<u>Quarterly Report</u>

Period Ending 29 February 2012

YIPPY, Inc.
(a Nevada Corporation)

Current Trading Symbol: **YIPI.PK**

CUSIP Number: **98584Y202** Tax ID Number: **98-0585450**

WE PREVIOSLY WERE A SHELL COMPANY AND ARE NOT CURRENTLY A REPORTING COMPANY AS THAT TERM IS DEFINED IN THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND THEREFORE, THE EXEMPTION OFFERED PURSUANT TO RULE 144 IS NOT CURRENTLY AVAILABLE. ANYONE WHO PURCHASED SECURITIES DIRECTLY OR INDIRECTLY FROM US OR ANY OF OUR AFFILIATES IN A TRANSACTION OR CHAIN OF TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING CANNOT SELL SUCH SECURITIES IN AN OPEN MARKET TRANSACTION.

ITEM I: The Exact Name of the Issuer and its Predecessors.

- Yippy, Inc., a Nevada corporation (hereinafter referred to as the "Company" or "Yippy").

- Formerly Cinnabar Ventures, Inc. until April 2010 (Certificate of Amendment to the Company's Articles of Incorporation filed with the Nevada Secretary of State on April 15, 2010, as filed with the United States Securities and Exchange Commission (the "SEC") as Exhibit 3.1 to the Company's Current Report on Form 8-K on May 10, 2010).

The Address of the Issuer's Principal Executive Offices.

Yippy, Inc.
17595 S. Tamiami Trl. #300
Fort Myers, FL 33908
Phone Number: 877-947-7901
Fax Number: 239-432-9870
Email: info@yippyinc.com
Website: www.yippy.com

The Jurisdiction and Date of the Issuer's Incorporation or Organization.

The Company was originally organized under the corporate laws of the State of Nevada on May 24, 2006.

<u>SHARE STRUCTURE</u>

The Exact Title and Class of Securities Outstanding.

Class of Securities: Common

CUSIP Number: 98584Y202

Trading Symbol: YIPI.PK

Par or Stated Value and Description of the Security.

A. Par or Stated Value

Common Stock, par value $0.001 per share

B. Description of Common Stock

The holders of shares of common stock have no subscription, redemption, subscription, sinking fund or conversion rights. In addition, the holders of shares of common stock have no preemptive rights to maintain their percentage of ownership in future offerings or sales of our stock. The holders of shares of common stock have one vote per share in all elections of directors and on all other matters submitted to a vote of our stockholders. The holders of common stock are entitled to ratably receive dividends, if any, as and when declared from time to time by our board of directors out of funds legally available therefore. Upon liquidation, dissolution or winding up of our affairs, the holders of common stock will be entitled to participate equally and ratably, in proportion to the number of shares held, in our net assets available for distribution to holders of common stock. The shares of common stock currently outstanding are fully paid and non-assessable. There is no provision in the Company's articles of incorporation or bylaws that would delay, defer, or prevent a change in control of the issuer.

ITEM II: The Number of Shares of Total Amount of the Securities Outstanding for Each Class of Securities Authorized

	PERIOD END DATE		
	February 29, 2012	**May 31, 2011**	**May 31, 2010**
(1) Number of Authorized Shares	75,000,000	75,000,000	75,000,000
(2) Number of Outstanding Shares	53,239,876	45,410,722	44,620,000
(3) Public Float	8,040,000	8,040,000	8,040,000
(4) No. of Beneficial Shareholders	1033	1033	401
(5) Total No. of Shareholders of Record	184	15	13

Note: On December 5, 2011, the Company declared a 2-for-1 split and is reflected in the above disclosure.

ITEM III. Interim Financial Statements.

See below.

