Annual Report

Year Ended May 31, 2014

YIPPY, Inc.
(a Nevada corporation)

Current Trading Symbol: **YIPI**

CUSIP Number: **98584Y103** 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.

PART A – GENERAL COMPANY INFORMATION

Item 1. The Exact Name of the Issuer and its Predecessor.

- 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).

Item 2. The Address of the Issuer's Principal Executive Offices.

Yippy, Inc.
17595 S. Tamiami Trail, Suite 270
Fort Myers, FL 33908
Phone Number: 877-947-7901
Fax Number: 877-947-7901
Email: info@yippyinc.com
Website: www.yippy.com

Item 3. 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.

PART B – SHARE STRUCTURE

Item 4. The Exact Title and Class of Securities Outstanding.

Class of Securities: Common Stock
CUSIP Number: 9858Y103
Trading Symbol: YIPI.PK

Item 5. 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 6. The Number of Shares of Total Amount of the Securities Outstanding for Each Class of Securities Authorized.

	PERIOD END DATE	
	May 31, 2014	**May 31, 2013**
Number of Authorized Shares	75,000,000	75,000,000
Number of Outstanding Shares	57,198,544	53,198,544
Public Float	9,180,000	9,180,000
No. of Beneficial Shareholders	1080	1123
Total No. of Shareholders of Record	198	195

Item 7. The Name and Address of the Transfer Agent.

PACIFIC STOCK TRANSFER COMPANY
4045 South Spencer Street, Suite 403
Las Vegas, NV 89119
Tel: (702) 361-3033
Fax: (702) 433-1979
E-mail: info@pacificstocktransfer.com

Pacific Stock Transfer Company is registered under the Exchange Act and is an SEC approved transfer agent, under the regulatory authority of the SEC.

PART C – BUSINESS INFORMATION

Item 8. The Nature of the Issuer's Business.

A. Business Development

1. The form of organization of the issuer.

- Yippy, Inc., a Nevada corporation.

2. The year that the issuer was organized.

- The Company was incorporated on May 24, 2006.

3. The issuer's fiscal year end date.

- May 31.

4. Whether the issuer has been in bankruptcy, receivership, or any similar proceeding.

- Neither the Company nor any of its predecessors have been in bankruptcy, receivership or any similar proceeding.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.

- On January 26, 2010, the Company completed the acquisition of Yippy Soft, Inc., a Delaware corporation (formerly Yippy, Inc.) ("Yippy Soft"). On the Closing Date, the Company acquired 100% of the issued and outstanding Yippy Soft common stock from the Yippy Soft shareholders. In exchange for the Yippy Soft common stock, the Company issued 2,340,000 shares of the Company's common stock to the Yippy Soft shareholders, at such time representing approximately 10.51% of the issued and outstanding common stock of the Company. Through its acquisition of Yippy Soft, the Company acquired rights to 100% of the assets of Yippy Soft.

- On April 15, 2010, the Company changed its name from Cinnabar Ventures, Inc. to Yippy, Inc. and applied for a new CUSIP and trading symbol.

- On May 17, 2010, the Company entered into a license agreement with Vivísimo, Inc. ("Vivísimo"), a subsidiary of IBM, Inc. ("IBM"), granting the Company a transferable, perpetual, unlimited (users), non-exclusive, world-wide right to the use of "Velocity" (rebranded by IBM as "Watson Data Explorer"), 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 purchase agreement. Vivísimo agreed not to compete with the Company in web search for a period of two years. Total consideration paid to Vivísimo under the purchase agreement and license agreement was approximately $5,550,000 (the "Acquisition Price"). The Acquisition Price included two cash payments and the issuance of two convertible promissory notes, each bearing interest at a rate of four percent (4%) per annum (together, the “Notes”). Vivísimo had the option, at the maturity of either or both of the Notes, to 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. On December 5, 2011, the Company issued 5,250,000 shares of the Company’s common stock to Vivísimo in consideration for the conversion of the Notes.

- On August 1, 2012, the Company entered into a share exchange agreement, by and among the Company, Yippy Labs, Inc., Macte! Labs, Inc. and the shareholders of Macte! Labs, Inc. Pursuant to the terms of the share exchange agreement, Yippy Labs, Inc. acquired 100% of the issued and outstanding shares of Macte! Labs, Inc. from the Macte! Lab, Inc. shareholders in exchange for shares of Yippy Labs, Inc. The shares of Yippy Labs, Inc. are exchangeable into shares of the Company upon the satisfaction of certain events.

- On February 28, 2013, the Company sold one of its subsidiaries Yippy Labs, Inc. (a Canadian Corporation) with certain non-essential brands, software and domain assets to four private individuals. The values of the assets at the time of sale were $737,500.00 (USD). The entity name “Yippy Labs” was not conveyed in the transaction and was changed by the purchasing party after closing.

- On June 14, 2013, the Company entered into a license agreement with Muse Global, Inc., granting the Company a transferable, perpetual, non-exclusive world-wide right to the use of Muse Federated Search Module, Muse Source Packages, Muse Source Factory, Information Connection Engine Server, Muse Web Bridge Communication Interface, Muse Consoles for Applications Administration, Embedded Apache Tomcat, Muse Control Centre platform and Muse Web Bridge Communication Interface API. The license agreement specifies use in conjunction with the Company’s Application Services Environment in the cloud with interconnections developed by the Company for Velocity and other internally developed programs. The license was fully paid at closing.

6. Any default of the terms of any note, loan, lease, or other indebtedness of financing arrangement requiring the issuer to make payments.

- The Magna Group d/b/a Hanover Holdings (collectively, “Magna Group”) and the Company are in the early stages of litigation concerning the potential improper accounting of collateral sold by Magna Group. It is the Company’s position that the sale of the collateral was not correctly applied to notes issued by the Company. Further investigation has stalled as Magna Group has yet to provide the Company’s third party auditing firm requested access to vital information. It is the Company’s position that Magna Group sold collateral beyond the value of the notes and sent the Company a default notice after selling collateral and not applying full value to the notes in question. The Company believes Magna Group sold collateral beyond the value of the notes by approximately $155,000.00. The Company and its counsel have made repeated requests to Magna Group for an independent audit of the collateral transactions. As of the date of this report, Magna Group has refused to allow this standard audit to occur.

7. Any change of control.

- On September 9, 2009, the Company entered into a material agreement with Belmont Partners, LLC, a Virginia limited liability company ("Belmont"), by which Belmont acquired the majority of the issued and outstanding common stock of the Company. Belmont purchased Five Million (5,000,000) shares of common stock, representing approximately 78.86% of the Company's then issued and outstanding common stock.

