

# Annual Report

Year Ended May 31, 2016



**YIPPY, Inc.**  
(a Nevada corporation)

Current Trading Symbol: **YIPI**

CUSIP Number: **98584Y103**      Tax ID Number: **98-0585450**

**WE PREVIOUSLY 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.

1) 17595 S. Tamiami Trl #221  
Fort Myers, FL 33908

2) 1995 North Park Place #270  
Atlanta, GA 30339

Phone Number: 877-947-7901

Fax Number: 877-947-7901

Email: [info@yippyinc.com](mailto:info@yippyinc.com)

Website: [www.yippyinc.com](http://www.yippyinc.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: YIPL.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, 2016	May 31, 2015
Number of Authorized Shares	75,000,000	75,000,000
Number of Outstanding Shares	68,162,377	53,732,377
Public Float	9,180,000	9,180,000
No. of Beneficial Shareholders	1108	1127
Total No. of Shareholders of Record	207	202

#### **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](mailto: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 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 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 later stages of litigation concerning the non-payment of outstanding debt and the accounting of third party collateral sold by Magna Group in satisfaction of all or a portion of such debt. It is the Company’s position that the sale of the collateral was

not correctly applied to promissory notes issued by the Company in favor of Magna Group. To date, Magna Group has failed to provide full access to the Company's third party auditing firm of requisite accounting and trading information. The Company alleges that Magna Group sold collateral beyond the value of the promissory notes and sent the Company a default notice after selling collateral and not applying the proceeds of such sales to the satisfaction of the notes. 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 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.
- On December 17, 2015, the Company issued 14,430,000 shares of the Company's common stock to Globalstar, Inc. ("Globalstar") in connection with certain services provided by pursuant to that certain Access Agreement, dated December 10, 2015.

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.
- On August 31, 2016, the Company entered into an Agreement and Plan of Merger with Michael Cizmar + Associates, Ltd., an Illinois corporation ("MC+A"). It is anticipated that the merger with MC+A will close shortly.

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***

### **Introduction**

#### **General**

Yippy is a technology company committed to helping customers securely access data anywhere on earth. Over the past several years, Yippy has entered into a series of strategic partnerships and transactions designed to enhance Yippy's product and service offerings. The Company's

foundation is built on its perpetual, worldwide, non-exclusive license of the Velocity search platform and associated technologies which Yippy acquired in 2010 from Vivisimo, Inc. (“Vivisimo”). In 2012, International Business Machines Corporation (NYSE: IBM) (“IBM”) purchased Vivisimo and rebranded Velocity as IBM Watson Explorer (“Watson”), and Yippy maintains its perpetual license of the technology.

Based upon Watson, which Yippy operates autonomously from IBM, and coupled with other internally developed and acquired technologies, the Company has developed a suite of technology solutions which enhance Watson’s output while simplifying the deployment process. These solutions range from cloud, enterprise search, business intelligence, document security and data compression for MSS operations. The Company has developed middleware, connectors and associated programs which enable deployments to be successful with substantially less resources and personnel as typically required in the industry.

## **EASE 360 Platform**

In 2014, the Company released its EASE (Enterprise Application Service Environment) 360 platform. EASE 360 is fully managed in the cloud or on site by Yippy. EASE 360 excels in five key areas:

### ***1) Concept Clustering***

Yippy allows users to navigate data sets by topical categories dynamically which surfaces concepts and insights in data not previously known. Additional uses include entity extraction, discovery and language agnostic trending for sentiment analysis visualized to give true insight into an organization’s data through proprietary technology.

### ***2) Structured Navigation***

Yippy delivers faceted navigation filters allowing user to refine search attributes such as date, price, author, location, content type or other customized filters which allow for more effective search inquiries. Index filters can be used to create vertical data repositories on subjects, products or competitive businesses, all delivered in real time.

### ***3) Relevancy Controls***

Yippy offers organizations the flexibility to control the information that is included in the index and displayed in search results including word proximity, synonyms, source, link analysis and relevancy. It allows users to tune the output of data in innovative ways which are unique to Yippy and its proprietary software. This function has proven to be useful for discovery in large volumes of unstructured and structured data simultaneously.

### ***4) Security***

Flexible access control integration including, SSO, LDAP and ACLs that provides early binding document and field level security. This ensures that only the documents or fields a user or group has permission to access will be available. Field level security is extremely useful for customer service, inside sales, or banking due to the user not having to log in and out of multiple systems to access internal data. Yippy is designed for speed to information and helping organizations lock down abandoned files from their data systems to improve document security.