Yippy, Inc
Consolidated Balance Sheets

	February 29, 2012 (Unaudited)	May 31, 2011 (Audited)
Assets		
Current assets:		
Cash	$ 210,573	$ 32,549
Accounts Receivable	22,170	4,846
Prepaid Expenses	59,695	245,320
Due from Related Party	28,427	-
Total Current Assets	320,865	282,714
Intangible Assets:		
Brands, Customer List and Domains	1,500,000	1,500,000
Software	3,605,000	3,555,000
	5,105,000	5,055,000
Less: Accumulated Amortization	(1,447,752)	(791,934)
Total Intangible Assets	3,657,248	4,263,066
Total Assets	$ 3,978,113	$ 4,545,781
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts Payable and Accrued Liabilities	$ 67,623	$ 343,904
Convertible Notes Payable - Related Party	739,694	89,195
Convertible Notes Payables	25,000	5,000,000
Total Current Liabilities	832,317	5,433,099
Total Liabilities	832,317	5,433,099
Stockholders' Equity / (Deficit)		
Common Stock, ($0.001 par value, 75,000,000 shares authorized, 53,239,876 and 45,410,722 issued and outstanding as of February 29, 2012 and May 31, 2011, respectively)	53,240	45,411
Additional Paid in Capital	9,704,450	4,384,211
Accumulated Deficit	(6,611,894)	(5,316,941)
Total Stockholders' Equity / (Deficit)	3,145,796	(887,318)
Total Liabilities and Stockholders' Equity	$ 3,978,113	$ 4,545,781

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

Yippy, Inc
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended February 29, 2012	For the Three Months Ended February 28, 2011	For the Nine Months Ended February 29, 2012	For the Nine Months Ended February 28, 2011	For the Period from May 24, 2006 (Inception) to February 29, 2012
Revenues	$ 16,627	$ 9,361	$ 65,714	$ 33,930	$ 111,224
Operating Expenses					
General and Administrative Expense	180,994	84,390	1,472,668	318,270	3,656,532
Amortization Expense	151,939	190,064	655,818	570,192	1,447,752
Impairment Expense	-	-	-	-	1,500,000
Total Operating Expense	332,933	274,454	2,128,486	888,462	6,604,284
Other (Income) Expense					
Interest expense	33,277	59,205	124,981	176,191	335,815
Debt forgiveness	-	-	(236,981)	-	(236,981)
Net Loss	$ (349,583)	$ (324,298)	$ (1,294,954)	(1,030,723)	$ (6,591,894)
Net Loss Per Common Share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)	
Weighted average number of shares outstanding	53,025,209	44,620,000	50,284,985	44,620,000	

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

Yippy, Inc
Consolidated Statement of Changes in Stockholders' Equity / (Deficit)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity / (Deficit)
Balances, May 31, 2009	38,040,000	$ 38,040	$ 43,360	$ (104,139)	$ (22,739)
Common stock issued for cash	1,190,000	1,190	499,560	-	500,750
Common stock issued for assets	3,120,000	3,120	1,496,880	-	1,500,000
Stock based compensation	2,270,000	2,270	1,554,480		1,556,750
Net Income	-	-	-	(3,721,298)	(3,721,298)
Balances, May 31, 2010 (restated)	44,620,000	44,620	3,594,280	(3,825,437)	(186,537)
Conversion of debt to equity	790,722	791	789,931	-	790,722
Net (Loss)	-	-	-	(1,491,503)	(1,491,503)
Balances, May 31, 2011 (restated)	45,410,722	45,411	4,384,211	(5,316,940)	(887,318)
Stock Dividend	2,231,154	2,231	(2,231)	-	-
Issuance of Shares for Services	598,000	598	102,470	-	103,068
Discount on issuance of convertible note payable			225,000		225,000
Conversion of notes payable	5,000,000	5,000	4,995,000		5,000,000
Net Income	-	-	-	(1,294,954)	(1,294,954)
Balances, February 29, 2012	53,239,876	$ 53,240	$ 9,704,450	$ (6,611,894)	$ 3,145,796