- On October 14, 2009, Richard Granville, individually, acquired the majority of the issued and outstanding common stock of the Company from Belmont. Pursuant to the terms of the purchase agreement, Mr. Granville purchased Five Million (5,000,000) shares of common stock, representing approximately 78.86% of the Company's then issued and outstanding common stock for a total purchase price of One Hundred and Ninety Five Thousand Dollars ($195,000.00).

8. Any increase in 10% or more of the same class of outstanding equity securities.

- In September 2006, the Company issued 1,000,000 common shares, increasing the total outstanding common shares from 5,720,000 to 6,720,000.

- On January 26, 2010, the Company issued 2,340,000 shares of the Company's common stock in consideration for the acquisition of Yippy Soft.

- On December 5, 2011, the Company issued 5,250,000 shares of the Company's common stock to Vivísimo, Inc., a subsidiary of IBM, in consideration for the conversion of two promissory notes.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization.

- On November 5, 2009, the Company approved a 3-for-1 forward split of the Company's issued and outstanding common Stock. Immediately following the forward split, there were Nineteen Million and Twenty Thousand (19,020,000) shares of Company's common stock issued and outstanding. The forward split took effect on November 17, 2009.

- 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. As a result of this dividend, the number of shares issued and outstanding as of June 30, 2011, is 23,840,629, as compared to 22,705,361 and 22,310,000 as May 31, 2011 and 2010, respectively.

- On November 5, 2011, the Company approved a 2-for-1 forward split of the Company's issued and outstanding common Stock. Immediately following the forward split, there were 52,981,876 shares of Company's common stock issued and outstanding. The forward split took effect on December 5, 2011.

10. Any delisting of the issuer's securities by and securities exchange or deletion from the OTC Bulletin Board.

- On September 22, 2010, the Company voluntarily filed a Form 15 under Rule 15d-6.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

- As of the date of this report, the Company is not involved in any litigation that we believe could have a material 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 the Company or any of our subsidiaries, threatened against or affecting the Company, its common stock, any of its subsidiaries or of its companies or its subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

B. Business of Issuer

<u>Introduction</u>

Yippy, Inc. ("Yippy," the "Company," "we," "us" or "our") designs, develops, markets, distributes, and supports access and data management software in a cloud configuration. Yippy operates three distinct business divisions which deliver a wide range of products and services for enterprise, EDU (education) and web customers.

1) Enterprise

Yippy recently launched its EASE (Enterprise Application Services Environment) platform which provides Single Sign On access to all systems throughout the enterprise. EASE provides authenticated access to all disparate databases, application servers, operating systems and virtualized environments. EASE will improve the performance, productivity, scalability and reliability of enterprise applications and associated programs through proprietary software infrastructure components that are designed from inception to support, interact or interoperate with other disparate database, software or hardware platforms through role based Active Directory (AD)/LDAP authenticated access. As such, we believe Yippy to be the only company in the world that can demonstrate <u>true</u> ESSO (Enterprise Single Sign On) access.

Our success has been predicated by identifying early on in the start-up phase the need for ESSO. Currently, Yippy is able to provide a full 360° solution for enterprises through a single user interface. As such we believe that our trademarked slogan "Welcome to Cloud" embodies our unique ability to move legacy prone enterprises into the next evolution of software driven platforms such as the Company's EASE solution.

Providing ESSO access to all disparate systems and data points was achieved by internally developed and acquired programs over the last four years of the Company's operations. The internally developed programs include but are not limited to multiple user interfaces, access controls, early binding active directory/LDAP interface that works seamlessly with the programs acquired from Vivisimo (now called: Watson Data Explorer) (2010), Macte Labs (2012) and MuseGlobal (2013).

The following list of capabilities is available through Yippy's EASE i2 platform.

- Platform Agnostic Enterprise Single Sign On (ESSO);
- Active Directory AD/LDAP Interface for Identity and Access Management;
- Federated Bridge and Connector Frameworks;
- Server and User Performance Monitoring and Analytics;
- Secure Web Browser (No trace outside enterprise);
- Business Intelligence;
- Email Intelligence;
- Sentiment Analysis (Cognitive Process based Machine Learning);
- Data Harvesting;
- Data Visualization;
- Discovery (via Non-Taxonomy Based Clustered Search);
- Data Management and Storage;
- Virtual Data Warehousing;
- Disaster Recovery (DR);
- Enterprise Social Networking;
- HR - Video Training Platform – Continuing Education; and
- Accessibility Through any Internet Enabled Device.

2) EDU

Yippy also provides learning products and sophisticated custom search products to higher learning institutions. Yippy can be private labeled for educational companies, school districts and universities. Yippy's custom search products can integrate multiple federated sources from an unlimited amount of information databases. Yippy's active and passive filters written specifically for Velocity scrub search results providing a robust research information cluster on topic and devoid of objectionable material. Additional active filters were recently created to override all major browsers through extension technologies to deny access to blacklisted websites or websites with content that contains terms deemed inappropriate.

Yippy's EDU search application, formerly known as Clusty, got its start in Pittsburgh, PA, in 2004, when the search software company Vivísimo decided to take its award-winning search technology to the web. Vivísimo was founded in 2000 by three Carnegie Mellon University scientists who decided to tackle the problem of information overload in web searches. Rather than focusing just on search engine result rankings, they realized that grouping results into topics, or "clouds," made for better search and discovery. As searching became a necessity for students, Vivísimo developed a service robust enough to handle the variety of information the everyday web user sought. The result was Clusty, an innovative way to get more out of every search. Clusty.com was acquired by Yippy in May 2010, along with the program known as Velocity.

Yippy queries several top search engines and research sites combining the results with internal indexes, and generates an ordered list based on comparative ranking. This approach helps raise the best results to the top and push search engine spam to the bottom. What really makes Yippy unique is what happens after a user searches. Instead of delivering only search results, Yippy search groups similar results together into "Clouds" or clusters. The Clouds help separate search results by topic so the searcher can zero in on exactly what they are searching for. This is especially useful for students of all ages.

Yippy.com allows students to access normally blocked search keywords such as "breasts" or "sexual health", as examples, without generating pornographic results and allows access to websites that are blocked by "dumb" software/hardware giving educators more time to teach and less time overriding other inferior protective programs. This is enhanced by Yippy's access to non-public information repositories that provide access to thousands of periodicals, magazines, newspapers, books, articles, journals not available on any other search engines and combining with the best of the web.

3) General Web Search

The Company provides secure, family friendly, online web destinations and services such as search, browser, email, cloud applications and storage. Yippy operates one of the most robust filtered search engines available and provides an unparalleled approach to child safe web browsing and application aggregation within one of the most visually appealing web properties on the Internet. Yippy creates consumer environments around conservative family values and provides all the tools necessary for all aspects of online activities.

