434

FREEDOM ENVIRONMENTAL SERVICES, INC.
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FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying reviewed interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the six months ended June 30, 2011 are not necessarily indicative of the results that can be expected for the year ending December 31, 2011.

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FREEDOM ENVIRONMENTAL SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2011	December 31, 2010
ASSETS:		
CURRENT ASSETS		
Cash	$ 78,516	$ 175,134
Accounts receivable - net of allowance of $71,617 and $45,300	349,942	238,618
Inventory	62,859	70,658
Prepaid expenses	-	5,230
Total current assets	491,317	489,640
Property, plant and equipment, net of accumulated depreciation of $380,604 and $154,197	1,871,961	2,154,349
Deposit	175,000	-
Intangible assets (customer list)- net of accumulated amortization of $40,194 and $20,000	161,749	181,943
TOTAL ASSETS	$ 2,700,027	$ 2,825,932
LIABILITIES AND STOCKHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Bank overdraft	$ 4,786	$ -
Accounts payable	336,288	440,895
Accrued expenses	193,707	184,546
Accrued interest - related parties	27,675	30,938
Line of credit	32,028	13,177
Notes payable	284,000	749,000
Notes payable - related parties, net of unamortized discount of $4,088	507,212	456,900
Current portion of long-term notes payable	104,699	320,031
Convertible notes payable	-	114,500
Other current liabilities	42,800	-
Total current liabilities	1,533,195	2,309,987
Long-term notes payable	727,273	-
TOTAL LIABILITIES	2,260,468	2,309,987
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' DEFICIT:		
Preferred stock, $0.001 par value, 75,000,000 shares authorized; Series A, convertible, 5,736,333 and 3,177,111 issued and outstanding as of June 30, 2011 and December 31, 2010	5,736	3,177
Common stock, $0.001 par value, 200,000,000 shares authorized; 123,018,334 and 103,444,517 issued and outstanding as of June 30, 2011 and December 31, 2010, respectively	123,018	103,445
Additional paid-in capital	21,288,618	20,888,927
Accumulated deficit	(20,977,813)	(20,479,604)
Total stockholders' equity	439,559	515,945

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,700,027	$ 2,825,932

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

FREEDOM ENVIRONMENTAL SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Revenue	$ 1,566,224	$ 33,531	$ 2,956,729	$ 136,122
Total	1,566,224	33,531	2,956,729	136,122
COST OF SALES	953,447	10,456	1,894,468	53,690
GROSS PROFIT	612,777	23,075	1,062,261	82,432
OPERATING EXPENSES:				
General and administrative	671,481	329,003	1,435,156	1,761,678
Depreciation and amortization expense	10,097	176	20,194	2,354
Gain on sale of assets	-	-	(1,995)	-
Total operating expenses	681,578	329,179	1,453,355	1,764,032
OPERATING LOSS	(68,801)	(306,104)	(391,094)	(1,681,600)
OTHER EXPENSE:				
Interest expense	75,322	570,845	107,115	1,241,956
Total other expense	75,322	570,845	107,115	1,241,956
NET LOSS	$ (144,123)	$ (876,949)	$ (498,209)	$ (2,923,556)
NET LOSS PER SHARE:				
Basic and diluted	$ (0.00)	$ (0.03)	$ (0.00)	$ (0.11)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic and diluted	114,424,927	30,937,026	111,858,189	27,512,448

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

FREEDOM ENVIRONMENTAL SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (498,209)	$ (2,923,556)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	28,672	-
Gain on sale of assets	(1,995)	-
Depreciation and amortization	253,306	2,354
Amortization of debt discount	28,616	-
Common stock issued for compensation	99,350	1,443,160
Common stock issued for interest expense	-	1,150,192
Common stock issued for conversion of debt	-	401,612
Beneficial conversion feature	-	162,500
Changes in operating assets and liabilities:		
Accounts receivables	(139,996)	7,366
Prepaid expenses and other current assets	5,230	-
Inventory	7,799	-
Accounts payables	(104,607)	55,919
Accrued expenses	151,690	(344,445)
Accrued interest - related parties	(3,263)	-
Deferred liabilities	42,800	-
Net cash used in operating activities	(130,607)	(44,898)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of equipment	26,645	-
Purchase of equipment	(41,701)	-
Deposit for business acquisition	(175,000)	-
Net cash used in investing activities	(190,056)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Bank overdraft	4,786	(5,037)
Proceeds from exercise of warrants	50,000	-
Repayment of notes payable and convertible note	(533,248)	-
Repayment of notes payable - related parties	(14,300)	-
Proceeds from note payable and line of credit	648,107	-
Proceeds from note payable - related parties	68,700	50,000
Net cash provided by financing activities	224,045	44,963
NET INCREASE (DECREASE) IN CASH	(96,618)	65
CASH, BEGINNING OF PERIOD	175,134	-
CASH, END OF PERIOD	$ 78,516	$ 65
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ 46,667	$ 1,241,956
Taxes paid	$ -	$ -

NONCASH INVESTING AND FINANCING TRANSACTIONS		
Issuance of common stock for the conversion of debt	$ 86,000	$ -
Common stock issued to settle accrued compensation	$ 120,615	$ -
Common stock issued for the acquisition of equipment	$ 15,240	$ -
Common stock issued for note payable-debt discount	$ 32,704	$ -
Preferred stock issued to settle accrued compensation	$ 17,915	$ -

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

FREEDOM ENVIRONMENTAL SERVICES, INC.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010**

NOTE 1 - DESCRIPTION OF BUSINESS

Freedom Environmental Services, Inc. (the "Company" or "Freedom") provides wastewater management and recycling services to its customers through its different divisions. In 2010, the Company acquired the assets and certain liabilities of Brownies Waste Water Solutions, Inc. ("Brownies") which has been a staple in the Central Florida market since 1948, providing commercial and residential septic services. These services include drain field installation, maintenance and repair; grease trap cleaning, maintenance, installation and repair; full service commercial and residential plumbing; sewer drain cleaning, backflow testing, repairs and certifications; lift station cleaning, maintenance, repairs, bio-solids transportation and recycling. Prior to the acquisition of Brownies, Brownies purchased the equipment of Vac and Jet Services which was a defunct company with two Vactor trucks purchased in July 5, 2010.

On December 13, 2010, Freedom purchased the equipment of Clean Fuel, LLC and placed that equipment into its wholly owned subsidiary, Grease Recovery Solutions, LLC ("Grease"). Grease handles all of the Company's restaurant, resort and theme park services which include grease trap cleaning, sewer drain cleaning and waste cooking oil for recycling.

In February 2011, the Company entered into a letter of intention with David M. Hickman in Pennsylvania to purchase the equipment, inventory and customer list from a company owned by Mr. Hickman. The Company is in the process of due diligence and has escrowed a non-refundable deposit of $175,000 towards the purchase, which is classified in the accompanying balance sheet as a long-term deposit. Mr. Hickman has granted the Company an extension to complete the due diligence by December 31, 2011. The Company anticipates entering into a definitive agreement by the end of 2011. Mr. Hickman provides sanitation services throughout Pennsylvania. Mr. Hickman's company provides all aspects of commercial and residential services including septic system cleaning, maintenance and installation. We plan to expand that business to the current services lines that we provide in the State of Florida.

NOTE 2 - BASIS OF PRESENTATION

Interim Financial Statements

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. While management of the Company believes that the disclosures presented herein are adequate and not misleading, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the footnotes thereto for the fiscal year ended December 31, 2010 as filed with the Securities and Exchange Commission in our Form 10-K.

NOTE 3 - GOING CONCERN

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. However, the Company has a net loss for the six months ended June 30, 2011 of $498,209, an accumulated deficit at June 30, 2011 of $20,977,813, cash flows used in operating activities of $130,607 and needs additional cash flows to maintain its operations.

These factors raise doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company's continued existence is dependent upon management's ability to develop profitable operations, continued contributions from the Company's executive officers to finance its operations and the ability to obtain additional funding sources to explore potential strategic relationships and to provide capital and other resources for the further development and marketing of the Company's products and business.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Revenue Recognition

Revenue includes provision of services. The Company recognizes revenue from provision of services at the time evidence of an arrangement exists, fees are contractually fixed or determinable, collection is reasonably assured through historical collection results and regular credit evaluations, and there are no uncertainties regarding customer acceptance.

Accounts Receivable and Allowance for Uncollectible Accounts

Substantially all of the Company's accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments for services. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped in categories by the number of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. The Company has reserved $71,617 as allowance for doubtful accounts at June 30, 2011 and recorded $28,672 of bad debt expense during the six months ended June 30, 2011.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of six months or less to be cash equivalents. At June 30, 2011, cash and cash equivalents include cash on hand and cash in the bank and the FDIC insures these deposits up to $250,000.

Inventory

The Company's inventory is carried at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method. The Company's inventory is comprised of supplies and parts used in the Company's operations. The Company evaluates the need to record adjustments for obsolescence for inventory on a regular basis. At June 30, 2011, the value of the Company's inventory was $62,859 and at December 31, 2010, the value of the Company's inventory was $70,658.

Property and Equipment

Property and equipment is recorded at cost and depreciated over the estimated useful lives ranging from three to ten years using the straight-line method. When items are retired or otherwise disposed of, loss or gain is charged or credited for the difference between the net book value and proceeds realized. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price and related costs over the value assigned to net tangible and identifiable intangible assets of businesses acquired and accounted for under the purchase method. Goodwill acquired in business combinations is assigned to reporting units that are expected to benefit from the synergies of the combination as of the acquisition date. Under ASC 350, goodwill and intangibles with indefinite useful lives are no longer amortized. The Company assesses goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred, in accordance with ASC Topic 350. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference. ASC Topic 350 also requires that the fair value of indefinite-lived purchased intangible assets be estimated and compared to the carrying value. The Company recognizes an impairment loss when the estimated fair value of the indefinite-lived purchased intangible assets is less than the carrying value. Management has assessed the intangible assets and has not recognized any impairment of assets for the six months ended June 30, 2011.

Intangible assets subject to amortization, which consist of customer lists, are amortized over their expected life of five years. The Company does not have any goodwill recorded at June 30, 2011.