## ***5) Managed Content Connectors***

Yippy maintains an unprecedented library of a fully documented connector source factory that monitors, maintains and updates the connectors on a 24/7 basis and that guarantees highly sustainable and scalable use. The Company's content connectors are available for federation and harvesting of public, private, structured or unstructured data in any format, across any location, including enterprise applications, social media and proprietary content sources. The Company's connectors are also platform agnostic, which is extremely helpful for companies with multiple disparate retrieval and information systems.

### **Blue Flame Appliance**

Over the last couple of years, Yippy developed an appliance-based deployment for the EASE 360 platform known as the Blue Flame appliance. We have delivered several appliances over the past year with very high marks from customers. The timing of its development was born through recommendations by CIOs of major international companies we visited with during that period. The message was clear. Few, if any, major companies were going to put their all of their proprietary data on third party managed or shared systems (on the Cloud) in the foreseeable future.

Yippy's second generation Blue Flame appliance was developed to speed up the development and deployment processes. Some of the biggest logistical challenges in IT are the coordination of multiple departments, analyzing hardware and software solutions, and security checks which increase cost and personnel requirements. Successful deployments require several IT knowledge disciplines for coding, network and hardware architecture, which creates work flows that are not easily managed and inherently flawed in the process.

Yippy took a logical look at the processes of deploying a big data system and we endeavored to create a software stack from both acquired assets and internally developed technologies to greatly assist big data deployments reducing time on site by as much as 80%. The Company's Blue Flame appliances have been running in businesses for nearly two (2) years and have maintained a 100% uptime record for both software and hardware availability.

### **Yippy Search Appliance**

For over a decade, the leading on-premises enterprise search solution has been the Google Search Appliance (GSA). In February 2016, Google, Inc. ("Google") announced that it was sun-setting the Google Search Appliance, its retirement to be effective early 2018. That means that Chief Information Officers and small business owners alike are suddenly faced with the need to replace their GSA with another search solution. Google has generated significant revenue from the GSA, and based on third party sources and Yippy's internal calculations, the Company estimates the current GSA market to be at least \$500 million per year and along with other third party market researchers, forecasts the search enterprise market to continue to grow exponentially.

Upon the news of Google's departure from on premise appliance business, Yippy retooled its Blue Flame Appliance to create a separate search based model called the Yippy Search Appliance (YSA). The YSA serves as a replacement for the GSA while delivering additional technology

features for the benefit of the consumer. The YSA allows users to search and derive insights from all structured and unstructured data anywhere, and allows enhanced data sampling. As an example, the YSA can search all of an organization's content at once, while the GSA is only able to search 1000 files per search.

Google sells the GSA through a network of value added resellers (termed Google for Work partners). These resellers (typically data consulting firms) rely upon GSA sales for their revenue. Yippy's strategy for capturing a portion of the GSA market is to form a series of strategic partnerships with GSA resellers who are now seeking an enterprise search partner as a result of Google's planned departure from the market. The Company's YSA product is a cost-effective alternative to the GSA and, with the YSA's additional features, Yippy believes it to be an upgrade for consumers currently using the GSA.

## **Private Cloud**

Yippy's EASE 360, Blue Flame and YSA technology stack provide organizations with a choice of public or private cloud options for internal and external content. This option and functionality is a key solution for the industry, as companies continue to show hesitancy to entrust a cloud-based system as the sole source for storing and maintaining their sensitive and critical information.

Yippy appliance stacks create a premium Cloud with data federation abilities that unite an entire organization's knowledge base globally, without firewall breaches or other complications. Yippy's solution is platform and data agnostic, which means that the appliance stack can unify SAP, Oracle, Microsoft, Google, Jira, Confluence, Stack, Box or any other enterprise class business product without ever having to change the structure or location in which the data resides.

The Private Cloud-based enterprise unification market is growing quickly, at the expense of third party cloud, and the Company believes there is a market opportunity for a hybrid approach, where highly sensitive information is stored securely on-premises, while less sensitive information is stored off-site on the third party cloud. With the majority of information created in knowledge base systems being private in nature, the third party cloud has limited use cases for major enterprises. For large organizations, the ability to migrate to the cloud incrementally without hard deadlines is a strong selling point for the Company's hybrid solution.

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 Four Hundred and Fifty Thousand (\$450,000) 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 over satellite.

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 8 employees who are on a full-time basis. The Company also engages independent contractors to maximize flexibility and control expenditures.

**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 and/or Taxonomy Based Clustered Search);
- Data Management and Storage;
- Virtual Data Warehousing;
- Accessibility Through any Internet Enabled Device.

### ***B. Distribution Methods of the Products or Services***

We develop innovative products that increase the performance of applications, information retrieval, and infrastructure that improve the productivity of the people who manage them, enabling our resellers to solve some of the toughest IT challenges and help clients evolve to the next generation of cloud computing.