1. Indicate the issuer's primary and secondary SIC codes.

- Primary: 7372 (Prepackaged software)

- Secondary: Not applicable.

2. If the issuer has never conducted operations, is in the development state or is currently conducting operations.

- The Company is currently conducting operations.

3. Whether the issuer is or has at any time been a “shell company”.

- The Issuer is currently not considered to be a shell company, however, the Company was previously deemed to be a shell company prior to the acquisition of Yippy Soft (see legend on cover page).

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement.

- Yippy Soft, Inc., a Delaware corporation, 100% owned subsidiary.

5. The effect of the existing or probable governmental regulations on the business.

- Not applicable.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers.

- Approximately Six Hundered Ninety Eight Thousand Twenty and Six Hundred Eighty Dollars ($698,680) has been spent on product research and development (“R&D”), including consulting fees and market research activities during the prior two fiscal years. The R&D activities included the completion of specific code sets and databases needed to run the Yippy’s EASE platform and the application services environments. These costs have been memorialized as stock based compensation expense in the financial statements.

7. Costs and effects of compliance with environmental laws (federal, state and local).

- None.

8. The number of total employees and number of full-time employees.

- The Company, including its operating subsidiaries, currently has six employees who are employed on a full-time basis. The Company also engages independent contractors to maximize flexibility and control expenditures. The Company has employed over 30 different specialized employees over the last six years to enhance the EASE platform while in beta. It is not the Company’s goal to maintain significant staffing. Yippy is a company that develops software platforms to sell to larger competing companies who have the proper infrastructures in place to sell and maintain programs designed by the Company.

Item 9. The Nature of Products or Services Offered.

- Platform Agnostic Enterprise Single Sign On (ESSO);
- Active Directory AD/LDAP Interface for Identity and Access Management;

- Federated Bridge and Connector Frameworks;
- Server and User Performance Monitoring and Analytics;
- Secure Web Browser (No Trace Outside Enterprise);
- Business Intelligence;
- Email Intelligence;
- Sentiment Analysis (Cognitive Process Based Machine Learning);
- Data Harvesting;
- Data Visualization;
- Discovery (via Non-Taxonomy Based Clustered Search);
- Data Management and Storage;
- Virtual Data Warehousing;
- Disaster Recovery (DR);
- Enterprise Social Networking;
- HR - Video Training Platform – Continuing Education; and
- Accessibility Through any Internet Enabled Device.

B. Distribution Methods of the Products or Services

We develop innovative products that increase the performance of applications, databases and infrastructure, and improve the productivity of the people who manage them, enabling customers to solve some of the toughest IT challenges and evolve into the next generation of cloud computing. The Company's growth plan has been to test our software through proof of concept type deployments in our three business divisions.

The Company has thoroughly proved its viability as a web search product in 2011. Our next goal was to prove our marketability for EDU businesses, which was accomplished through a partnership with the Gale Group in 2012. The final initiative was to prove out our ESSO concept software with Fortune 500 companies, which are ongoing as of the date of this report.

C. Status of any Publicly Announced New Product or Service

At this time, the Company has several new product or services that have been publicly announced.

D. Competitive Business Conditions, the Issuer's Competitive Position in the Industry, and Methods of Competition.

The market for IT systems management solutions is extremely competitive. While the Company currently has distinctive advantages to other service providers we expect competition to increase from both existing competitors and new market entrants. We believe that our ability to compete is secure due to the following:

- The ease of use, performance, features, price, and reliability of our products as compared to those of our competitors;

- The value proposition of our products in terms of return on investment and/or reduced cost of ownership;

- The timing and market acceptance of new products and enhancements to existing products developed by us;

- The effectiveness of our sales and marketing plans; and

- The uniqueness of our software and distribution methods via the i2 Intra Cloud approach.

E. Sources and Availability of Raw Materials and the Names of Principal Suppliers.

The Company does not use raw materials in its current business model.

F. Dependence on One or a Few Major Customers. List major customers and percentage of income reported if applicable.

During the fiscal year ended May 31, 2014, the Company was dependant on Fluor, Inc. and two other private companies. The Company is under non-disclosure agreements regarding the scope of each customer's use of the EASE platform and the amount of billing related thereto. The Company has completed multiple SOWs (Statement of Work) over the course of FY 2014.

G. Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts, Including Their Duration.

All Intellectual property is current, protected and registered with all applicable state and government agencies.

Intellectual Property Type	Description	USPTO Serial No.	Filing Date	Status
Word Mark	"YIPPY"	77936102	February 15, 2010	Current
Word Mark	"Welcome to the Cloud"	77871643	November 12, 2009	Current

H. The Need for Any Government Approval of Principal Products or Services and the Status of Any Requested Government Approvals.

The Company was informed by one of its clients that before the client could enter into a long-term formal agreement, the Company would have to be certified by the International Organization of Standardization (aka ISO).

The Company will have to maintain the following certificates and/or accreditations.

ISO 27001 - Certificate
ISO 27002 - Letter of Compliance
FISMA - Letter of Compliance
HIPPA – Certificate

As of the date of this report, the Company was negotiating with three firms to provide the Company with the needed ISO compliances. The Company expects to have these completed by December 31, 2014.

Item 10. The Nature and Extent of the Issuer's Facilities.

The Company does not currently own any facility. The Company currently maintains a leased administrative office in Fort Myers, Florida. The facility is located at 17595 S. Tamiami Trail, Suite 270, Fort Myers, Florida 33908, in the Alico Lakes Commons. The modern building is on fiber and the Company suite is 1,500 sq. ft. with 6 offices, reception area, conference room and open development space. The office is fully furnished with modern furnishing purchased new in 2010. The Company purchased all necessary equipment for business operations in 2010. The current term of the lease is for 12 months and it expires on September 30, 2014. The monthly rent is $1060.00. The Company has the option to renew the lease for additional 12-month periods.

PART D – MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 11. The Name of the Chief Executive Officer, Members of the Board of Directors, as well as Control Persons.

A. Officers and Directors

The following table and text sets forth the names and ages of all our directors and executive officers and our key management personnel as of May 31, 2014. All of our directors serve until the next annual meeting of stockholders and until their successors are elected and qualified, or until their earlier death, retirement, resignation or removal. Executive officers serve at the discretion of the board of directors, and are elected or appointed to serve until the next board of directors meeting following the annual meeting of stockholders. Also provided is a brief description of the business experience of each director and executive officer and the key management personnel and an indication of directorships held by each director in other companies subject to the reporting requirements under the Federal securities laws.