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

Yippy, Inc
Consolidated Statements of Cash Flows

	For the Nine Months Ended February 29, 2012	For the Nine Months Ended February 28, 2011	For the Period from May 26, 2006 (Inception) to February 29, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	$ (1,294,954)	$ (324,298)	$ (6,611,894)
Adjustments to Reconcile Net Loss to			
Net Cash Used in Operating Activities			
Stock based compensation	103,068	-	1,659,818
Amortization	655,818	100,000	1,447,752
Impairment of intangible assets	-	-	1,500,000
Contribution of services	-	-	54,000
Changes in Operating Assets and Liabilities			
Accounts receivable	(17,324)	54,137	(22,170)
Prepaid expenses	185,625	58,330	433,522
Accounts payable and accrued liabilities	(276,281)	22,241	(30,594)
Net Cash Used in Operating Activities	(644,048)	(89,590)	(1,569,566)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisition of software license	(50,000)	-	(500,000)
Net Cash Provided from Investing Activities	(50,000)	-	(500,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from convertible notes payable - related party	650,499	-	1,530,416
Proceeds from notes payable	455,027	-	455,027
Advances (repayments) of shareholder advances	(28,427)	-	(28,427)
Repayments of notes payable	(205,027)		(205,027)
Proceeds from issuance of common stock	-	-	528,150
Net Cash Provided from Financing Activities	872,072	-	2,280,139
Net Increase (Decrease) in Cash	178,024	(89,590)	210,573
Cash Beginning of Period	32,549	86,903	-
Cash - End of Period	$ 210,573	$ (2,687)	$ 210,573
SUPPLEMENTAL INFORMATION:			
Cash paid for income taxes	$ -	$ -	$ -
Cash paid for interest	$ 50,000	$ -	$ 50,000
NON-CASH ACTIVITIES			
Issuance of convertible notes payable for software license, tradenames, brands and domains	$ -	$ -	$ 5,000,000
Issuance of common stock for intangible assets	$ -	$ -	$ 1,500,000
Conversion of convertible notes payable - related party to common stock	$ -	$ -	$ 790,722
Conversion of convertible notes payable	$ 5,000,000	$ -	$ 5,000,000

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

Note 1. The Company and Summary of Significant Accounting Policies

The Company

Cinnabar Ventures, Inc. ("Cinnabar") was incorporated in the State of Nevada on May 24, 2006. Yippy, Inc. ("Yippy Delaware") was incorporated in the State of Delaware on October 6, 2009, and was renamed Yippy Soft, Inc. on April 23, 2010. On January 26, 2010, Cinnabar acquired Yippy Delaware for 2,340,000 common shares. The acquisition was accounted for as a combination of entities under common control. All historical financial information is presented as combined for all periods presented. Cinnabar has been renamed Yippy, Inc. ("Yippy" or the "Company") effective April 15, 2010.

Yippy provides secure family friendly online web destinations and services such as search, browser, email, cloud applications and storage to family PC's, learning institutions and libraries.

Development Stage Company

Since its inception, the Company has devoted its efforts to acquiring assets and raising capital. In addition, the Company has generated limited revenues. Accordingly, the Company is considered to be in the development stage.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term investments purchased with original maturities of three months or less at the date of purchase to be cash equivalents.

Fair Value of Financial Instruments

Under FASB ASC 820, Fair Value Measurements and Disclosures, we are permitted to elect to measure financial instruments and certain other items at fair value, with the change in fair value recorded in earnings. We elected not to measure any eligible items using the fair value option. Consistent with the Fair Value Measurement Topic of the FASB ASC 820, we implemented guidelines relating to the disclosure of our methodology for periodic measurement of our assets and liabilities recorded at fair market value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier fair value hierarchy prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

The carrying amounts of trade and other accounts receivable, trade accounts payable, accrued payroll, bonuses and team member benefits, and other accrued expenses approximate fair value because of the short maturity of those instruments.

Intangible Assets

Intangible assets include a software license agreement acquired from an independent party. Intangible assets have a definite life and are amortized on a straight-line basis, with estimated useful lives of two to seven years. Intangible assets with a definite life are tested for impairment whenever events or circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds the estimated undiscounted cash flows used in determining the fair value of the asset. The amount of the impairment loss to be recorded is calculated by the excess of the asset's carrying value over its fair value. During 2010, the assets contributed by the majority shareholder were determined to be impaired and the Company recorded an impairment charge of $1,500,000 for the year ended May 31, 2010. No impairment was recognized for the year ended May 31, 2011.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income taxes and liabilities are determined based on the difference between financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Revenue Recognition

Revenue is recognized when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectability of the related fee is reasonably assured.

The Company recognizes revenue from search advertising on Yippy, Inc. Search Properties. Search revenue is recognized based on "click-throughs." A "click-through" occurs when a user clicks on an advertiser's search result listing. The Company has entered into a Search and Advertising Services and Sales Agreement (the "Search Agreement") with Infospace, Inc., which provides for Infospace to be the exclusive algorithmic paid search service provider on Yippy.com and non-exclusive on other Yippy, Inc. search properties. The Company reports as revenue the 96 percent share of revenue generated from Infospaces's services on Yippy.com Property and other search sites held by the Company.