Impairment of Long-Lived Assets

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Income Taxes

Deferred income taxes are provided to reflect the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of ASC Topic 740, *Accounting For Uncertainty In Income Taxes-An Interpretation of ASC Topic 740* ("ASC Topic 740"). ASC Topic 740 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At June 30, 2011, the Company did not record any liabilities for uncertain tax positions.

Share-Based Compensation

The Company measures the cost of services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Compensation cost is recognized over the vesting or requisite service period. The Black-Scholes option-pricing model is used to estimate the fair value of options or warrants granted.

Basic and Diluted Net Loss Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted earnings per share reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company.

Diluted loss per share is the same as basic loss per share during periods where net losses are incurred since the inclusion of the potential common stock equivalents would be anti-dilutive as a result of the net loss.

At June 30, 2011, common stock equivalents consisted of 5,000,000 common stock warrants with an exercise price of $0.10 per share, which exceeded the Company’s stock price as of June 30, 2011.

Concentration of Credit Risk

All of the Company’s cash and cash equivalents are maintained in regional and national financial institutions. The Company has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by the U.S. federal deposit insurance; however, the Company has not experienced any losses in such accounts. In management’s opinion, the capitalization and operating history of the financial institutions are such that the likelihood of material loss is remote.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash, accounts payable and accrued expenses, and debt. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

The Company adopted ASC Topic 820, *Fair Value Measurements* (“ASC Topic 820”), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly including inputs in markets that are not considered to be active;
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value. measurement

Reclassifications

Certain prior period amounts have been reclassified to conform to current year presentations.

Recent Accounting Pronouncements

No accounting standards or interpretations issued recently are expected to a have a material impact on the Company's consolidated financial position, operations or cash flows.

NOTE 5 - PROPERTY AND EQUIPMENT

The Company's property and equipment as of June 30, 2011 and December 31, 2010 are as follows:

	June 30, 2011	December 31, 2010
Trucks and Autos	$ 447,115	$ 447,114
Large Equipment	1,051,794	1,150,085
Machinery and Equipment	544,216	503,683
Office Equipment	15,922	14,146
Electrical Equipment	193,518	193,518
Total property and equipment	2,252,565	2,308,546
Accumulated depreciation	(380,604)	(154,197)
Total	$ 1,871,961	$ 2,154,349

Depreciation expense for the six months ended June 30, 2011 and 2010 was $233,112 and $2,354, respectively; approximately $233,112 and $0 of depreciation expense was included in cost of sales in the accompanying consolidated statements of operations for the six months ended June 30, 2011 and 2010, respectively.

Depreciation expense for the three months ended June 30, 2011 and 2010 was $116,388 and $176, respectively; approximately $116,388 and $0 of depreciation expense was included in cost of sales in the accompanying consolidated statements of operations for the three months ended June 30, 2011 and 2010, respectively.

NOTE 6 – NOTES PAYABLE

Notes payable are as follows:

	June 30, 2011	December 31, 2010
Advance from an unrelated third party bearing no interest per annum and due on demand.	$ 145,000	$ 100,000
Line of credit with an unrelated third party bearing interest at LIBOR plus 3% and due on demand.	13,177	13,177
Note payable to Reunion Bank bearing interest at prime (3.25%) plus 2% per annum, due and payable on October 28, 2015 with a monthly principal and interest payment of $6,295, secured by the assets of the Company and recorded liens on certain equipment of the Company, guaranteed by the Company's president.	290,425	320,031
Note payable to Reunion Bank bearing interest at prime (3.25%) plus 2% per annum, due and payable on February 15, 2016 with a monthly principal and interest payment of $5,920, secured by the assets of the Company and recorded liens on certain equipment of the Company, guaranteed by the Company's president.	530,115	-
Line of credit with an unrelated third party bearing interest at prime (3.25%) plus 2% per annum, due on demand with a monthly interest payment.	18,851	-
Line of credit with an unrelated third party bearing interest at prime (3.25%) plus 2% per annum, due on demand with a monthly interest payment.	40,000	-
Note payable to OCE Copier bearing no interest rate and due on April 13, 2016.	11,432	-
Convertible note bearing interest at 8% per annum, maturity date in February 2011. The company evaluated the terms of the note and recorded a beneficial conversion feature in the amount of $59,644 at the inception of the agreement. This note, together with accrued interest, was converted into 5,311,475 shares of the Company's common stock in January 2011.	-	32,000
Convertible note bearing interest at 8% per annum, maturity date in August 2011. The company evaluated the terms of the note and recorded a beneficial conversion feature in the amount of $29,500 at the inception of the agreement. This note was repaid in May 2011.	-	32,500

Convertible note bearing interest at 8% per annum, maturity date in April 2011. The company evaluated the terms of the note and recorded a beneficial conversion feature in the amount of $50,000 at the inception of the agreement. This note, together with accrued interest, was converted into 4,945,802 shares of the Company's common stock in February 2011.	-	50,000
Promissory note with an unrelated third party bearing no interest per annum, requires a monthly payment of $2,500 and matures in June 2012. The Company disputes this note payable as representation of the fitness of the equipment purchased from Vac & Jet were not fully disclosed.	60,000	60,000
Note with an unrelated third party bearing no interest, requires a monthly payment of $1,500 and matures in October 2012.	39,000	39,000
Note with an affiliated company bearing interest at 18% per annum and due on demand.	308,200	322,500
Note with an affiliated company bearing interest at 18% per annum and due on demand.	128,100	59,400
Note with a related party bearing interest at 18% per annum. The note was secured by 10,000,000 shares of the Company's common stock. During 2011 this note was refinanced.	-	75,000
On March 13, 2011, the Company entered into a contract with Dr. Scott Levine, a related party, where Dr. Levine agreed to loan $75,000 dollars in exchange for 1,000,000 restricted shares of common stock and 1,000,000 stock warrants. The relative fair value of the common stock and warrants was $32,704 in total, resulting in an initial discount. For the six months ended June 30, 2011, $28,616 related to the debt discount was amortized into interest expense. The note is due on July 15, 2011, bears interest at an annualized rate of 18% and is collateralized by 10,000,000 shares of the Company's common stock. The 10,000,000 shares was issued to Mr. Levine and considered outstanding. Mr. Levine has verbally agreed to extend the note until the Company secures financing. Mr. Levine exercised the warrants on May 17, 2011 for $50,000 in cash proceeds.	70,912	-
Note with an unrelated third party bearing no interest, due on March 31, 2011. During 2011, this note was paid in full.	-	550,000
Total Notes and Line of Credit Payable	1,655,212	1,653,608
less: Current Portion	(927,939)	(1,653,608)
Long-Term Portion	$ 727,273	$ -

Principal payments for the long-term notes payables for each of the five succeeding years are as follows at June 30, 2011:

2012	$ 110,377
2013	116,302
2014	122,470
2015	114,055
2016	321,038
Total	$ 784,242

Reunion Bank Loan Covenants

In October, 2010, the Company entered into a 5-year note agreement with Reunion Bank for the amount of $325,000 with a balance of $290,425 as of June 30, 2011. On February 16, 2011, the Company entered into another 5-year note agreement for the principal of $550,000 with a required balloon payment of $317,345 on the 60th payment. Reunion Bank loan covenants, which the Company believes it was in compliance with at June 30, 2011, are as follows:

- The Company is to maintain 1.25X Debt Coverage Ratio;
- Brownies is to maintain Tangible Net Worth of $400,000;
- The Company agrees that no dividends will be paid without Bank consent;
- The Company agrees to provide internally prepared financial statements quarterly;
- The Company will provide tax returns annually; and,
- Guarantors (Michael Borish individually and the Company) to provide tax returns and financial statements annually.

NOTE 7 – COMMITMENT AND CONTINGENCIES

As a result of the business combination with Brownies in 2010 (see Note 10 – Business Combination), the Company assumed liabilities which included an outstanding invoice of $21,000 for required cleanup in Orange County, Florida, $18,000 of unpaid personal property taxes from 2008 and 2009 and a claim made by Shelly Septic for $57,000. The Company settled the $21,000 matter in Orange County. The Company acknowledged that, as a matter of statute, the $18,000 in personal property taxes would attach to the equipment acquired in the Brownies transaction and has made arrangements to pay these unpaid taxes. The Company is in negotiations to settle the matter with Shelley Septic.

The Company is a Defendants in a pending litigation with Harvey Blonder, Gary Goldstein, and Robin Bailey v. Freedom Environmental Services, Inc., and Michael Borish, individually. This case is pending in the Circuit Court of the Ninth Judicial Circuit, in and for Orange County, Florida, Case No. 2010-CA-026477-0 related to the acquisition of Brownies Waste Water Solutions in July 17, 2010. The Original Complaint was Dismissed on a Motion to Dismiss Failure to State a Claim and the Court allowed the Plaintiffs to file an Amended Complaint. The Amended Complaint was filed on June 3, 2011 which alleges – Declaratory Relief, Fraudulent Inducement to Enter a Contract, Negligent Misrepresentation, Breach of Contract Warranties, Accounting, and Rescission of Purchase Agreement. The Company considered this litigation frivolous and vehemently denies all allegations. The case in pending in State Court and the Company is vigorously litigating this case. The Company has not yet determined the range of any potential loss exposure related to this litigation.

NOTE 8– RELATED PARTY TRANSACTIONS

On January 7, 2011, the Company issued 800,000 and 1,759,000 preferred shares to Michael Ciarlone and Michael Borish for the settlement of $17,915 in accrued compensation.

On January 21, 2011 the Company issued 816,540 in common shares for the settlement of $10,615 in accrued compensation to its CEO and COO.

On March 13, 2011 the Company entered into a contract with Dr. Scott Levine, where as Dr. Levine agreed to loan $75,000 to the Company in exchange for one million restricted shares of common stock and warrants to acquire one million shares of the Company's common stock at an exercise price of $0.05 per share. The note is due on July 15, 2011 and collateralized by 10,000,000 shares of the Company's common stock. Mr. Levine exercised the warrants on May 17, 2011 for $50,000 in cash proceeds to the Company.

On April 28, 2011, the Company issued 2,000,000 of common shares (1,000,000 each to Michael Ciarlone and Michael Borish) in lieu of compensation and recorded $110,000 in compensation expense ($0.055 per share based upon the market price of the Company's common stock on the date of grant).