Previously reported the Company's growth plan has been to test our software through proof of concept type deployments in various industries. Over the past two years, the Company has thoroughly proved its viability with multiple successful deployments including GSA replacements which are ongoing as of the date of this report.

With the acquisition of MC+A, a veteran of the search appliance business, we feel quite confident that creating a value added reseller (VAR) program with MC+A leading those activities will relate to positive future results. Yippy will continue to sell and market its services to Fortune size companies.

Our next goal is to prove our marketability for Private Cloud. 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 Private 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.***

The company is not dependent on one customer, and our stated business is to allow other companies to resell our services. To date, the company has engaged with several customers and channel sales opportunities.

***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 your Data”	87075050	June 17, 2016	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.***

FISMA - Letter of Compliance (completed 2015)

HIPPA – Certificate (completed 2015)

ISO – 27001 – on going as of the date of this report

**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 Atlanta, Georgia and a facility is located at 17595 S. Tamiami Trail, Suite 221, Fort Myers, Florida 33908, in the Alico Lakes Commons. The modern buildings are on fiber and the Company suites are in excess 2,500 sq. ft. The office is fully furnished with modern furnishing purchased new in 2010 and 2016. The current term of the Atlanta lease is for one year with the option to renew for additional one-year periods. The Fort Myers lease is on a month-to-month basis. The combined monthly rent is approximately \$3,500.

## **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 September 27, 2016. 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.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Richard Granville	47	Chief Executive Officer, Chairman
Errol Walsh	73	Director
Ken Jolly	53	Director
Debbie Sharken	46	Director
John Macartney	51	Director

#### **Richard Granville, age 47, Chief Executive Officer, Chairman of the Board of Directors**

##### **1. Full name**

Richard S. Granville

##### **2. Business address**

17595 S. Tamiami Trl., #221 Fort Myers, Florida 33908

##### **3. Employment history**

Mr. Granville, age 47, 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.

#### 4. Board memberships and other affiliations

None.

#### 5. Compensation by the issuer

Mr. Granville received no significant compensation from the Company since inception. Mr. Granville currently operates the business without an employment contract.

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

34,826,371 common shares and 250,000 common stock purchase warrants

### **John Macartney, age 51, Director**

#### 1. Full name

John Paul Macartney

#### 2. Business address

17595 S. Tamiami Trl., #221 Fort Myers, Florida 33908

#### 3. Employment history

Mr. Macartney is a respected technology executive with nearly 30 years of industry experience. He is currently the Chief Scientist of Cengage Learning, a leading provider of educational content, technology and services for higher education, K-12, professional and library markets worldwide. Throughout his career, John has worked with startups and large enterprises as a key problem solver

with expertise in all search engine technologies, machine learning and data mining solutions, including entity extraction and categorization.

Between 1985 and 1999, Mr. Macartney held senior engineering positions for IBM/Lotus and Unisys, where he designed email integration applications and complex distributed systems. In 1999, Mr. Macartney joined Infonautics Inc., an Internet pioneer known for its Homework Helper online databases and Encyclopedia.com, the first free online encyclopedia. In 2001, Infonautics was acquired by Tucows, the domain name registrar, and then sold to Patrick Spain, the founder and CEO of Hoover's Inc. (a subsidiary of Dun & Bradstreet), in a roll-up rebranded "Highbeam Research."

At Highbeam Research, Inc., John held various positions including Director of Technology, Chief Architect and Chief Scientist. He is responsible for the key designed components of the technology platform that lead to the sale of Highbeam Research to Cengage Learning in 2008. Mr. Macartney graduated from La Salle University with a B.A. in Computer Science.

#### 4. Board memberships and other affiliations

None.

#### 5. Compensation by the issuer

Mr. Macartney received 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.

### **Debbie Sharken, age 46, Director**

#### 1. Full name

Debbie Sharken

#### 2. Business address

17595 S. Tamiami Trl., #221 Fort Myers, Florida 33908

#### 3. Employment history

For over 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 her appointment to the Company's board of directors.

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

25,000 common shares and 250,000 common stock purchase warrants.

**Errol Walsh, age 73, Director**

1. Full name

Errol F. Walsh

2. Business address

17595 S. Tamiami Trl., #221 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

Mr. Walsh received 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

190,000 common shares and 250,000 common stock purchase warrants.

**Kenneth Jolly, age 53, Director**

1. Full name

Kenneth C. Jolly

2. Business address

17595 S. Tamiami Trl., #221 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 year ended May 31, 2016 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, 2016 and 2015, respectively, are filed in the Company's Annual Report for the fiscal year ended May 31, 2016, 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, 2016, 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% or 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 221, Fort Myers, FL 33908.