Accounts Receivable and Allowances

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains allowances for bad debts. The allowance for doubtful accounts is based on the best estimate of the amount of probable credit losses in existing accounts receivable. The Company determines the allowances based on historical write-off experience by industry and regional economic data and historical sales returns. The Company reviews the allowance for doubtful accounts periodically. The Company does not have any significant off-balance-sheet credit exposure related to its customers.

Earnings Per Share

In accordance with accounting guidance now codified as Financial Accounting Standards Board ("FASB") ASC Topic 260, *"Earnings per Share,"* basic earnings (loss) per share is computed by dividing net income (loss) by weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

Since the Company reflected net losses for each of the years ended May 31, 2011 and 2010, the effect of considering any common stock equivalents, if outstanding, would have been anti-dilutive. A separate computation of diluted earnings (loss) per share is not presented.

Marketing and Advertising Charges

The Company charges marketing and advertising costs to expense as incurred. Marketing and advertising costs amount to $180,425 and $32,601 for the 9 months ended February 29, 2012 and February 28, 2011, respectively, and are included with general and administrative expenses in the accompanying financial statements.

New Accounting Pronouncements

Management does not expect adoption of recently issued but not yet effective pronouncements to have a material impact on the Company's financial statements.

Note 2.Intangible Assets

On May 17, 2010, the Company entered into a software license agreement with Vivisomo, Inc and acquired the domain Clusty.com in exchange for $550,000 in cash and a convertible note payable in the amount of $5,000,000. The transaction consisted of a maintenance agreement costing $495,000 and the intangible assets included in the table below:

Description	Feb 29, 2012	May 31, 2011	Estimated Useful life
Software license	$ 3,605,000	$ 3,555,000	7 years
Trademark brands and domains	1,500,000	1,500,000	5-7 years
Total	5,105,000	5,055,000	
Less: accumulated amortization	(1,447,752)	(791,934)	
Intangible assets, net	$ 3,657,248	$ 4,263,066	

On an annual basis the Company will evaluate the carrying value of intangible assets and determine if impairment has occurred and if so, record a charge for impairment. Management has concluded no impairment exists as of May 31, 2011 and 2010, respectively.

The Company recorded amortization expense of $659,818 and $755,818 for the 9 months ended February 29, 2012 and February 28, 2011, respectively, related to the intangible assets.

Note 3.Notes Payable

Notes payable consists of the following at February 29, 2012 and May 31, 2011, respectively:

		February 21, 2012		May 31, 2011
Convertible Notes Payable- Related Party				
Loan payable to a shareholder bearing interest at 5% due on May 17, 2012, convertible to common stock at $2.00 per share	$	254,695	$	89,195
Loan payable to a shareholder bearing interest at 18% due on July 20, 2012, convertible to common stock at $1.00 per share		300,000		
Loan payable to a shareholder bearing interest at 18% due on February 17, 2013, convertible to common stock at $1.00 per share		185,000		-
Total Convertible Notes Payable – Related Party	$	739,695	$	89,195
Convertible Notes Payable				
Loan payable bearing interest at 10% due on March 17, 2012, convertible to common stock at 60% of the lowest closing price during the five days immediately preceding conversion, net of discount of $14,973	$	(19,987)	$	-
Loan payable bearing interest at 15% due on May 24, 2012, convertible to common stock at 45% of the lowest closing price during the ten days immediately preceding conversion, net of original issue discount of $25,000		225,000		
Less: Beneficial Conversion Discount		(250,000)		
Loan payable bearing interest at 10% due on December 14, 2011, convertible to common stock at $2.00 per share		25,000		-
Loan payable bearing interest at 4% due on May 16, 2011, convertible to common stock at $2.00 per share		-		1,000,000
Loan payable bearing interest at 4% due on May 16, 2012, convertible to common stock at $2.00 per share		-		4,000,000
Total Convertible Notes Payable	$	(19,987)	$	5,000,000

Accrued interest on the convertible notes payable was $23,828 and $210,833 at February 29, 2012 and May 31, 2010, respectively.