NOTE 9- EQUITY

Preferred Stock

The Company authorized 75,000,000 shares of preferred stock, at $0.001 par value, of which 5,736,333 are Series A Convertible preferred shares issued and outstanding as of June 30, 2011. The Corporation established and designates the rights and preferences of a Series A Convertible Preferred Stock, and reserves 75,000,000 shares of preferred stock against its issuance, such rights, preferences and designations. Each share of the Series A Convertible Preferred Stock shall have 300 votes on all matters presented to be voted on by the holders of common stock and is convertible into common stock on a one for one basis. During the six months ended June 30, 2011, the Company issued 1,759,000 and 800,000 shares of Series A Convertible Preferred Stock to its CEO and COO, respectively, for settlement of accrued compensation in the amount of $17,915.

Common Stock

As of June 30, 2011 the Company had authorized 200,000,000 shares of common stock, at $0.001 par value and 123,018,334 shares are issued and outstanding.

During the six months ended June 30, 2011, the Company issued 600,000 common shares for the acquisition of equipment from Clean Fuel LLC valued at $15,240 ($0.025 per share based upon the market price at the date of issuance); 5,900,000 common shares for consulting services of $99,350, valued at the market price of the Company's common stock on the date of issuance; 2,816,540 common shares to settle accrued compensation of $120,615; and 10,257,277 shares of common stock for principal and accrued interest on convertible debt in the amount of $86,000.

Warrants

The Company values all warrants using the Black-Scholes option-pricing model. Critical assumptions for the Black-Scholes option-pricing model include the market value of the stock price at the time of issuance, the risk-free interest rate corresponding to the term of the warrant, the volatility of the Company's stock price, dividend yield on the common stock, as well as the exercise price and term of the warrant. The warrants are not subject to any form of vesting schedule and, therefore, are exercisable by the holders anytime at their discretion during the life of the warrant. No discounts were applied to the valuation determined by the Black Scholes option-pricing model.

The Company has 5,000,000 warrants but no options outstanding as of June 30, 2011. Outstanding warrants have a $0.10 exercise price, are fully vested, have a three year expected life, expire December 13, 2013 and were valued at $95,308 using the Black-Scholes option-pricing model. The following inputs and assumptions were used in the option-pricing model:

Expected Dividend yield	None
Volatility	287.81 %
Weighted average risk free interest rate	5.53%
Weighted average expected life (in years)	3.00

In March 2011, in connection with the $75,000 Levine note discussed above in Note 6, the Company issued 1,000,000 warrants to purchase common stock of the Company at a $0.05 exercise price which are fully vested, have a three year expected life (expire March 1, 2014) and were valued at $28,991 using the Black-Scholes option-pricing model, which was treated as a discount to the related note. The following inputs and assumptions were used in the option-pricing model:

Expected Dividend yield	None
Volatility	419.40 %
Weighted average risk free interest rate	0.75%
Weighted average expected life(in years)	3.00

The warrants issued in March 2011 were fully exercised in May 2011 for $50,000 of cash proceeds to the Company.

NOTE 10 – BUSINESS COMBINATION

On July 17, 2010, the Company entered into a purchase agreement (the "Asset Purchase Agreement") with the owners of Brownies Waste Water Solutions, Inc., B&P Environmental Services LLC (Michael J. Ciarlone, Harvey Blonder and Gary A. Goldstein and Anita Goldstein, Robin and Robert Bailey, hereinafter referred to as the "Sellers"). Pursuant to the Asset Purchase Agreement, and upon the terms and subject to the conditions thereof, the Company purchased all of the Member Interests of B&P Environmental Services LLC and all of the issued and outstanding shares of Brownies Waste Water Solutions, Inc. (the "Acquisition"). The purchase price for the Acquisition consisted of the issuance of a net aggregate of 46,666,667 shares which includes 48,000,000 common shares issued in the transactions and the respectively 1,333,333 common shares cancelled in consideration (the "Share Consideration") to the parties that comprise the holders of both/or Member Interests of B&P Environmental Services LLC and issued and outstanding shares of Brownies Waste Water Solutions, Inc.

There was not a pre-existing relationship between the sellers and the Company prior to the transaction. Brownies Waste Water Solutions, Inc. was in business for eighteen months prior to the acquisition and had only operated for sixteen months before the acquisition on July 17, 2010.

The Company acquired a substantial amount of assets in the transaction, which are considered to meet the definition of a business in accordance with FASB codification Topic 805, "Business Combinations", and as such, the Company accounted for the acquisition as a business combination.

Management determined that the Company was the acquirer in the business combination in accordance with FASB codification Topic 805, "Business Combinations", based on the following factors: (i) there was not a change in control of the Company, since the Sellers did not obtain a controlling financial interest or the power to control the Company through a lesser percentage of ownership, by contract, lease, agreement with other stockholders, or by court decree; (ii) the Company was the entity in the transaction that issued its equity instruments, and in a business combination, the acquirer usually is the entity that issues its equity interests; (iii) the Company's directors retained the largest relative voting rights of the Company post-transaction; and (iv) the composition of the Company's board of directors and management did not change post-acquisition.

The reasons for the acquisition were that the companies had similar business models that allow the company to expand its operations and services. Also, with the acquisition of Brownies the Company can expand its market share of the sewage disposal market.

The acquisition gave rise to goodwill which was impaired immediately and an intangible asset, a client list, with an estimated life of five years because of management's belief that the client list had value but did not have an economic useful life longer than a period of five years.

The net purchase price paid for the Acquisition was 46,666,667 restricted shares of the Company's common stock. The shares had a quoted market price of $.025 per share on July 17, 2010 or an aggregate quoted market value of approximately $1,166,667. The results of Brownies' operations since July 17, 2010 have been included in the consolidated financial statements. The following table summarizes the consideration paid by the Company and the amounts of the assets acquired and liabilities assumed at the acquisition date. The purchase price for the Acquisition consisted of the issuance of a net aggregate of 46,666,667 shares which includes 48,000,000 common shares issued in the transactions net of the 1,333,333 common shares cancelled (the "Share Consideration") to the parties that comprise the holders of both/or Member Interests of B&P Environmental Services LLC and issued and outstanding shares of Brownies Waste Water Solutions, Inc.

Purchase Price Allocation	July 17, 2010
Fair Value of Consideration:	
Equity instruments (46,666,667 common shares of Freedom Environmental Services, Inc.)	$ 1,166,667
Fair Value of Assets acquired:	
Cash	207,163
Assets:	
Equipment	1,308,390
Prepaid expense	1,625
Accounts receivables	297,219
Inventory	34,266
Client list	200,000
Total assets	2,048,663
Fair Value of Liabilities assumed:	
Liabilities	1,014,591
Fair value of net assets	1,034,072
Goodwill	132,595
Total purchase price	$ 1,166,667

Liabilities Assumed from the Seller:	
Royal Bank of Canada	$ 13,177
Convertible Note Payable	50,000
Notes Payable Vac& Jet	60,000
Notes Payable Caterpillar	39,000
Notes Payable Resort Marketing	322,500
Notes Payable Security Fortress Ltd	264,800
Accounts Payable	265,114
Total Liabilities Assumed from the Seller	$ 1,014,591

The following unaudited proforma consolidated results of operations have been prepared as if the Acquisition had occurred at December 31, 2009.

	Six Months Ended June 30, 2010
Revenues	$ 2,379,756
Net Loss	(2,816,160)
Net loss per share basic and diluted	(0.04)
Weighted average of shares outstanding	74,179,115

NOTE 11 – ASSETS PURCHASED

On December 13, 2010, the Company entered into an Asset Purchase Agreement (the "APA") with Clean Fuel, LLC. Pursuant to the APA, and upon the terms and subject to the conditions thereof, the Company agreed to purchase equipment from Clean Fuel, LLC. The purchase price for the assets consisted of $850,000 in cash and 5,000,000 warrants at a $0.10 exercise price which are fully vested and have a three- year life at the date of closing of the APA. The value of the warrants based on Black Scholes is $95,308.

The APA closed on December 13, 2010. The equipment was put in Grease, a wholly-owned subsidiary of Freedom, This equipment purchased from Clean Fuel LLC was idle prior to the acquisition.

The fair value of the consideration and the assets acquired is based on the aggregate value of the cash and the Black Scholes value of the warrants that was exchanged for the property and equipment as shown below:

	December 13, 2010
Fair Value of Consideration:	
Cash	$ 757,000
Equity instruments (5,000,000 warrants at a $.10 exercise price)	95,308
Equity instruments (600,000 common shares, $0.0254 per share)	15,240
Total Purchase Price	$ 867,548
Fair Value of Assets acquired:	
Assets:	
Property and Equipment	$ 867,548
Fair value of total assets	$ 867,548

NOTE 12– SUBSEQUENT EVENTS

We have evaluated subsequent events through the date the consolidated financial statements were issued, and have determined that the following events are reasonably likely to impact the financial statements and require disclosure:

In October, 2011, the Company issued 5,200,000 common shares for consulting service valued at $260,000, or $0.05 per share, based upon the market price of the Company's stock on the date of agreement.

In August 2011, the Company issued a promissory note with principal amount of $25,000 to an unrelated party. The interest rate on the note is 10%, the note is unsecured and the maturity date is February 29, 2012. In connection with this note, the company also issued 125,000 common shares to the unrelated party.

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In this Quarterly Report on Form 10-Q, “Company,” “our company,” “us,” and “our” refer to Freedom Environmental Services, Inc. and its subsidiaries, unless the context requires otherwise.

ITEM 2 - MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Management’s Discussion and Analysis contains various “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-Q, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to “anticipates”, “believes”, “plans”, “expects”, “future” and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company’s business, including but not limited to, reliance on key customers and competition in its markets, market demand, delayed payments of accounts receivables, technological developments, maintenance of relationships with key suppliers, difficulties of hiring or retaining key personnel and any changes in current accounting rules, all of which may be beyond the control of the Company. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein.

Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include those identified in the section titled “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.

In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements.

Our Company

We provide wastewater management and recycling services to our customers throughout our different divisions. Brownies Waste Water Solutions is a staple in the Central Florida market since 1948, providing commercial and residential septic services. These services include drain field installation maintenance and repair; grease trap cleaning, maintenance, installation and repair; full service commercial and residential plumbing; sewer drain cleaning, backflow testing, repairs and certifications; lift station cleaning, maintenance, repairs, bio-solids transportation and recycling. Vac and Jet Services covers Freedom’s industrial, municipal and commercial customers. Grease Recovery Solutions handles all of our restaurant, resort and theme park services which include grease trap cleaning, sewer drain cleaning and waste cooking oil for recycling. David M Hickman sanitation services will soon be our Pennsylvania operations. This division handles all aspects of commercial and residential services including septic system cleaning, maintenance and installation.