Name	Age	Position
Richard Granville	45	Chief Executive Officer, Chairman
Errol Walsh	72	Chief Operating Officer, Director
Ken Jolly	54	Director
Debbie Sharken	44	Director
Morton Fink	81	Director

Richard Granville, age 45, Chief Executive Officer, Chairman of the Board of Directors

1. Full name

Mr. Richard Granville

2. Business address

17595 S. Tamiami Trl., #270 Fort Myers, Florida 33908

3. Employment history

Mr. Granville, age 45, has over twenty years' experience in new technology development, sales and marketing experience. From November 2008 to present, Mr. Granville has served as the Managing Partner of Yippy Partnership Group and now is the Chief Executive Officer of Yippy, Inc. From November 2006 to September 2008, Mr. Granville served as Chief Executive Officer of Jack9 Entertainment, Inc ("Jack9"). Jack9 was one of the most successful IPTV units online and under Mr. Granville's direction, achieved a top 250 web property. From March 2003 to October 2006, Mr. Granville served as President of Southpaw, Inc., a Florida building contractor that served central Florida for residential and light commercial construction. From June 2001 to March 2003, Mr. Granville served as President of Granville Management Services, where he helped small emerging businesses in the "green" technologies sector. Mr. Granville invested time and capital into green home technology and automation, alternative energy research and grid management in the United States, Dominican Republic, Canada and Mexico.

From 1998 to 2000, Mr. Granville also served as the Chairman and Chief Executive Officer of Grace Development, Inc., a public telecommunications company serving customers in the southeast. Mr. Granville took the company to nearly a billion dollar market cap before he was succeeded by Ben Holcomb the former President of Bell South International in Feb. 2000. Prior to Grace Development, Mr. Granville held multiple management positions for public companies and also served honorably in the United States Navy in Aviation.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Mr. Granville received no significant compensation from the Company for the last 6 fiscal years and currently operates the business without an employment contract.

6. Number and class of the issuer's securities beneficially owned by each such person

34,776,000 Common Shares

Morton Fink, age 81, Director

1. Full name

Morton Fink

2. Business address

17595 S. Tamiami Trl., #270 Fort Myers, Florida 33908

3. Employment history

Mr. Fink's distinguished career has included executive management positions in the media, broadcast, cable and electronics industries. His experience provides a unique combination of management, leadership, and entrepreneurial skills. Mr. Fink was the founding CEO of Warner Home Video; his efforts drove Warner's dominant worldwide market share.

As Senior Vice President of Sony Corporation of America, he launched Betamax, established Sony Broadcast and the U.S. Technology Center. As Executive VP of United Satellite Communications, Mr. Fink developed marketing, sales and distribution strategies and managed satellite and ground operations as well as customer service for the first DBS entertainment start-up. Mr. Fink also served as the President of Cablevision's Home Video Division, and as Vice President of the CBS Comtec Group.

Currently, he consults for the Office of the Chairman at Cablevision System Corporation, working with a small team, hand-in-hand with the Founder and Chairman of the company, Charles Dolan. There, he analyzes and evaluates opportunities to take the core competencies of the corporation to areas outside the Company's current cable footprint domestically and internationally. He also analyzes and evaluates investment opportunities in Emerging Global, Ethnic and IPTV Ventures. Mr. Fink holds a BS in Business Administration from New York University.

4. Board memberships and other affiliations

None

5. Compensation by the issuer

Mr. Fink received 250,000 common stock purchase warrants in connection with his appointment to the Company's board of directors for 2012.

6. Number and class of the issuer's securities beneficially owned by each such person

250,000 common stock purchase warrants.

Debbie Sharken, age 44, Director

1. Full name

Debbie Sharken

2. Business address

17595 S. Tamiami Trl., #270 Fort Myers, Florida 33908

3. Employment history

For almost 20 years, Ms. Sharken has been an expert in consumer direct marketing, relationship marketing, and advertising. She has honed her skills at top-notch agencies like McCann Relationship Marketing, Grey Direct, and Saatchi & Saatchi Wellness. Ms. Sharken has built her career on her abilities to create strategic, customized marketing campaigns that develop lasting relationships between brands and their customers. She has extensive experience across all marketing channels and disciplines, including a deep expertise in building digital businesses. Ms. Sharken is currently the Chief Marketing Officer at the Direct Marketing Association and is helping to lead the organization and its members meet the challenges of today's marketplace. She holds a BS in Advertising from Syracuse University.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Ms. Sharken received 250,000 common stock purchase warrants in connection with his appointment to the Company's board of directors for 2012.

6. Number and class of the issuer's securities beneficially owned by each such person

250,000 common stock purchase warrants and 20,000 shares purchased in open market.

Errol Walsh, age 72, Chief Operating Officer and Director

1. Full name

Errol F. Walsh

2. Business address

17595 S. Tamiami Trl., #270 Fort Myers, Florida 33908

3. Employment history

Mr. Walsh worked at IBM for 31 years, ending his career in an executive management role, responsible for a group of more than 7000 employees and an operating budget of 1.2 billion dollars prior to his retirement in 1993. After retiring from IBM, Errol served as the Chief Executive Officer of Technology Support Corp. ("TSC") until 2006. TSC was a contracted IBM consulting firm, responsible for the integration of all SAP modules together with the IT deliverables that created the IBM Fulfillment SAP Project. This project encompassed the prototype phase, validation of the prototype and the integration testing of newly developed systems and processes. Mr. Walsh most recently served as a chief consultant for Axiom Consulting, LLC ("Axiom"), until 2009. At Axiom, Mr. Walsh worked with applications development and project management to set up support for end users for major corporations such as Fluor and SAP. Mr. Walsh holds a BS in Computer Information Systems from Empire State College.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Errol Walsh is to receive 250,000 common stock purchase warrants in connection with his appointment to the Company’s board of directors.

6. Number and class of the issuer’s securities beneficially owned by each such person

250,000 common stock purchase warrants and 190,000 shares purchased in the open market.

Kenneth Jolly, age 52, Director

1. Full name

Kenneth C. Jolly

2. Business address

17595 S. Tamiami Trl., #270 Fort Myers, Florida 33908

3. Employment history

Mr. Jolly brings extensive board experience to the Company. He previously served as the Chairman of the Board of Directors for the National Football League Former Players Association (the "NFLFPA") in Washington, D.C., and also served as a member of the NFLFPA board from 1999-2006. Since 2006, Mr. Jolly has served as a Director of the Professional Athletes Foundation in Washington, DC, an organization that provides grants to former National Football

League ("NFL") players in need, as well as develops programs to assist players as they transition to outside careers once their respective NFL careers conclude.

He has also served as a President and Director with multiple NFL chapter organizations, and is actively involved in promoting the health and wellness for all retired NFL players. Mr. Jolly played 2 years in the NFL and was a two-time special teams player of the year for the Kansas City Chiefs in 1984-1985 seasons. Mr. Jolly has owned and operated Jolly and Associates a sports apparel marketing firm for the past 20 years. Mr. Jolly graduated from Mid America Nazarene College with a BS in Biology.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Mr. Jolly is to receive 250,000 common stock purchase warrants in connection with his appointment to the Company's board of directors.