Note 4. Going Concern

As reflected in the accompanying financial statements, the Company has a net loss of $1,295,323 and net cash used in operations of $90,491, for the 9 months ended February 21, 2012.

The Company may seek additional funds to finance its immediate and long-term operations through debt and/or equity financing. The successful outcome of future financing activities cannot be determined at this time and there is no assurance that if achieved, the Company will have sufficient funds to execute its intended business plan or generate positive operating results.

These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not include any adjustments related to recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Note 5. Related Party Transactions

The sole director and officer of the Company advanced funds to the Company from time to time. The balance due the sole director and officer was $21,327 and $112,235 at February 29, 2012 and May 31, 2011, respectively.

Note 6. Stockholders' Equity (Deficit)

(i) Common Stock Issuances

In May 2006, the Company issued 15,000,000 shares of common stock to its founders for $5,000 ($0.0003/share).

In August 2006, the Company issued 720,000 shares of common stock for $2,400 ($0.003/share).

In September 2006, the Company issued 3,000,000 shares of common stock for $10,000 ($0.003/share).

In November 2006, the Company issued 300,000 shares of common stock for $10,000 ($0.03/share).

On October 14, 2009, the Company issued 825,000 shares of common stock to a consultant, in exchange for services rendered, having a fair value of $46,750 ($.056/share), based upon the quoted closing trading price.

On October 7, 2009, the Company issued 200,000 shares of common stock for $500,000 ($2.50/share), to its founder.

On October 7, 2009, the Company issued 700,000 shares of common stock, having a fair value of $1,750,000 ($2.50/share), to its founders for services rendered, based upon the recent cash offering price.

On December 18, 2009, the Company issued 75,000 shares of common stock in connection with the exercise of stock options, for proceeds of $750 ($0.01 per share).

On December 31, 2009, the Company issued 25,000 shares of common stock to a consultant, in exchange for services rendered, having a fair value of $91,250 ($3.65/share), based upon the quoted closing trading price. Under the terms of this agreement, the consultant also received 25,000 shares of common stock on March 1, 2010, in exchange for services rendered, having a fair value of $91,250 ($3.65/share).

On January 26, 2010, the Company issued 2,340,000 shares of common stock for the acquisition of Yippy Delaware, having a fair value of $2,250,000.

On June 2, 2011, the Company declared a 5% stock dividend for holders of record on June 27, 2011, payable on or about June 30, 2011 representing 1,115,577 shares of common stock.

In July 2011, the Company issued 10,000 shares of common stock to a former consultant as settlement of a dispute. The common stock had a fair market value of $10,300.

In October 2011, the Company issued 2,500,000 shares of common stock upon the conversion of $5,000,000 in notes payable. The common stock had a fair market value of $975,000 on the date of conversion.

In November 2011, the Company issued 135,000 shares of common stock as compensation to two consultants. The fair market value of the common stock was $45,300.

In December 2011, the Company issued 70,000 shares of common stock as compensation for fees to execute a Note Payable Contract. The fair market value of the common stock was $30,800.

In February 2012, the Company issued 84,000 shares of common stock as compensation for fees to execute 2 Note Payable Contracts. The fair market value of the common stock was $16,668.

Note 7. Commitments

On May 17, 2010, the Company entered into a license agreement (the "License Agreement") with Vivisimo, Inc. ("Vivisimo"), granting the Company a non-exclusive, world-wide right to the use of "Velocity," a software information optimization platform that unifies access to secure business repositories, presents relevant information and enables knowledge sharing across an enterprise, for use in connection with computer applications currently being developed by the Company. In connection with the License Agreement, the Company acquired the domain Clusty.com, a metasearch engine, and all sub-domains and scripts related thereto, pursuant to a related purchase agreement (the "Purchase Agreement"). Vivisimo agreed not to compete with the Company in the consumer search area for a period of two years. Total consideration paid to Vivisimo under the Purchase Agreement and License Agreement was approximately $5,550,000 (the "Acquisition Price"). The Acquisition Price includes two cash payments and the issuance by the Company to Vivisimo of two convertible promissory notes, each bearing interest at a rate of 4% per annum (together, the "Notes"). Vivisimo may, at the maturity of either or both Notes, elect to convert the principal and interest then due into shares of the Company's common stock ("Conversion Shares") at a price of $2.00 per share. If full conversion occurs, Vivisimo would hold approximately 10% of the outstanding equity of the Company based upon the Company's current capitalization. Subsequent to the execution of the agreement, the final payment of $100,000 and accrued interest amounts of $257,671 under the Notes have been withheld pending the correction of performance based issues with the software under license. In October 2011, the Notes were converted.