Corporate History

We were incorporated under the laws of the State of Delaware on October 6, 1978 as United States Aircraft Corp. and we have undergone numerous name changes, the most recent being on June 11, 2008 when we amended our certificate of incorporation in order to change our name from BMXP Holdings, Inc. to Freedom Environmental Services, Inc.

On June 24, 2008 we acquired 100% of the membership interests in Freedom Environmental Services, LLC (“FELC”), a Florida Limited Liability Company, for consideration consisting of 20,704,427 shares of our common stock.

As a result of this transaction, the former members of FELC held approximately 59% of our voting capital stock immediately after the transaction and the composition of our senior management became the senior management of FELC. For financial accounting purposes, this acquisition was treated a reverse acquisition of the Issuer by FELC under the purchase method of accounting, and was accounted for as a recapitalization, with FELC as the accounting acquirer.

Principal products or services and their markets

Through Freedom, we provide Waste Water and Storm-water System Management; Grease and Organics Collection and Disposition; and Commercial Plumbing and Water System Management to the commercial, industrial, and municipal markets throughout Central Florida as well as septic system maintenance and repair to the residential market throughout Central Florida.

Waste Water and Storm-water System Management includes providing services to the commercial and municipal sector, such as the installation and repair of the components of waste collection and disposition, potable water and exterior drainage systems.

Grease and Organics Collection and Disposition include the collection and disposal of grease waste from commercial restaurants and hotels, as well as raw sewerage from septic tanks, both residential and commercial.

Commercial Plumbing services include pump systems installation, repairs and maintenance and general activities related to the profession of plumbing.

New product or service

Currently, Freedom has been processing by collecting, transporting and distributing those oil products to dumping sites for processing. We have entered into a letter of intent with a Company in Pennsylvania who has a processing center that will reduce our cost of processing the Biofuel with third parties.

We intend to develop and produce fuels and natural bio-organic products (such as fertilizer) derived from waste and byproducts.

Our plans in this area consist of attempting to develop a series of Vertical Organic Collection System platforms within regional and super-regional metropolitan areas by acquiring market leading operators as platforms and utilizing this business model in building regional facilities to produce high grade fuel and bio-organic nutrient products converted from commercial, industrial and residential waste products in the southeast and nationwide (“Biofuel”).

A Vertical Organic Collection System platform would be defined by us as a business enterprise which would control each step in the production of Biofuel.

It is anticipated that this enterprise would:

(a) Collect raw waste (grease and septage) from customers which would constitute the raw material of Biofuel
(b) Transport the raw materials to a processing facility controlled by the enterprise where waste convertible into Biofuel (“Feedstock”) would be separated from unusable waste which would be disposed of in an appropriate manner.
(c) Convert the feedstock into Biofuel

It is our management’s belief that, by controlling each step of the Biofuel production process, we will be able to compete effectively due to economies of scale.

Competitive business conditions, the issuer's competitive position in the industry, and methods of competition

The industries in which we compete and intend to compete are highly competitive and, especially in the area of biofuel production, characterized by rapid technological advancement. Many of our competitors have greater resources than we do.

We compete in our current areas of operation by offering what we believe to be superior service at competitive prices. We also intend to be competitive by acquiring operating companies in the Waste Water Services sector and developing commercial applications to convert the collected waste into fuel and organic nutrients (fertilizer).

Sources and availability of labor, raw materials and the names of principal suppliers

Labor required to provide these services are made available either through existing employees or by subcontractors, depending on the demands of the project and availability of resources.

The supplies and materials required to conduct our operations are available through a wide variety of sources and are currently obtained through, a wide variety of sources.

Capital Resources

We are party to no binding agreements which would commit us to any material capital expenditures. We plan to attempt to acquire operating companies in the Wastewater Services sector and develop commercial applications to convert our vertically collected waste to energy and organic nutrients (fertilizer) and build and operate a significant waste collection and treatment plant in Central Florida.

We are currently investigating opportunities regarding the acquisition of companies in the Wastewater Services sector as well as the leasing or acquisition of companies in the Wastewater Services sector.

In the event that we enter into a binding agreement to either (a) acquire a company or companies in the Wastewater Services sector or (b) lease or acquire companies in the Wastewater Services sector we believe we will be required to undertake significant capital expenditures. Historically, our sources of liquidity have been (a) Revenues from operations (b) Loans from senior officers and (c) Bank Line of Credit.

In the event that we are required to raise additional cash from outside sources, we may issue equity securities or incur additional debt. There is no assurance that such funding, if required, will be available to us or, if available, will be available upon terms favorable to us.

Results of Operations for the Three and Six Months ended June 30, 2011

Revenues for the three months ended June 30, 2011 were $1,566,224, as compared to $33,531 for the three months ended June 30, 2010. Revenues for the six months ended June 30, 2011 were $2,956,729, as compared to $136,122 for the six months ended June 30, 2010. This increase was primarily attributable to our acquisition of Brownies Waste Water Solutions, Inc. and the purchase and deployment of a substantial amount of equipment from Clean Fuels LLC. The Clean Fuels LLC equipment acquisition allowed us to grow substantially. The Brownies business combination was effective in providing a strong presence in Florida, however, we had to update much of the business and revenue model to make Brownies a competitive business in this industry.

Cost of goods sold for the three months ended June 30, 2011 was $953,447as compared to $10,456 for the three months ended June 30, 2010. Cost of goods sold for the six months ended June 30, 2011 was $1,894,468, as compared to $53,690 for the six months ended June 30, 2010. This increase was due to the major equipment purchase from Clean Fuels LLC, which increased our costs, and our acquisition of Brownies in July 2010, which expanded our business in 2011, but not the corresponding period of 2010. The revamping to make the Brownies business model competitive in the industry also contributed to the increase in 2011 costs.

General and administrative expense for the three months ended June 30, 2011 was $671,481, as compared to $329,003 for the three months ended June 30, 2010. The increase for the three months ended June 30, 2011 was due to increase in operating activites and additional costs of our operations. General and administrative expenses for the six months ended June 30, 2011 were 1,435,156, as compared to $1,761,678 for the six months ended June 30, 2010. The primary reason the expenses decreased for the six months ended June 30, 2011 was that in 2010, we had a substantial amount of non-cash, non-recurring expenses related to the issuance of common stock for marketing and selling services.

Net loss for the three months ended June 30, 2011 was $144,123, as compared to $876,949 for the three months ended June 30, 2010. Net loss for the for the six months ended June 30, 2011 was $498,209, as compared to $2,923,556 for the six months ended June 30, 2010. The primary reason the losses decreased was that in 2010 we had a substantial amount of non-cash, non-recurring expenses related to the issuance of common stock as described above.

Liquidity and Capital Resources

Our cash used in operating activities are $130,607 and $44,898 for the six months ended June 30, 2011 and 2010, respectively. The increase is mainly attributable to the acquisition of Brownies Waste Water Solutions, Inc.

Cash used in investing activities was $190,056 and $0 for the six months ended June 30, 2011 and 2010, respectively. We acquired new equipment for our company in 2011.

Cash provided by financing activities was $224,045 and $44,963 for the six months ended June 30, 2011 and 2010, respectively. During the six months ended June 30, 2011, we received proceeds from notes payables and lines of credit of $648,107 from unrelated third parties and $68,700 from related parties, repaid notes payable and a convertible note of $533,248, and received net proceeds from warrant exercises of $50,000.

The Company has a net loss for the six months ended June 30, 2011 of $498,209, an accumulated deficit at June 30, 2011 of $20,977,813, cash flows used in operating activities of $130,607 and needs additional cash flows to maintain its operations.

These factors raise doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company's continued existence is dependent upon management's ability to develop profitable operations, continued contributions from the Company's executive officers to finance its operations and the ability to obtain additional funding sources to explore potential strategic relationships and to provide capital and other resources for the further development and marketing of the Company's products and business.

Off-Balance sheet arrangements

We have no off-balance sheet arrangements including arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

WHERE YOU CAN FIND MORE INFORMATION

You are advised to read this Quarterly Report on Form 10-Q in conjunction with other reports and documents that we file from time to time with the SEC. In particular, please read our Quarterly Reports on Form 10-Q, Annual Report on Form 10-K, and Current Reports on Form 8-K that we file from time to time. You may obtain copies of these reports directly from us or from the SEC at the SEC's Public Reference Room at 100 F. Street, N.E. Washington, D.C. 20549, and you may obtain information about obtaining access to the Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains information for electronic filers at its website http://www.sec.gov.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business is currently conducted principally in the United States. As a result, our financial results are not affected by factors such as changes in foreign currency exchange rates or economic conditions in foreign markets. We do not engage in hedging transactions to reduce our exposure to changes in currency exchange rates, although if the geographical scope of our business broadens, we may do so in the future.

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

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures were designed to provide reasonable assurance that the controls and procedures would meet their objectives. As required by SEC Rule 13a-15(b), our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective since the Company has been ineffective in filing timely.

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has used the framework set forth in the report entitled Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, our Chief Executive Officer and Chief Financial Officer have concluded that our internal control over financial reporting was not effective as of June 30, 2011. There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting. The Company has been ineffective in the timely filing of the company's quarterly filings.

(b) Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal controls over financial reporting or in other factors that could materially affect, or are reasonably likely to affect, our internal controls over financial reporting during the quarter ended June 30, 2011. There have not been significant changes in the Company's critical accounting policies identified since the Company filed its Annual Report on Form 10-K as of December 31, 2010.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

The Company became aware that one of the shareholders of Brownies Waste Water Solutions, ("Brownies") Inc., prior to the acquisition, allegedly misappropriated $15,000 of the Company's funds (the "Funds") by attempting to transfer or pass through funds of an unrelated bankrupt company through the Company's bank accounts to disguise them as services Brownies was to perform when in fact it was an attempt to disguise it as legal services for the shareholder. The Company contacted Bank of America who was the single largest creditor in the unrelated bankrupt company and returned the funds to the bankruptcy court. The Company contacted the Bankruptcy Trustees Office as to the action of the shareholder and they are investigating the shareholder to determine the next course of action. The Company is investigating the accounting records to determine if there are additional improprieties prior to the purchase of Brownies. If the Company finds additional improprieties, the Company will contact the proper regulatory authorities.