6. Number and class of the issuer's securities beneficially owned by each such person

250,000 common stock purchase warrants.

B. Legal/Disciplinary History

During the past five years, none of the Company's officers or directors have been the subject of:

(1) A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

(2) The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court or competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

(3) A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which fining or judgment has not been reversed, suspended or vacated; or

(4) The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Disclosure of Certain Family Relationships.

There are no family relationships among the Company's directors, officers, or beneficial owners of more than five percent (5%) of the issuer's common stock.

D. Disclosure of Related Party Transactions.

On January 26, 2010, the Company issued 2,340,000 shares of its common stock in exchange for 100% of the issued and outstanding stock of Yippy Soft, Inc. At the time of the transaction, Mr. Granville was the Chief Executive Officer of both companies.

E. Disclosure of Conflicts of Interest

There are no conflicts of interest with any of the officers' or directors' personal or professional interests.

Item 12. Financial Information for the Issuer's Most Recent Fiscal Period.

The financials for the years ended May 31, 2014, are included at the end of this Annual Report. Such financial statements are incorporated by reference herein.

Item 13. Similar Financial Information for Such Part of the Two Preceding Fiscal Years as the Issuer or Predecessor has been in Existence.

The financials for the years ended May 31, 2014 and 2013, respectively, are filed in the Company's Annual Report for the fiscal year ended May 31, 2014, filed with the OTC Markets Group, and are incorporated by reference herein.

Item 14. Beneficial Owners

The following table presents information concerning the beneficial ownership of the shares of our common stock as of May 31, 2014, by: (i) each of our named executive officers and current directors, (ii) all of our current executive officers and directors as a group and (iii) each person we know to be the beneficial owner of 5% of more of our outstanding shares of common stock. Unless otherwise specified, the address of each beneficial owner listed in the table is c/o Yippy, Inc., 17595 S. Tamiami Trail, Suite 270, Fort Myers, FL 33908.

The following table presents information concerning the beneficial ownership of the shares of our common stock as of February 28, 2014, by: (i) each of our named executive officers and current directors, (ii) all of our current executive officers and directors as a group and (iii) each person we know to be the beneficial owner of 5% of more of our outstanding shares of common stock. Unless otherwise specified, the address of each beneficial owner listed in the table is c/o Yippy, Inc., 17595 S. Tamiami Trail, Suite 270, Fort Myers, FL 33908.

Name	Current Share Ownership	Percent of Class (1)	Total Beneficial Ownership	Percent of Class (2)
Richard Granville Chief Executive Officer, Chairman	34,776,000	60.79%	35,026,000 (3)	59.92%
Morton Fink Director	0	0%	250,000 (4)	>1%
Debbie Sharken Director	0	0%	250,000 (4)	>1%
Ken Jolly Director	0	0%	250,000 (4)	>1%
Errol Walsh Chief Operating Officer, Director	0	0%	250,000 (4)	>1%
All directors and officers as a Group (5 persons)	34,776,000	60.79%	36,026,000	61.63%
International Business Machines, Inc. (IBM)	5,250,000	9.17%	5,250,000	8.98%
All directors, officers and 5% holders as a Group (6 persons)	40,026,000	69.97%	41,276,000	70.61%

(1) Based on 57,198,544 shares outstanding as of May 31, 2014.

(2) Based on a total of (i) 57,198,544 shares outstanding as of May 31, 2014, and (ii) 1,250,000 common stock purchase warrants outstanding held by officers or directors as of May 31, 2014.

(3) Richard Granville is the current owner of 34,776,000 shares of the Company's common stock by virtue of his direct ownership of 23,184,000 shares and his control of entities that directly own 11,592,000. In addition, Mr. Granville is the beneficial owner of 35,026,000 by virtue of his aforementioned current ownership and his beneficial ownership of common stock purchase warrant to purchase 250,000 shares of the Company's common stock.

(4) Mr. Fink and Mr. Jolly, do not directly own any common stock of the Company. Mr. Walsh owns directly approximately 190,000 shares of common stock of the Company. Ms. Sharken owns directly approximately 20,000 shares of common stock of the Company. Each board member are the beneficial owner of 250,000

shares of the Company's common stock by virtue of common stock purchase warrants to purchase 250,000 shares of the Company's common stock.

Item 15. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure.

1. Investment Banker

None

2. Promoters.

None.

3. Counsel

Westerman Ball Ederer Miller & Sharfstein, LLP
1021 RXR Plaz
Uniondale, NY 11556
Tel.: (516) 622-9200
Fax: (516) 622-9212
www.westermanllp.com

Greene, Fidler & Chaplan LLP
2719 Wilshire Blvd., Suite 200
Santa Monica, CA 90403
Tel.: (310) 315-1700
Fax: (310) 315-1701
www.gfcllp.com

4. Accountant or Auditor

Accountant:

Clear Financial Solutions, Inc.
710 N. Post Oak Rd., Suite 410
Houston, TX 77096
Tel.: (713) 780-0806
Fax: (800) 861-1175
www.clearfinancials.com

Auditor:

LBB and Associates
10260 Westheimer Road, Suite 310
Houston, TX 77042
Tel.: (713) 800-4343
Fax: (713) 583-2263
www.lbbcpa.com

5. Public Relations Consultant.

None.

6. Investor Relations Consultant.

None.

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

None.

Item 16. Management's Discussion and Analysis or Plan of Operation.

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 Annual 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 Commission 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

The Company has several acquisition and partnership opportunities that are in different stages of development. Each represents a potential role in the future business of Yippy. The Company has over the last 12 months enjoyed an increase in the value of the intellectual property held by the Company. This is evidenced by an increase in market capitalization of the Company over the same period.

The business that Yippy represents offers vast opportunities in multiple verticals markets that includes enterprise, education and web based markets. Since inception it has always been management's goal to grow the business through internal development and strategic acquisitions of software and synergistic technology companies that add value to the intellectual property of the Company as well as provide future revenue growth. Management believes that the Company has performed well in that regard, and will continue to assimilate more partnerships, synergistic businesses and applications under the brand of Yippy until the eventual sale of the company or its software.

Results of Operations – this section below needs to be updated

Year Ended May 31, 2014 Compared to the Year Ended May 31, 2013

Revenues

Revenues for the year ended May 31, 2014, were $1,037,575, compared to $401,253 for the year ended May 31, 2013, which represents an increase of $636,322. The increase was due to sales attributed directly to the Company's new EASE platform.