Note 8. Restatement

In March 2012, the Company concluded that its previously issued unaudited financial statements as of and for the years ended May 31, 2011 and 2010 contained errors regarding the capitalization of certain assets, year-end cut-off errors and classification of assets. The Company determined certain costs should not be capitalized and has restated intangible assets (including software license, tradenames, brands and domains, and related accumulated amortization) and additional paid in capital. Additionally, due to cut-off errors, the Company has restated accounts payable and accrued liabilities and accumulated deficit. Finally, due to classification errors, the Company has reclassified certain assets, such as prepaid maintenance costs, trade names, brands and domains.

The following tables summarize the effect of corrections on the consolidated financial statements as of the year ended May 31, 2011:

	As Reported (Unaudited)	Adjustments	As Restated
Assets			
Current assets:			
Cash and cash equivalents	$ 32,519	$ -	$ 32,549
Accounts receivable, net	4,846	-	4,846
Prepaid expenses	-	245,320	245,320
Deposits	9,916	(9,916)	-
Total current assets	47,311	235,404	282,715
Intangible assets:			
Internally developed application services environment and browser	1,749,300	(1,749,300)	-
Software license	5,550,000	(1,995,000)	3,555,000
Tradenames, brands and domains	-	1,500,000	1,500,000
	7,299,300	(2,244,300)	5,055,000
Less: accumulated amortization	(2,433,100)	1,641,166	(791,934)
Total intangible assets	4,866,200	(603,134)	4,263,066
Total assets	$ 4,913,511	$ (367,730)	$ 4,545,781

Note 8. Restatement (cont'd)

	As Reported (Unaudited)	Adjustments	As Restated
Liabilities:			
Accounts payable and accrued liabilities	$ 531,293	$ (187,389)	$ 343,904
Convertible notes payable	-	5,000,000	5,000,000
Convertible notes payable - related party	59,216	29,979	89,195
Total current liabilities	590,509	4,842,590	5,433,099
Convertible Notes Payable - Related Party	89,195	(89,195)	-
Convertible notes payable	5,000,000	(5,000,000)	-
Total long term liabilities	5,089,195	(5,089,195)	-
Total liabilities	5,679,704	(246,605)	5,433,099
Stockholders' deficit:			
Common stock	22,705	-	22,705
Additional paid in capital	3,391,663	1,015,254	4,406,917
Accumulated deficit	(4,180,562)	(1,136,378)	(5,316,940)
Total stockholders' deficit	(766,194)	(121,124)	(887,318)
Total liabilities and stockholders' deficit	$ 4,913,510	$ (367,729)	$ 4,545,781
Statement of Operations			
Revenue	$ 45,510	$ -	$ 45,510
Operating expenses			
General and administrative expense	420,753	155,833	576,586
Amortization expense	2,433,100	(1,672,843)	760,257
Impairment	-	-	-
Total Operating Expense	2,853,853	(1,517,010)	1,336,843
Loss from operations	(2,808,343)	1,517,010	(1,291,333)
Other expense			
Interest expense	286,034	(85,864)	200,170
Total other expense	286,034	(85,864)	200,170
Net loss	$ (3,094,377)	$ 1,602,874	$ (1,491,503)
Net loss per common share	$ (0.14)	$ (0.04)	$ (0.03)

ITEM IV: Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this Company Information Report. Various statements have been made in this Report that may constitute "forward-looking statements." Forward-looking statements may also be made in Yippy's other reports filed with or furnished to the United States Securities and Exchange or the OTC Markets, and in other documents. In addition, from time to time, Yippy, through its management, may make oral forward-looking statements. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from such statements. The words "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely" and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Yippy undertakes no obligation to update or revise any forward-looking statements.