The Company became aware the sellers of Brownies failed to disclose in the Asset Purchase Agreement additional liabilities of $89,000, which included an outstanding invoice of $21,000 for required cleanup in Orange County, Florida, $18,000 of unpaid personal property taxes, and $57,000 owed to Shelley Septic, Inc. The Company is investigating if there are any additional undisclosed liabilities in the acquisition of Brownies and has sought legal counsel to determine the next course of action.

Mr. Borish and companies under his control personally forgave the following debt and other liabilities to consummate the acquisition of Brownies Waste Water Solution, Inc. on July 17, 2010:

Notes Payable Shareholder	$405,819
Notes Payable Resort Marketing	84,300
Accrued Interest	181,266
Accounts Payable	89,421
Visa RBC Centura 1702	5,934
RBC Centura 1694	7,079
Accrued Interest	362.
Accrued Compensation-CEO	368,183
Accrued Payroll – CEO	99,717
Advances by Shareholders	5,075
Total Debt Forgiven and Recognized as Additional Paid-In Capital in the Accompanying Consolidated Financial Statements	$1,247,155

The Company is a Defendants in a pending litigation with Harvey Blonder, Gary Goldstein, and Robin Bailey v. Freedom Environmental Services, Inc., and Michael Borish, individually. This case is pending in the Circuit Court of the Ninth Judicial Circuit, in and for Orange County, Florida, Case No. 2010-CA-026477-0 related to the acquisition of Brownies Waste Water Solutions in July 17, 2010. The Original Complaint was Dismissed on a Motion to Dismiss Failure to State a Claim and the Court allowed the Plaintiffs to file an Amended Complaint. The Amended Complaint was filed on June 3, 2011 which alleges – Declaratory Relief, Fraudulent Inducement to Enter a Contract, Negligent Misrepresentation, Breach of Contract Warranties, Accounting, and Rescission of Purchase Agreement. The Company considered this litigation frivolous and vehemently denies all allegations. The case in pending in State Court and the Company is vigorously litigating this case.

ITEM 1A - RISK FACTORS

You should carefully consider the following risk factors together with the other information contained in this Interim Report on Form 10-Q, and in prior reports pursuant to the Securities Exchange Act of 1934, as amended and the Securities Act of 1933, as amended. If any of the risks factors actually occur, our business, financial condition or results of operations could be materially adversely affected. In such cases, the trading price of our common stock could decline. We believe there are no changes that constitute material changes from the risk factors previously disclosed in the prior reports pursuant to the Securities Exchange Act of 1934, as amended and the Securities Act of 1933 and include or reiterate the following risk factors:

Our Common Stock Is Subject To Penny Stock Regulation

Our shares are subject to the provisions of Section 15(g) and Rule 15g-9 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), commonly referred to as the "penny stock" rule. Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act. The Commission generally defines penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; authorized for quotation on the NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least $5.00 per share) or the registrant's net tangible assets; or exempted from the definition by the Commission. Since our shares are deemed to be "penny stock", trading in the shares will be subject to additional sales practice requirements on broker/dealers who sell penny stock to persons other than established customers and accredited investors.

FINRA Sales Practice Requirements May Also Limit A Stockholder's Ability To Buy And Sell Our Stock.

In addition to the “penny stock” rules described above, the Financial Industry Regulatory Authority (FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

We May Not Have Access To Sufficient Capital To Pursue Our Business And Therefore Would Be Unable To Achieve Our Planned Future Growth.

We intend to pursue a growth strategy that includes development of the Company business and technology. Currently we have limited capital which is insufficient to pursue our plans for development and growth. Our ability to implement our growth plans will depend primarily on our ability to obtain additional private or public equity or debt financing. We are currently seeking additional capital. Such financing may not be available at all, or we may be unable to locate and secure additional capital on terms and conditions that are acceptable to us. Our failure to obtain additional capital will have a material adverse effect on our business.

Because We Are Quoted On The OTCBB Pink Sheets Instead Of An Exchange Or National Quotation System, Our Investors May Have A Tougher Time Selling Their Stock Or Experience Negative Volatility On The Market Price Of Our Stock.
Our common stock is traded on the OTCBB ("pink sheets"). The OTCBB ("pink sheets") is often highly illiquid. There is a greater chance of volatility for securities that trade on the OTCBB ("pink sheets") as compared to a national exchange or quotation system. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. Investors in our common stock may experience high fluctuations in the market price and volume of the trading market for our securities. These fluctuations, when they occur, have a negative effect on the market price for our securities. Accordingly, our stockholders may not be able to realize a fair price from their shares when they determine to sell them or may have to hold them for a substantial period of time until the market for our common stock improves.

Operating History And Lack Of Profits Which Could Lead To Wide Fluctuations In Our Share Price. The Price At Which You Purchase Our Common Shares May Not Be Indicative Of The Price That Will Prevail In The Trading Market. You May Be Unable To Sell Your Common Shares At Or Above Your Purchase Price, Which May Result In Substantial Losses To You. The Market Price For Our Common Shares Is Particularly Volatile Given Our Status As A Relatively Unknown Company With A Small And Thinly Traded Public Float, Limited
The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. The volatility in our share price is attributable to a number of factors. First, as noted above, our common shares are sporadically and thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. Secondly, we are a speculative or "risky" investment due to our limited operating history and lack of profits to date, and uncertainty of future market acceptance for our potential products. As a consequence of this enhanced risk, more risk-adverse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our common shares, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common shares will be at any time, including as to whether our common shares will sustain their current market prices, or as to what effect that the sale of shares or the availability of common shares for sale at any time will have on the prevailing market price.

Shareholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the volatility of our share price.

We Depend Upon Key Management Personnel and the Loss of Any of Them Would Seriously Disrupt Our Operations.
The success of our company is largely dependent on the personal efforts of Michael Borish and other key executives. The loss of the services of Michael Borish or other key executives would have a material adverse effect on our business and prospects. In addition, in order for us to undertake our operations as contemplated, it will be necessary for us to locate and hire experienced personnel who are knowledgeable in the alternative fuel business**.** Our failure to attract and retain such experienced personnel on acceptable terms will have a material adverse impact on our ability to grow our business.

Volatility in our common share price may subject us to securities litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations.
As discussed in the preceding risk factors, the market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention and resources.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management team.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED

Special Note Regarding Forward-Looking Statements
This filing contains forward-looking statements about our business, financial condition and prospects that reflect our management's assumptions and good faith beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, our actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our proposed services and the products we expect to market, our ability to establish a customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this filing, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify and qualify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS SECURITIES

The Company issued 11,073,817 shares of common stock to its debt holders for the conversion of their debt and accrued interest, and issued 5,900,000 shares of common stock to consultants. The Company issued 600,000 common shares related to the acquisition of its assets (See Note 9 to the Financial Statements). The offer and sale of such shares of our common stock were effected in reliance on the exemptions for sales of securities not involving a public offering, as set forth in Rule 506 promulgated under the Securities Act of 1933 and in Section 4(2) of the Securities Act of 1933. A legend was placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequent registered under the Securities Act of 1933 or transferred in a transaction exempt from registration under the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There were no defaults upon senior securities during the period ended June 30, 2011.

ITEM 4. REMOVED AND RESERVED.

ITEM 5. OTHER INFORMATION

There is no information with respect to which information is not otherwise called for by this form.

ITEM 6. EXHIBITS

Exhibits filed herein for June 30, 2011

31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
32.2	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.
10.2	Asset Purchase Agreement Schedule
10.3	Security Fortress LLC Promissory Note
10.4	CEO Employment Agreement
10.5	COO Employment 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.

Registrant	*Freedom Environmental Services, Inc.*
Date: November 7, 2011	*By: /s/ Michael Borish* Michael Borish Chief Executive Officer (Principal Executive Officer)
Registrant	*Freedom Environmental Services, Inc.*
Date: November 7, 2011	*By: /s/ Michael Borish* Michael Borish Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934

I, Michael Borish certify that:

1. I have reviewed this Quarterly report on Form 10-Q of Freedom Environmental Services, Inc.;

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

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

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure 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 evaluations: 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 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.

Registrant
Date: November 7, 2011

Freedom Environmental Services, Inc.
By: /s/ Michael Borish
Michael Borish
Chief Executive Officer (Principal Executive Officer,)

Exhibit 31.2

Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934

I, Michael Borish certify that:

1 I have reviewed this Quarterly report on Form 10-Q of Freedom Environmental Services, Inc.;

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

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

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

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

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

   c. Evaluated the effectiveness of the registrant's disclosure 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 evaluations: 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 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.

Registrant
Date: November 7, 2011

Freedom Environmental Services, Inc.
By: /s/ Michael Borish
Michael Borish
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Freedom Environmental Services, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Borish, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Registrant	*Freedom Environmental Services, Inc.*
Date: November 7, 2011	*By: /s/ Michael Borish* Michael Borish Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Freedom Environmental Services, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Borish, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Registrant	*Freedom Environmental Services, Inc.*
Date: November 7, 2011	*By: /s/ Michael Borish* Michael Borish Chief Financial Officer (Principal Financial Officer)

Consolidated Balance Sheets (Parenthetical) (USD $)	Jun. 30, 2011	Dec. 31, 2010
Preferred Stock, par or stated value	$ 0.001	$ 0.001
Preferred Stock, shares authorized	75,000,000	75,000,000
Preferred Stock, Series A Convertible issued	5,736,333	3,177,111
Preferred Stock, Series A Convertible outstanding	5,736,333	3,177,111
Common Stock, par or stated value	$ 0.001	$ 0.001
Common Stock, shares authorized	200,000,000	200,000,000
Common Stock, shares issued	123,018,334	103,444,517
Common Stock, shares outstanding	123,018,334	103,444,517