General and Administrative Expenses

General and administrative expenses were $638,046 for the year ended May 31, 2014, compared to $1,690,978 for the year ended May 31, 2013. The decrease of $1,052,932 is due primarily to a reduction in stock based compensation and development costs.

Net Loss

The Company experienced a net loss of $(1,692,271) for the year ended May 31, 2014, compared to a net loss of $(6,451,188) for the year ended May 31, 2013. The Company recorded a year over year decrease in net loss of $4,758,917 which is mainly due to a reduction in general and administrative expenses and completion of the EASE development.

Liquidity and Capital Resources

As of May 31, 2014, the Company had net cash of $19,329.

Net cash used for operating activities for the year ended May 31, 2014, was $547,304, as compared to $(1,307,536) for the year ended May 31, 2013. The Company finances its operations from the proceeds from debt offerings. Net cash obtained through all financing activities for the year ended May 31, 2014, was $(306,000), compared to $1,577,319 for the year ended May 31, 2013.

The Company is currently in discussions with potential financial and strategic sources of financing but no definitive agreements are in place at the time of this reporting.

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).

PART E – ISSUANCE HISTORY

Item 17. List of Securities Offerings and Shares Issued for Services in the Past Two Years.

On July 28, 2010, the Company issued 50,000 shares of common stock to a consultant, in exchange for services to be rendered.

In July 2011, the Company issued 10,000 shares of common stock to a former consultant as settlement of a dispute.

In November 2011, the Company issued 70,000 shares (split adjusted) of common stock as compensation to two consultants.

In December 2011, the Company issued 83,334 shares of common stock as compensation for fees to execute a Note Payable Contract.

In March 2012, the Company issued 83,334 shares of common stock as compensation for fees to place a note payable.

In May 2012, the Company issued 25,000 shares of common stock as compensation for fees to place a note payable.

In May 2014, the Company issued 4,000,000 shares of common stock for the extinguishment of $934,575 of debt.

PART F – EXHIBITS

Item 18. Material Contracts.

(1) Share Exchange Agreement, dated January 26, 2010, by and among Cinnabar Ventures Inc., Yippy, Inc. and the shareholders of Yippy, Inc. (as filed as Exhibit C to the Company's Initial Company Information and Disclosure Statement, filed with the OTCQX on February 9, 2011).

(2) Purchase Agreement, dated May 14, 2010, by and between Yippy, Inc. and Vivísimo, Inc. (as filed as Exhibit D to the Company's Initial Company Information and Disclosure Statement, filed with the OTCQX on February 9, 2011).

(3) Software License Agreement, dated May 14, 2010, by and between Yippy, Inc. and Vivísimo, Inc. (as filed as Exhibit G to the Company's Initial Company Information and Disclosure Statement, filed with the OTCQX on February 9, 2011).

Item 19. Articles of Incorporation and Bylaws.

(1) Articles of Incorporation, as amended (as filed as Exhibit A to the Company's Initial Company Information and Disclosure Statement, filed with the OTCQX on February 9, 2011).

(2) Bylaws (as filed as Exhibit B to the Company's Initial Company Information and Disclosure Statement, filed with the OTCQX on February 9, 2011).

Item 20. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

Item 21. 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: September 1, 2014

/s/ Richard Granville

Richard Granville
Chief Executive Officer
(Principal Financial Officer)

Yippy, Inc.
Financial Statements
Table of Contents

Yippy, Inc.
Consolidated Balance Sheets
May 31, 2014 and 2013
(Unaudited)

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 19,329	$ 22,705
Accounts receivable, net	328,662	27,811
Deposits	-	400,000
Total current assets	347,991	450,516
Intangible assets:		
Software license	3,849,180	3,605,000
Software	902,150	902,150
Tradenames, brands and domains	1,500,000	1,500,000
	6,251,330	6,007,150
Less: Accumulated amortization	(3,425,866)	(2,437,520)
Total intangible assets	2,825,464	3,569,630
Total assets	$ 3,173,455	$ 4,020,146
Liabilities and Stockholders' Equity (Deficit)		
Liabilities:		
Accounts payable and accrued liabilities	$ 356,961	$ 534,110
Advances from related party	67,300	48,800
Convertible notes payables, net of discounts	-	517,372
Convertible notes payables - related party	-	958,245
Total current liabilities	424,261	2,058,527
Total liabilities	424,261	2,058,527
Commitments		
Stockholders' equity		
Common stock, ($0.001 par value, 75,000,000 shares authorized, 57,645,810 and 53,645,810 issued and outstanding as of May 31, 2014 and 2013, respectively)	57,645	53,645
Additional paid in capital	20,210,384	17,734,538
Accumulated deficit	(17,518,835)	(15,826,564)
Total stockholders' equity	2,749,194	1,961,619
Total liabilities and stockholders' equity	$ 3,173,455	$ 4,020,146

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

Yippy, Inc.
Consolidated Statements of Operations
For the years ended May 31, 2014 and 2013
(Unaudited)

	2014	2013
Revenues	$ 1,037,575	$ 401,253
Operating expenses		
General and administrative expense	638,046	1,690,978
Depreciation and amortization expense	988,346	839,439
Total operating expenses	1,626,392	2,530,417
Loss from operations	(588,817)	(2,129,164)
Other (income) expense		
Interest expense	168,879	1,119,142
(Gain) / loss on extinguishment of debt	934,575	(1,007,942)
Gain on sale of fixed asset	-	(810)
Loss on disposal of intangible assets	-	4,211,634
Total other expense	1,103,454	4,322,024
Net loss	$ (1,692,271)	$ (6,451,188)
Net loss per common share - basic and diluted	$ (0.03)	$ (0.12)
Weighted average number of shares outstanding - basic and diluted	53,645,810	53,547,586

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

Yippy, Inc
Consolidated Statements of Stockholders' Equity
For the Years Ended May 31, 2014 and 2013
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balances, May 31, 2012	53,173,544	53,174	10,573,513	(9,375,376)	1,251,311
Common stock issued for services	25,000	24	20,250	-	20,274
Warrants issued for services	-	-	635,880	-	635,880
Common stock issued for cash	447,266	447	249,553	-	250,000
Contributed capital upon sale of escrowed securities	-	-	252,176	-	252,176
Discount on issuance of convertible notes payable	-	-	891,077	-	891,077
Acquistion of Macte! Labs	-	-	5,112,089	-	5,112,089
Net loss	-	-		(6,451,188)	(6,451,188)
Balances, May 31, 2013	53,645,810	53,645	17,734,538	(15,826,564)	1,961,619
Issuance of warrant for professional services	-	-	42,500	-	42,500
Conversion of note payable	4,000,000	4,000	2,433,346	-	2,437,346
Net loss	-	-	-	(1,692,271)	(1,692,271)
Balances, May 31, 2014	57,645,810	$ 57,645	$ 20,210,384	$ (17,518,835)	$ 2,749,194