Plan of Operation

Yippy, Inc. provides secure online web destinations and services such as search, browser, email, cloud applications and storage to family PCs, learning institutions and libraries primarily. YIPPY.com is one of the more robust, visually appealing, family friendly properties on the internet. The company provides an unparalleled approach to child safe web browsing and application aggregation. Yippy creates environments around conservative family values and provides all the tools necessary for all aspects of online activities.

Our business encompasses multiple activities culminating in the design, development and deployment of internet properties and cloud computing applications and solutions enabled through the applications services environments (ASE). The applications services environment (ASE) includes software applications, vertical search products, content aggregation, advertising, cloud infrastructure, and client support for our businesses.

The Company has several partnership opportunities that are in different stages of development. Each represents a role in the future business of Yippy via a vertical information cloud under development. The Company does not expect significant revenue growth in the fiscal year, due to management limiting advertising across the platforms. Management believes creating a user base is more important at this stage of development than revenue derived from obtrusive display advertising programs. The Company is allowing limited contextual advertising in the search products through a partnership with Infospace.

Results of Operations

Three months ended February 29, 2012 compared to three months ended February 28, 2011

Revenues

Revenues for the three months ended February 29, 2012, were $16,627, compared to $9,361 for the three months ended February 29, 2011. During the third quarter the Company made changes and modifications to programs that effected the monetization of the Company's internet properties. These updates and modifications have been completed as of the end of the third quarter.

General and Administrative Expenses

General and administrative expenses were $180,994 for the three months ended February 29, 2012, compared to $84,390 for the three months ended February 28, 2011. The increases in general and administrative costs are mainly attributed to the continued development of the Company's search engine infrastructure. Tradeshows and marketing programs were also factors.

Net Loss

The Company experienced a net loss of $349,583 for the three months ended February 29, 2012, compared to $324,298 for the three months ended February 28, 2011. The loss includes an amortization charge of $151,939 for the third quarter of 2012, compared to $190,064 for the same period in 2011.

Liquidity and Capital Resources

As of February 29, 2012, the Company had cash on hand in the amount of $210,573, with $22,170 in receivables and prepaid expenses totaling $59,695. The Company had total liabilities of $823,317. The Company expects $539,694 of the current $823,317 in liabilities to be retired via conversion in the coming months.

Capital Requirements

Yippy's capital requirement strategy for its planned business is as follows:

Obtain additional operating capital from joint venture partnerships, debt financing or equity financing to fund our ongoing operations and the continued development of our applications services environment and branding strategies in North America. The Company has access to additional funds as needed through a third party credit line set up for use by the Company, and to be repaid as new funds are acquired. The Company closed a debt financing with the Magna Group that will allow the Company to access at its sole discretion up to $500,000 per quarter for operations with a limit of $2,000,000 per calendar year. The Company is in negotiations with additional funding sources, but no additional agreements have been reached at this time.

Nine months ended February 29, 2012 compared to the Nine months ended February 28, 2011

Revenues

Revenues increased from $33,930 for the nine months ended February 28, 2011, to $65,714 for the nine months ended February 29, 2012, an increase of $31,784 or 94%.

General and Administrative Expenses

General and administrative expenses were $1,472,736 for the nine months ended February 29, 2012, compared to $318,270 for the nine months ended February 28, 2011.

Net Loss

The Company experienced a net loss of $1,294,954 for the nine months ended February 29, 2012, compared to $1,030,723 for the nine months ended February 28, 2011. The loss includes an amortization charge of $655,818 for the nine months ended February 29, 2012, compared to $570,192 for the nine month ended February 28, 2011.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities” (SPEs).

ITEM V. Legal Proceedings

From time to time we may become involved in legal proceedings which could adversely affect us. We are currently not involved in any litigation, other than litigation in the ordinary course of business, that we believe could have a materially adverse effect on our financial condition or results of operations. 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 our company, our common stock, any of our subsidiaries or of our company’s or our company’s subsidiaries’ officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM VI. Defaults Upon Senior Securities

We have no defaults upon Senior Securities as of February 29, 2012.

ITEM VII. Other Information

Not applicable.

ITEM VIII. Exhibits

Not applicable.

ITEM IX. Issuer's Certifications.

I, Richard Granville, certify that:

1. I have reviewed this disclosure statement of Yippy, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 2, 2012

/s/ Richard Granville
Richard Granville
Chairman of the Board
Chief Executive Officer