Consolidated Statements of Operations (Unaudited) (USD $)	3 Months Ended		6 Months Ended	
	Jun. 30, 2011	Jun. 30, 2010	Jun. 30, 2011	Jun. 30, 2010
Revenue	$ 1,566,224	$ 33,531	$ 2,956,729	$ 136,122
COST OF SALES	953,447	10,456	1,894,468	53,690
GROSS PROFIT	612,777	23,075	1,062,261	82,432
OPERATING EXPENSES:				
General and administrative	671,481	329,003	1,435,156	1,761,678
Depreciation and amortization expense	10,097	176	20,194	2,354
Gain on sale of assets			(1,995)	
Total operating expenses	681,578	329,179	1,453,355	1,764,032
OPERATING LOSS	(68,801)	(306,104)	(391,094)	(1,681,600)
OTHER EXPENSE:				
Interest expense	75,322	570,845	107,115	1,241,956
Total other expense	75,322	570,845	107,115	1,241,956
NET LOSS	$ (144,123)	$ (876,949)	$ (498,209)	$ (2,923,556)
Net Loss Per Basic and diluted share	$ 0.00	$ (0.03)	$ 0.00	$ (0.11)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic and diluted	114,424,927	30,937,026	111,858,189	27,512,448

Document and Entity Information	3 Months Ended Jun. 30, 2011	Oct. 14, 2011
Document and Entity Information		
Entity Registrant Name	Freedom Environmental Services, Inc.	
Document Type	10-Q	
Document Period End Date	Jun. 30, 2011	
Amendment Flag	false	
Entity Central Index Key	0001443818	
Current Fiscal Year End Date	--12-31	
Entity Common Stock, Shares Outstanding		128,343,434
Entity Filer Category	Smaller Reporting Company	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Well-known Seasoned Issuer	No	
Document Fiscal Year Focus	2011	
Document Fiscal Period Focus	Q2	

Commitment and Contingencies	3 Months Ended Jun. 30, 2011

Commitment and Contingencies

Commitment and Contingencies

NOTE 7 – COMMITMENT AND CONTINGENCIES

As a result of the business combination with Brownies in 2010 (see Note 10 – Business Combination), the Company assumed liabilities which included an outstanding invoice of $21,000 for required cleanup in Orange County, Florida, $18,000 of unpaid personal property taxes from 2008 and 2009 and a claim made by Shelly Septic for $57,000. The Company settled the $21,000 matter in Orange County. The Company acknowledged that, as a matter of statute, the $18,000 in personal property taxes would attach to the equipment acquired in the Brownies transaction and has made arrangements to pay these unpaid taxes. The Company is in negotiations to settle the matter with Shelley Septic.

The Company is a Defendants in a pending litigation with Harvey Blonder, Gary Goldstein, and Robin Bailey v. Freedom Environmental Services, Inc., and Michael Borish, individually. This case is pending in the Circuit Court of the Ninth Judicial Circuit, in and for Orange County, Florida, Case No. 2010-CA-026477-0 related to the acquisition of Brownies Waste Water Solutions in July 17, 2010. The Original Complaint was Dismissed on a Motion to Dismiss Failure to State a Claim and the Court allowed the Plaintiffs to file an Amended Complaint. The Amended Complaint was filed on June 3, 2011 which alleges – Declaratory Relief, Fraudulent Inducement to Enter a Contract, Negligent Misrepresentation, Breach of Contract Warranties, Accounting, and Rescission of Purchase Agreement. The Company considered this litigation frivolous and vehemently denies all allegations. The case in pending in State Court and the Company is vigorously litigating this case. The Company has not yet determined the range of any potential loss exposure related to this litigation.

Subsequent Events	3 Months Ended Jun. 30, 2011
Subsequent Events	
Subsequent Events	**NOTE 12- SUBSEQUENT EVENTS** We have evaluated subsequent events through the date the consolidated financial statements were issued, and have determined that the following events are reasonably likely to impact the financial statements and require disclosure: In October, 2011, the Company issued 5,200,000 common shares for consulting service valued at $260,000, or $0.05 per share, based upon the market price of the Company' s stock on the date of agreement. In August 2011, the Company issued a promissory note with principal amount of $25,000 to an unrelated party. The interest rate on the note is 10%, the note is unsecured and the maturity date is February 29, 2012. In connection with this note, the company also issued 125,000 common shares to the unrelated party.

Going Concern	3 Months Ended Jun. 30, 2011
Going Concern	
Going Concern	**NOTE 3 - GOING CONCERN** The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. However, the Company has a net loss for the six months ended June 30, 2011 of $498,209, an accumulated deficit at June 30, 2011 of $20,977,813, cash flows used in operating activities of $130,607 and needs additional cash flows to maintain its operations. These factors raise doubt about the Company' s ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company' s continued existence is dependent upon management' s ability to develop profitable operations, continued contributions from the Company' s executive officers to finance its operations and the ability to obtain additional funding sources to explore potential strategic relationships and to provide capital and other resources for the further development and marketing of the Company' s products and business.

Equity	3 Months Ended Jun. 30, 2011
Equity	
Equity	**NOTE 9- EQUITY**

Preferred Stock

The Company authorized 75,000,000 shares of preferred stock, at $0.001 par value, of which 5,736,333 are Series A Convertible preferred shares issued and outstanding as of June 30, 2011. The Corporation established and designates the rights and preferences of a Series A Convertible Preferred Stock, and reserves 75,000,000 shares of preferred stock against its issuance, such rights, preferences and designations. Each share of the Series A Convertible Preferred Stock shall have 300 votes on all matters presented to be voted on by the holders of common stock and is convertible into common stock on a one for one basis. During the six months ended June 30, 2011, the Company issued 1,759,000 and 800,000 shares of Series A Convertible Preferred Stock to its CEO and COO, respectively, for settlement of accrued compensation in the amount of $17,915.

Common Stock

As of June 30, 2011 the Company had authorized 200,000,000 shares of common stock, at $0.001 par value and 123,018,334 shares are issued and outstanding.

During the six months ended June 30, 2011, the Company issued 600,000 common shares for the acquisition of equipment from Clean Fuel LLC valued at $15,240 ($0.025 per share based upon the market price at the date of issuance); 5,900,000 common shares for consulting services of $99,350, valued at the market price of the Company' s common stock on the date of issuance; 2,816,540 common shares to settle accrued compensation of $120,615; and 10,257,277 shares of common stock for principal and accrued interest on convertible debt in the amount of $86,000.

Warrants

The Company values all warrants using the Black-Scholes option-pricing model. Critical assumptions for the Black-Scholes option-pricing model include the market value of the stock price at the time of issuance, the risk-free interest rate corresponding to the term of the warrant, the volatility of the Company' s stock price, dividend yield on the common stock, as well as the exercise price and term of the warrant. The warrants are not subject to any form of vesting schedule and, therefore, are exercisable by the holders anytime at their discretion during the life of the warrant. No discounts were applied to the valuation determined by the Black Scholes option-pricing model.

The Company has 5,000,000 warrants but no options outstanding as of June 30, 2011. Outstanding warrants have a $0.10 exercise price, are fully vested, have a three year expected life, expire December 13, 2013 and were valued at $95,308 using the Black-Scholes option-pricing model. The following inputs and assumptions were used in the option-pricing model:

Expected Dividend yield	None
Volatility	287.81 %
Weighted average risk free interest rate	5.53%
Weighted average expected life (in years)	3.00

In March 2011, in connection with the $75,000 Levine note discussed above in Note 6, the Company issued 1,000,000 warrants to purchase common stock of the Company at a $0.05 exercise price which are fully vested, have a three year expected life (expire March 1, 2014) and were valued at $28,991 using the Black-Scholes option-pricing model, which was treated as a discount to the related note. The following inputs and assumptions were used in the option-pricing model:

Expected Dividend yield	None
Volatility	419.40 %
Weighted average risk free interest rate	0.75%
Weighted average expected life(in years)	3.00

The warrants issued in March 2011 were fully exercised in May 2011 for $50,000 of cash proceeds to the Company.

Business Combination	3 Months Ended Jun. 30, 2011

Business Combination

Business Combination

NOTE 10 – BUSINESS COMBINATION

On July 17, 2010, the Company entered into a purchase agreement (the "Asset Purchase Agreement") with the owners of Brownies Waste Water Solutions, Inc., B&P Environmental Services LLC (Michael J. Ciarlone, Harvey Blonder and Gary A. Goldstein and Anita Goldstein, Robin and Robert Bailey, hereinafter referred to as the "Sellers"). Pursuant to the Asset Purchase Agreement, and upon the terms and subject to the conditions thereof, the Company purchased all of the Member Interests of B&P Environmental Services LLC and all of the issued and outstanding shares of Brownies Waste Water Solutions, Inc. (the "Acquisition"). The purchase price for the Acquisition consisted of the issuance of a net aggregate of 46,666,667 shares which includes 48,000,000 common shares issued in the transactions and the respectively 1,333,333 common shares cancelled in consideration (the "Share Consideration") to the parties that comprise the holders of both/or Member Interests of B&P Environmental Services LLC and issued and outstanding shares of Brownies Waste Water Solutions, Inc.

There was not a pre-existing relationship between the sellers and the Company prior to the transaction. Brownies Waste Water Solutions, Inc. was in business for eighteen months prior to the acquisition and had only operated for sixteen months before the acquisition on July 17, 2010.

The Company acquired a substantial amount of assets in the transaction, which are considered to meet the definition of a business in accordance with FASB codification Topic 805, "Business Combinations", and as such, the Company accounted for the acquisition as a business combination.

Management determined that the Company was the acquirer in the business combination in accordance with FASB codification Topic 805, "Business Combinations", based on the following factors: (i) there was not a change in control of the Company, since the Sellers did not obtain a controlling financial interest or the power to control the Company through a lesser percentage of ownership, by contract, lease, agreement with other stockholders, or by court decree; (ii) the Company was the entity in the transaction that issued its equity instruments, and in a business combination, the acquirer usually is the entity that issues its equity interests; (iii) the Company' s directors retained the largest relative voting rights of the Company post-transaction; and (iv) the composition of the Company' s board of directors and management did not change post-acquisition.

The reasons for the acquisition were that the companies had similar business models that allow the company to expand its operations and services. Also, with the acquisition of Brownies the Company can expand its market share of the sewage disposal market.

The acquisition gave rise to goodwill which was impaired immediately and an intangible asset, a client list, with an estimated life of five years because of management' s belief that the client list had value but did not have an economic useful life longer than a period of five years.