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

Yippy, Inc.
Consolidated Statements of Cash Flows
For the years ended May 31, 2014 and 2013
(Unaudited)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (1,692,271)	$ (6,451,188)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Stock-based compensation	42,500	656,180
Amortization of intangible assets	988,346	979,874
Amortization of debt discount on convertible notes payable	31,250	439,228
Gain on sale of fixed asset	-	(810)
(Gain) / loss on extinguishment of debt	934,575	(986,504)
Loss from disposal of intangible assets	-	4,211,634
Derivative loss	-	-
Changes in Operating Assets and Liabilities		
Accounts receivable	(300,851)	(423,198)
Prepaid expenses and other assets	400,000	-
Accounts payable and accrued liabilities	143,755	267,248
Net Cash Generated by/(Used in) Operating Activities	547,304	(1,307,536)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Macte! Labs	-	(329,112)
Purchase of software licenses	(244,180)	-
Purchases of property and equipment	-	(13,800)
Proceeds from sale of fixed asset	-	13,000
Net Cash Provided / (Used) for Investing Activities	(244,180)	(329,912)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible notes payable - related party	-	246,800
Proceeds from convertible notes payable	-	813,555
Proceeds from issuance of notes payable	-	664,409
Payments on notes payable	(325,000)	(417,445)
Repayments of shareholder advances	18,500	20,000
Proceeds from issuance of common stock	-	250,000
Net Cash Provided from Financing Activities	(306,500)	1,577,319
Net Increase (Decrease) in Cash	(3,376)	(60,129)
Cash - Beginning of Period	22,705	82,834
Cash - End of Period	$ 19,329	$ 22,705
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
NON-CASH ACTIVITIES:		
Issuance of warrants and stock for acquisition	$ -	$ 5,155,986
Conversion of convertible notes payable party to common stock	$ 2,437,347	$ -

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

Note 1. The Company and Summary of Significant Accounting Policies

The Company

Yippy, Inc. (formerly known as Cinnabar Ventures, Inc.) (the "Company") was incorporated in the State of Nevada on May 24, 2006. Yippy Soft, Inc., a Delaware corporation (formerly known as Yippy, Inc.), 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, the Company acquired Yippy Soft, Inc. for 4,680,000 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. On April 15, 2010, the Company changed its name from Cinnabar Ventures, Inc. to Yippy, Inc.

On December 5, 2011, the Company declared a 2-for-1 forward stock split. All per share and share amounts have been restated to reflect the forward stock split in the amounts presented.

On July 30, 2012, the Company formed a wholly owned subsidiary, Yippy Labs, Inc., ("Yippy Labs") a corporation incorporated in British Columbia, Canada. On August 1, 2012, Yippy Labs acquired 100% of the issued and outstanding common stock of Macte! Labs, Inc. ("Macte"), a corporation incorporated in British Columbia, Canada. On March 31, 2013, Yippy Labs sold its interest in Macte.

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. In addition, Yippy provides custom search and tool platforms.

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 subsidiaries. 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.

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. No impairment was recognized for the year ended May 31, 2014.

Note 1. The Company and Summary of Significant Accounting Policies – (continued)

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 and custom software development projects. 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. ("Infospace"), 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% share of revenue generated from Infospaces's services on Yippy.com property and other search sites held by the Company. Revenue from software development projects is recognized at the point at which payment is contractually due. Custom software development project revenue is recognized according to the contract terms with customers.

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.

Fair Value of Financial Instruments

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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.

Note 1. The Company and Summary of Significant Accounting Policies – (continued)

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.

Derivative Instruments

In connection with the issuance of certain debt instruments, the Company may provide features allowing the debt to be convertible into shares of the Company's common stock. In these circumstances, these options may be classified as derivative liabilities, rather than as equity. Additionally, these instruments may contain embedded derivative instruments, such as embedded derivative features which in certain circumstances may be required to be bifurcated from the associated host instrument and accounting for separately as a derivative instrument liability.

The Company's derivative instrument liabilities are re-valued at the end of each reporting period, with the changes in the fair value of the liability recorded as charges or credits to income in the period in which the changes occur. For warrants and bifurcated embedded derivative features that are accounting for as derivative instrument liabilities, the Company estimates the fair value using either quoted market prices of financial instruments with similar characteristics or other valuation techniques. The valuation techniques require assumptions related to the remaining term of the instrument and risk-free rates of return, expected dividend yield, and the expected volatility of the Company's common stock over the life of the instrument. Because of the limited trading history of the Company's common stock, the Company estimates the future volatility of its common stock price based on not only the history of its stock price but also the experience of other entities considered to be comparable to the Company.

Earnings Per Share

In accordance with accounting guidance now codified as 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 the years ended May 31, 2014 and 2013, 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.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements. Such reclassifications had no effect on previously reported net loss.

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. Accounts receivable

At May 31, 2014, the Company evaluated the collectability of accounts receivable and determined that an allowance for doubtful accounts of $100,000 was necessary due to the cancellation of a project by a customer. Accounts receivable at May 31, 2014 and 2013 consists of:

	May 31, 2014	May 31, 2013
Accounts receivable	$ 428,662	$ 27,811
Less: Allowance for doubtful accounts	100,000	-
Balance, accounts receivable	$ 328,662	$ 27,811

Note 3. Intangible Assets

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"). In May 2012, Vivisimo was acquired by IBM.

On August 1, 2012, the Company acquired 100% of the issued and outstanding common stock of Macte! Labs, Inc. ("Macte") in exchange for cash and equity compensation consisting of the following:

- Cash of $50,000;
- 3,687,500 shares of Yippy Labs common stock;
- Warrants to purchase 600,000 shares of the Company's common stock at an exercise price of $0.40 per share with three year term;
- Put warrants to purchase 3,687,500 shares of the Company's common stock with a term of 10 years. The put warrants can be exchanged for on a 1 for 1 basis at the option of the holder into the Company's common stock; and
- Ninety day consulting contracts to the four former shareholders of Macte Labs.

On March 31, 2013, the Company sold its interest in Macte to the original shareholders. In conjunction with the sale, Yippy was granted a license to the use of certain software tools developed by Macte.

The fair market value of the assets acquired in conjunction with the acquisition of Macte were as follows:

Cash	$ 9,572
Accounts receivable	29,554
Prepaid assets	1,572
Computer equipment	101,159
Unamortized organizational costs	4,193
Developed software	1,611,862
Customer lists, brands and domains	1,611,863
Total	3,369,775
Goodwill	1,786,211
Total purchase price	$ 5,155,986

Note 3. Intangible Assets (cont'd)

The intangible assets included in the table below:

Description	May 31, 2014	May 31, 2013	Estimated Useful Life
Software license	$ 3,849,180	$ 3,605,000	5 - 7 years
Developed software	902,150	902,150	5 years
Trademarks, brands and domains	1,500,000	1,500,000	5 - 7 years
Total	6,251,330	6,007,150	
Less: accumulated amortization	(3,425,866)	(2,437,520)	
Intangible assets, net	$ 2,825,464	$ 3,569,630	

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, 2014 and 2013, respectively.

The Company recorded amortization expense of $988,346 and $979,874 for the years ended May 31, 2014 and 2013, respectively, related to the intangible assets.

Note 4. Convertible Notes Payable

Notes payable consists of the following at May 31, 2014 and 2013, respectively:

	May 31, 2014	May 31, 2013
Convertible Notes Payable- Related Party		
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	-	409,000
Total Convertible Notes Payable – Related Party	$ -	$ 709,000
Convertible Notes Payable		
Loan payable bearing interest at 5% due on June 11, 2013, convertible to common stock at $0.65 per share.	-	548,622
Less: Discounts	(800,800)	(800,800)
Plus: Amortization of Discounts	800,800	769,550
Total Convertible Notes Payable	$ -	$ 517,372

Accrued interest on the convertible notes payable was $0 and $309,294 at May 31, 2014 and 2013, respectively.

During the quarter ending May 31, 2014, a note holder acquired the non-exclusive rights to certain licenses of the Company. The note holder agreed to apply $425,000 in license fees due to the Company against outstanding notes of the Company held by the note holder.

In May 2014, the note holders agreed to convert the outstanding principal and accrued interest into 4,000,000 shares of the Company's common stock. The fair market value of the common stock on the date of conversion was $1,920,000, resulting in a loss on extinguishment of debt of $934,575.

Note 5. Going Concern

As reflected in the accompanying financial statements, the Company has accumulated net losses of $17,518,835 since inception and a net loss of $1,692,271 for the year ended May 31, 2014.

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 6. Related Party Transactions

An officer and director of the Company and a shareholder advance funds to and from the Company from time to time. The balance due the sole director and officer and the shareholder, which is included in convertible notes payable – related party, was $0 at May 31, 2014 and May 31, 2013, respectively.

Note 7. Stockholders' Equity (Deficit)

In September 2013 a holder of collateral on notes payable consisting of shares of the Company's common stock sold $100,000 of the collateral, resulting in a reduction in the related debt by the same amount. The Company has accounted for this as contributed capital towards the reduction of debt.

In May 2014, the holders of all of the Company's convertible debt agreed to accept 4,000,000 shares of the Company's common stock in exchange for principal and accrued interest totaling $1,626,393.

Warrants

In July 2012, the Company retained the services of a new Chief Executive Officer. The Chief Executive Officer was granted a warrant to purchase 250,000 shares on the Company's common stock at an exercise price of $0.30 per share with a term of three years. The Company recognized compensation expense totaling $196,287 during the year ended May 31, 2013.

On August 1, 2012, the Company acquired Macte! Labs, Inc. ("Macte") pursuant to a share exchange agreement (the "Share Agreement"). In conjunction with the share exchange agreement, the Company issued 3,687,500 put warrants and 3,687,500 shares in Yippy Labs, Inc., a wholly owned subsidiary of the Company. The put warrants can be exchanged for on a 1 for 1 basis at the option of the holder into the Company's common stock and have a ten year term. The fair market value of the put warrants was $4,449,199 on the date of issuance. In addition, the Company issued warrants to purchase 800,000 shares of common stock at an exercise price of $0.40 per share with a term of 3 years. The fair market value of the warrants was $475,908 on the date of issuance.

In September 2012, the Company recorded 250,000 warrants issued to an outside consultant. Stock-based compensation in the amount of $170,480 was recorded for the fair value of the warrants at the date of issuance. The warrants have an exercise price of $0.30 per share, subject to adjustment, and have a term of three years.

On October 8, 2012 ("Commencement Date"), the Company entered into an employment agreement ("Agreement") with Edward Noel to become its new Chief Executive Officer ("CEO"). Pursuant to the Agreement, the Company will issue Mr. Noel a quarterly bonus payment of 200,000 common stock purchase warrants, with an exercise price of $0.50 per share, provided the Company achieves an average of 75% of monthly revenue targets ("Bonus Warrants"). The Bonus Warrants shall vest immediately upon issuance and will be exercisable for a period of three years thereafter. Additionally, Mr. Noel received a common stock purchase warrant to purchase up to 2,650,000 shares of the Company's common stock at an exercise price of $0.30 ("Signing Warrants"). The Signing Warrants shall automatically vest as follows: (i) 50% upon the one-year anniversary of the Commencement Date, provided that Mr. Noel is still

Note 7. Stockholders' Equity (Deficit) (cont'd)

employed as the Company's CEO; (ii) the remaining 50% at a rate of one-twelfth (1/12) per month through the end of the two-year anniversary of the Commencement Date, provided that Mr. Noel is still employed as the Company's CEO for the entire month giving rise to such vesting; (iii) if all or substantially all of the outstanding capital stock of the Company is sold to a third party within the first six months of the Commencement Date, the 50% of the Signing Warrants shall immediately vest upon the change of control and the remaining 50% will be retired and extinguished in full; and (iv) if all or substantially all of the outstanding capital stock of the Company is sold to a third party who is procured and brought to the Company by Mr. Noel within the first six months after the Commencement Date, then 100% of the Signing Warrants shall vest immediately upon the change of control. All Signing Warrants shall be exercisable for a period of three years after vesting. The Compensation Warrants shall contain a standard "cashless" exercise feature and shall vest automatically upon termination of Mr. Noel's employment, pursuant to the terms of the Agreement. In April 2013 Mr. Noel was terminated and the warrants lapsed.

In December 2012, the Company issued 250,000 warrants to an outside consultant. Fair value of the warrants at the date of grant was $25,807. The warrants have an exercise price of $0.30 per share, subject to adjustment, and have a term of three years.

In September 2013, the Company issued 250,000 warrants to legal counsel for legal services performed. Fair value of the warrants at the date of grant was $42,500. The warrants have an exercise price of $0.20 per share, subject to adjustment, and have a term of three years.

Note 8. Deposits

In June 2012, the Company entered into a letter of intent to acquire 100% of the issued and outstanding shares of MuseGlobal, Inc. As of May 31, 2013, the Company has made payments totaling $400,000 towards the purchase price, which are included in deposits as of May 31, 2013. In June 2013, the Company modified the agreement with MuseGlobal, Inc. and obtained a perpetual license to certain MuseGlobal, Inc. assets and converted the deposit. Accordingly, the deposit balance was $0 at May 31, 2014.