The net purchase price paid for the Acquisition was 46,666,667 restricted shares of the Company' s common stock. The shares had a quoted market price of $.025 per share on July 17, 2010 or an aggregate quoted market value of approximately $1,166,667. The results of Brownies' operations since July 17, 2010 have been included in the consolidated financial statements. The following table summarizes the consideration paid by the Company and the amounts of the assets acquired and liabilities assumed at the acquisition date. The purchase price for the Acquisition consisted of the issuance of a net aggregate of 46,666,667 shares which includes 48,000,000 common shares issued in the transactions net of the 1,333,333 common shares cancelled (the "Share Consideration") to the parties that comprise the holders of both/or Member Interests of B&P Environmental Services LLC and issued and outstanding shares of Brownies Waste Water Solutions, Inc.

Purchase Price Allocation	July 17, 2010
Fair Value of Consideration:	
Equity instruments (46,666,667 common shares of Freedom Environmental Services, Inc.)	$1,166,667
Fair Value of Assets acquired:	
Cash	207,163
Assets:	
Equipment	1,308,390
Prepaid expense	1,625
Accounts receivables	297,219
Inventory	34,266
Client list	200,000
Total assets	2,048,663
Fair Value of Liabilities assumed:	
Liabilities	1,014,591
Fair value of net assets	1,034,072
Goodwill	132,595
Total purchase price	$1,166,667

Liabilities Assumed from the Seller:	
Royal Bank of Canada	$ 13,177
Convertible Note Payable	50,000
Notes Payable Vac& Jet	60,000
Notes Payable Caterpillar	39,000
Notes Payable Resort Marketing	322,500
Notes Payable Security Fortress Ltd	264,800

Accounts Payable	265,114
Total Liabilities Assumed from the Seller	$1,014,591

The following unaudited proforma consolidated results of operations have been prepared as if the Acquisition had occurred at December 31, 2009.

	Six Months Ended June 30, 2010
Revenues	$ 2,379,756
Net Loss	(2,816,160)
Net loss per share basic and diluted	(0.04)
Weighted average of shares outstanding	74,179,115

Related Party Transactions	3 Months Ended Jun. 30, 2011
Related Party Transactions	
Related Party Transactions	**NOTE 8- RELATED PARTY TRANSACTIONS**

On January 7, 2011, the Company issued 800,000 and 1,759,000 preferred shares to Michael Ciarlone and Michael Borish for the settlement of $17,915 in accrued compensation.

On January 21, 2011 the Company issued 816,540 in common shares for the settlement of $10,615 in accrued compensation to its CEO and COO.

On March 13, 2011 the Company entered into a contract with Dr. Scott Levine, where as Dr. Levine agreed to loan $75,000 to the Company in exchange for one million restricted shares of common stock and warrants to acquire one million shares of the Company' s common stock at an exercise price of $0.05 per share. The note is due on July 15, 2011 and collateralized by 10,000,000 shares of the Company' s common stock. Mr. Levine exercised the warrants on May 17, 2011 for $50,000 in cash proceeds to the Company.

On April 28, 2011, the Company issued 2,000,000 of common shares (1,000,000 each to Michael Ciarlone and Michael Borish) in lieu of compensation and recorded $110,000 in compensation expense ($0.055 per share based upon the market price of the Company' s common stock on the date of grant).

Description of Business	3 Months Ended Jun. 30, 2011
Description of Business	
Description of Business	**NOTE 1 - DESCRIPTION OF BUSINESS**

Freedom Environmental Services, Inc. (the "Company" or "Freedom") provides wastewater management and recycling services to its customers through its different divisions. In 2010, the Company acquired the assets and certain liabilities of Brownies Waste Water Solutions, Inc. ("Brownies") which has been a staple in the Central Florida market since 1948, providing commercial and residential septic services. These services include drain field installation, maintenance and repair; grease trap cleaning, maintenance, installation and repair; full service commercial and residential plumbing; sewer drain cleaning, backflow testing, repairs and certifications; lift station cleaning, maintenance, repairs, bio-solids transportation and recycling. Prior to the acquisition of Brownies, Brownies purchased the equipment of Vac and Jet Services which was a defunct company with two Vactor trucks purchased in July 5, 2010.

On December 13, 2010, Freedom purchased the equipment of Clean Fuel, LLC and placed that equipment into its wholly owned subsidiary, Grease Recovery Solutions, LLC ("Grease"). Grease handles all of the Company' s restaurant, resort and theme park services which include grease trap cleaning, sewer drain cleaning and waste cooking oil for recycling.

In February 2011, the Company entered into a letter of intention with David M. Hickman in Pennsylvania to purchase the equipment, inventory and customer list from a company owned by Mr. Hickman. The Company is in the process of due diligence and has escrowed a non-refundable deposit of $175,000 towards the purchase, which is classified in the accompanying balance sheet as a long-term deposit. Mr. Hickman has granted the Company an extension to complete the due diligence by December 31, 2011. The Company anticipates entering into a definitive agreement by the end of 2011. Mr. Hickman provides sanitation services throughout Pennsylvania. Mr. Hickman' s company provides all aspects of commercial and residential services including septic system cleaning, maintenance and installation. We plan to expand that business to the current services lines that we provide in the State of Florida.

Summary of Significant Accounting Policies

Summary of Significant Accounting Policies

Summary of Significant Accounting Policies

	3 Months Ended Jun. 30, 2011

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Revenue Recognition

Revenue includes provision of services. The Company recognizes revenue from provision of services at the time evidence of an arrangement exists, fees are contractually fixed or determinable, collection is reasonably assured through historical collection results and regular credit evaluations, and there are no uncertainties regarding customer acceptance.

Accounts Receivable and Allowance for Uncollectible Accounts

Substantially all of the Company' s accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company' s best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments for services. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped in categories by the number of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. The Company has reserved $71,617 as allowance for doubtful accounts at June 30, 2011 and recorded $28,672 of bad debt expense during the six months ended June 30, 2011.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of six months or less to be cash equivalents. At June 30, 2011, cash and cash equivalents include cash on hand and cash in the bank and the FDIC insures these deposits up to $250,000.

Inventory

The Company' s inventory is carried at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method. The Company' s inventory is comprised of supplies and parts used in the Company' s operations. The Company evaluates the need to record adjustments for obsolescence for inventory on a regular basis. At June 30, 2011, the value of the Company' s inventory was $62,859 and at December 31, 2010, the value of the Company' s inventory was $70,658.

Property and Equipment

Property and equipment is recorded at cost and depreciated over the estimated useful lives ranging from three to ten years using the straight-line method. When items are retired or otherwise disposed of, loss or gain is charged or credited for the difference between the net book value and proceeds realized. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price and related costs over the value assigned to net tangible and identifiable intangible assets of businesses acquired and accounted for under the purchase method. Goodwill acquired in business combinations is assigned to reporting units that are expected to benefit from the synergies of the combination as of the acquisition date. Under ASC 350, goodwill and intangibles with indefinite useful lives are no longer amortized. The Company assesses goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred, in accordance with ASC Topic 350. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference. ASC Topic 350 also requires that the fair value of indefinite-lived purchased intangible assets be estimated and compared to the carrying value. The Company recognizes an impairment loss when the estimated fair value of the indefinite-lived purchased intangible assets is less than the carrying value. Management has assessed the intangible assets and has not recognized any impairment of assets for the six months ended June 30, 2011.

Intangible assets subject to amortization, which consist of customer lists, are amortized over their expected life of five years. The Company does not have any goodwill recorded at June 30, 2011.

Impairment of Long-Lived Assets

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Income Taxes

Deferred income taxes are provided to reflect the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of ASC Topic 740, *Accounting For Uncertainty In Income Taxes-An Interpretation of ASC Topic 740* ("ASC Topic 740"). ASC Topic 740 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At June 30, 2011, the Company did not record any liabilities for uncertain tax positions.

Share-Based Compensation

The Company measures the cost of services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Compensation cost is recognized over the vesting or requisite service period. The Black-Scholes option-pricing model is used to estimate the fair value of options or warrants granted.

Basic and Diluted Net Loss Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted earnings per share reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company.

Diluted loss per share is the same as basic loss per share during periods where net losses are incurred since the inclusion of the potential common stock equivalents would be anti-dilutive as a result of the net loss.

At June 30, 2011, common stock equivalents consisted of 5,000,000 common stock warrants with an exercise price of $0.10 per share, which exceeded the Company' s stock price as of June 30, 2011.

Concentration of Credit Risk

All of the Company' s cash and cash equivalents are maintained in regional and national financial institutions. The Company has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by the U.S. federal deposit insurance; however, the Company has not experienced any losses in such accounts. In management' s opinion, the capitalization and operating history of the financial institutions are such that the likelihood of material loss is remote.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash, accounts payable and accrued expenses, and debt. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

The Company adopted ASC Topic 820, *Fair Value Measurements* ("ASC Topic 820"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly including inputs in markets that are not considered to be active;
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value. measurement

Reclassifications

Certain prior period amounts have been reclassified to conform to current year presentations.

Recent Accounting Pronouncements

No accounting standards or interpretations issued recently are expected to a have a material impact on the Company' s consolidated financial position, operations or cash flows.

Property and Equipment	**3 Months Ended Jun. 30, 2011**

Property and Equipment

Property and Equipment

NOTE 5 - PROPERTY AND EQUIPMENT

The Company’ s property and equipment as of June 30, 2011 and December 31, 2010 are as follows:

	June 30, 2011	December 31, 2010
Trucks and Autos	$ 447,115	$ 447,114
Large Equipment	1,051,794	1,150,085
Machinery and Equipment	544,216	503,683
Office Equipment	15,922	14,146
Electrical Equipment	193,518	193,518
Total property and equipment	2,252,565	2,308,546
Accumulated depreciation	(380,604)	(154,197)
Total	$ 1,871,961	$2,154,349

Depreciation expense for the six months ended June 30, 2011 and 2010 was $233,112 and $2,354, respectively; approximately $233,112 and $0 of depreciation expense was included in cost of sales in the accompanying consolidated statements of operations for the six months ended June 30, 2011 and 2010, respectively.

Depreciation expense for the three months ended June 30, 2011 and 2010 was $116,388 and $176, respectively; approximately $116,388 and $0 of depreciation expense was included in cost of sales in the accompanying consolidated statements of operations for the three months ended June 30, 2011 and 2010, respectively.

Notes Payable	3 Months Ended Jun. 30, 2011
Notes Payable {1}	
Notes Payable	**NOTE 6 - NOTES PAYABLE**

Notes payable are as follows:

	June 30, 2011	December 31, 2010
Advance from an unrelated third party bearing no interest per annum and due on demand.	$145,000	$ 100,000
Line of credit with an unrelated third party bearing interest at LIBOR plus 3% and due on demand.	13,177	13,177
Note payable to Reunion Bank bearing interest at prime (3.25%) plus 2% per annum, due and payable on October 28, 2015 with a monthly principal and interest payment of $6,295, secured by the assets of the Company and recorded liens on certain equipment of the Company, guaranteed by the Company' s president.	290,425	320,031
Note payable to Reunion Bank bearing interest at prime (3.25%) plus 2% per annum, due and payable on February 15, 2016 with a monthly principal and interest payment of $5,920, secured by the assets of the Company and recorded liens on certain equipment of the Company, guaranteed by the Company' s president.	530,115	-
Line of credit with an unrelated third party bearing interest at prime (3.25%) plus 2% per annum, due on demand with a monthly interest payment.	18,851	-
Line of credit with an unrelated third party bearing interest at prime (3.25%) plus 2% per annum, due on demand with a monthly interest payment.	40,000	-
Note payable to OCE Copier bearing no interest rate and due on April 13, 2016.	11,432	-
Convertible note bearing interest at 8% per annum, maturity date in February 2011. The company evaluated the terms of the note and recorded a beneficial conversion feature in the amount of $59,644 at the inception of the agreement. This note, together with accrued interest, was converted into 5,311,475 shares of the Company' s common stock in January 2011.	-	32,000

Convertible note bearing interest at 8% per annum, maturity date in August 2011. The company evaluated the terms of the note and recorded a beneficial conversion feature in the amount of $29,500 at the inception of the agreement. This note was repaid in May 2011.	-	32,500
Convertible note bearing interest at 8% per annum, maturity date in April 2011. The company evaluated the terms of the note and recorded a beneficial conversion feature in the amount of $50,000 at the inception of the agreement. This note, together with accrued interest, was converted into 4,945,802 shares of the Company' s common stock in February 2011.	-	50,000
Promissory note with an unrelated third party bearing no interest per annum, requires a monthly payment of $2,500 and matures in June 2012. The Company disputes this note payable as representation of the fitness of the equipment purchased from Vac & Jet were not fully disclosed.	60,000	60,000
Note with an unrelated third party bearing no interest, requires a monthly payment of $1,500 and matures in October 2012.	39,000	39,000
Note with an affiliated company bearing interest at 18% per annum and due on demand.	308,200	322,500
Note with an affiliated company bearing interest at 18% per annum and due on demand.	128,100	59,400
Note with a related party bearing interest at 18% per annum. The note was secured by 10,000,000 shares of the Company' s common stock. During 2011 this note was refinanced.	-	75,000
On March 13, 2011, the Company entered into a contract with Dr. Scott Levine, a related party, where Dr. Levine agreed to loan $75,000 dollars in exchange for 1,000,000 restricted shares of common stock and 1,000,000 stock warrants. The relative fair value of the common stock and warrants was $32,704 in total, resulting in an initial discount. For the six months ended June 30, 2011, $28,616 related to the debt discount was amortized into interest expense. The note is due on July 15, 2011, bears interest at an annualized rate of 18% and is collateralized by 10,000,000 shares of the Company' s common stock. The 10,000,000	70,912	-

shares was issued to Mr. Levine and considered outstanding. Mr. Levine has verbally agreed to extend the note until the Company secures financing. Mr. Levine exercised the warrants on May 17, 2011 for $50,000 in cash proceeds.

Note with an unrelated third party bearing no interest, due on March 31, 2011. During 2011, this note was paid in full.	-	550,000
Total Notes and Line of Credit Payable	1,655,212	1,653,608
less: Current Portion	(927,939)	(1,653,608)
Long-Term Portion	$ 727,273	$ -

Principal payments for the long-term notes payables for each of the five succeeding years are as follows at June 30, 2011:

2012	$ 110,377
2013	116,302
2014	122,470
2015	114,055
2016	321,038
Total	$ 784,242

Reunion Bank Loan Covenants

In October, 2010, the Company entered into a 5-year note agreement with Reunion Bank for the amount of $325,000 with a balance of $290,425 as of June 30, 2011. On February 16, 2011, the Company entered into another 5-year note agreement for the principal of $550,000 with a required balloon payment of $317,345 on the 60th payment. Reunion Bank loan covenants, which the Company believes it was in compliance with at June 30, 2011, are as follows:

- The Company is to maintain 1.25X Debt Coverage Ratio;
- Brownies is to maintain Tangible Net Worth of $400,000;
- The Company agrees that no dividends will be paid without Bank consent;
- The Company agrees to provide internally prepared financial statements quarterly;
- The Company will provide tax returns annually; and,
- Guarantors (Michael Borish individually and the Company) to provide tax returns and financial statements annually.

Consolidated Statements of Cash Flows (Unaudited) (USD $)	6 Months Ended	
	Jun. 30, 2011	Jun. 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (498,209)	$ (2,923,556)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	28,672	
Gain on sale of assets	(1,995)	
Depreciation and amortization	253,306	2,354
Amortization of debt discount	28,616	
Common stock issued for compensation	99,350	1,443,160
Common stock issued for interest expense		1,150,192
Common stock issued for conversion of debt		401,612
Beneficial conversion feature		162,500
Changes in operating assets and liabilities:		
Accounts receivables	(139,996)	7,366
Prepaid expenses and other current assets	5,230	
Inventory	7,799	
Accounts payables	(104,607)	55,919
Accrued expenses	151,690	(344,445)
Accrued interest - related parties	(3,263)	
Deferred liabilities	42,800	
Net cash used in operating activities	(130,607)	(44,898)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of equipment	26,645	
Purchase of equipment	(41,701)	
Deposit for business acquisition	(175,000)	
Net cash used in investing activities	(190,056)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Bank overdraft	4,786	(5,037)
Proceeds from exercise of warrants	50,000	
Repayment of notes payable and convertible note	(533,248)	
Repayment of notes payable - related parties	(14,300)	
Proceeds from note payable and line of credit	648,107	
Proceeds from note payable - related parties	68,700	50,000
Net cash provided by financing activities	224,045	44,963
NET INCREASE (DECREASE) IN CASH	(96,618)	65
CASH, BEGINNING OF PERIOD	175,134	
CASH, END OF PERIOD	78,516	65
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	46,667	1,241,956
Taxes paid		
NONCASH INVESTING AND FINANCING TRANSACTIONS		

Issuance of common stock for the conversion of debt	86,000
Common stock issued to settle accrued compensation	120,615
Common stock issued for the acquisition of equipment	15,240
Common stock issued for note payable-debt discount	32,704
Preferred stock issued to settle accrued compensation	$ 17,915

Basis of Presentation	3 Months Ended Jun. 30, 2011
Basis Of Presentation	
Basis of Presentation	**NOTE 2 - BASIS OF PRESENTATION** Interim Financial Statements The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. While management of the Company believes that the disclosures presented herein are adequate and not misleading, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the footnotes thereto for the fiscal year ended December 31, 2010 as filed with the Securities and Exchange Commission in our Form 10-K.

Assets Purchased	3 Months Ended Jun. 30, 2011
Assets Purchased	
Assets Purchased	**NOTE 11 – ASSETS PURCHASED** On December 13, 2010, the Company entered into an Asset Purchase Agreement (the "APA") with Clean Fuel, LLC. Pursuant to the APA, and upon the terms and subject to the conditions thereof, the Company agreed to purchase equipment from Clean Fuel, LLC. The purchase price for the assets consisted of $850,000 in cash and 5,000,000 warrants at a $0.10 exercise price which are fully vested and have a three- year life at the date of closing of the APA. The value of the warrants based on Black Scholes is $95,308. The APA closed on December 13, 2010. The equipment was put in Grease, a wholly-owned subsidiary of Freedom, This equipment purchased from Clean Fuel LLC was idle prior to the acquisition. The fair value of the consideration and the assets acquired is based on the aggregate value of the cash and the Black Scholes value of the warrants that was exchanged for the property and equipment as shown below:

	December 13, 2010
Fair Value of Consideration:	
Cash	$ 757,000
Equity instruments (5,000,000 warrants at a $.10 exercise price)	95,308
Equity instruments (600,000 common shares, $0.0254 per share)	15,240
Total Purchase Price	$ 867,548
Fair Value of Assets acquired:	
Assets:	
Property and Equipment	$ 867,548
Fair value of total assets	$ 867,548

Consolidated Balance Sheets (Unaudited) (USD $)	Jun. 30, 2011	Dec. 31, 2010
CURRENT ASSETS		
Cash	$ 78,516	$ 175,134
Accounts receivable - net of allowance of $71,617 and $45,300	349,942	238,618
Inventory	62,859	70,658
Prepaid expenses		5,230
Total current assets	491,317	489,640
Property, plant and equipment, net of accumulated depreciation of $380,604 and $154,197	1,871,961	2,154,349
Deposit	175,000	
Intangible assets (customer list)- net of accumulated amortization of $40,194 and $20,000	161,749	181,943
TOTAL ASSETS	2,700,027	2,825,932
CURRENT LIABILITIES:		
Bank overdraft	4,786	
Accounts payable	336,288	440,895
Accrued expenses	193,707	184,546
Accrued interest - related parties	27,675	30,938
Line of credit	32,028	13,177
Notes payable	284,000	749,000
Notes payable - related parties, net of unamortized discount of $4,088	507,212	456,900
Current portion of long-term notes payable	104,699	320,031
Convertible notes payable		114,500
Other current liabilities	42,800	
Total current liabilities	1,533,195	2,309,987
Long-term notes payable	727,273	
TOTAL LIABILITIES	2,260,468	2,309,987
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Preferred stock, $0.001 par value, 75,000,000 shares authorized; Series A, convertible, 5,736,333 and 3,177,111 issued and outstanding as of June 30, 2011 and December 31, 2010	5,736	3,177
Common stock, $0.001 par value, 200,000,000 shares authorized; 123,018,334 and 103,444,517 issued and outstanding as of June 30, 2011 and December 31, 2010, respectively	123,018	103,445
Additional paid-in capital	21,288,618	20,888,927
Accumulated deficit	(20,977,813)	(20,479,604)
Total stockholders' equity	439,559	515,945
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,700,027	$ 2,825,932