<b>Name</b>	<b>Current Share Ownership</b>	<b>Percent of Class (1)</b>	<b>Total Beneficial Ownership</b>	<b>Percent of Class (2)</b>
Richard Granville Chief Executive Officer, Chairman	34,826,371	51%	35,076,371 (3)	51.4%
John Macartney Director	0	0%	250,000 (4)	>1%
Debbie Sharken Director	25,000	>1%	250,000 (4)	>1%
Ken Jolly Director	0	0%	250,000 (4)	>1%
Errol Walsh Chief Operating Officer, Director	190,000	>1%	250,000 (4)	>1%
All directors and officers as a Group (5 persons)	35,041,371	51.4%	36,291,371	62.7%
International Business Machines, Inc. (IBM)	5,250,000	7.7%	5,250,000	7.5%
Globalstar, Inc. (GSAT)	14,430,000	21.1%	14,430,000	20.7%
All directors, officers and 5% holders as a Group ( 7 persons)	68,162,377	100%	69,412,377	100%

(1) Based on 68,162,377 shares outstanding as of May 31, 2016.

- (2) Based on a total of (i) 68,162,377 shares outstanding as of May 31, 2016, and (ii) 1,250,000 common stock purchase warrants outstanding held by officers or directors.
- (3) Richard Granville is the current owner of 34,826,371 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 warrants to purchase 250,000 shares of the Company's common stock.
- (4) Mr. Macartney, Ms. Sharken, 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. Each board member is 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

John H. Snyder PLLC

Greene, Fidler & Chaplan LLP

1021 RXR Plaza  
Uniondale, NY 11556  
Tel.: (516) 622-9200  
Fax: (516) 622-9212  
www.westermanllp.com

555 Fifth Avenue, Suite 1700  
New York, NY 10017  
Tel: (212) 856-7280  
Fax: (646) 304-9230  
www.jhsnyderlaw.com

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

4. Accountant or Auditor

Accountant:

Auditor:

Clear Financial Solutions, Inc.

LBB and Associates

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

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 business 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. Though our market cap fluctuated positive to negative for the year, the company feels the progress made will benefit shareholder value over the next fiscal year and beyond.

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, 2016 Compared to the Year Ended May 31, 2015***

#### *Revenues*

Revenues for the year ended May 31, 2016, were \$531,500, compared to \$338,463 for the year ended May 31, 2015, which represents an increase of \$193,037. The increase was due to MSS development fees and appliance sales.

#### *General and Administrative Expenses*

General and administrative expenses were \$1,861,899 for the year ended May 31, 2016, compared to \$510,081 for the year ended May 31, 2015. The increase of \$1,351,818 is due primarily to an increase in stock based compensation of \$1,371,840 for “in-the-money” warrants for legal and technical IT engineers.

#### *Net Loss*

The Company experienced a net loss of \$(1,847,751) for the year ended May 31, 2016, compared to a net loss of \$(815,787) for the year ended May 31, 2015. The Company recorded an increase in net loss of \$1,031,964 which is mainly due to an increase in general and administrative expenses.

## **Liquidity and Capital Resources**

As of May 31, 2016, the Company had net cash of \$104,530.

Net cash used for operating activities for the year ended May 31, 2016, was \$(99,309), as compared to \$(50,356), for the year ended May 31, 2015. The Company finances its operations from the proceeds from debt offerings and revenue. Net cash obtained through all financing activities for the year ended May 31, 2016, was \$149,581, compared to \$103,379 for the year ended May 31, 2015.

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. These shares currently reside in Treasury awaiting owner(s) delivery requirements.

In December 2015, the company issued 14,430,000 shares of common stock to Globalstar in connection with the services provided pursuant to the Access Agreement.

## **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 OTC Markets 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 OTC Markets 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 OTC Markets on February 9, 2011). The term pages have been omitted due to confidentiality but may be requested and viewed once an NDA has been executed with the Company.

- (4) Agreement and Plan of Merger, dated August 31, 2016, by and between Yippy, Inc. and Michael Cizmar + Associates Ltd. (filed as supplemental information with the OTC Markets on August 31, 2016).

#### **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 27, 2016

/s/ Richard Granville  
Richard Granville  
Chief Executive Officer  
(Principal Financial Officer)

**Yippy, Inc.**  
**Financial Statements**  
**Table of Contents**

Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Stockholders' Equity	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6

**Yippy, Inc.**  
**Consolidated Balance Sheets**  
**May 31, 2016 and 2015**  
**(Unaudited)**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 104,530	\$ 72,352
Accounts receivable, net	409,912	235,463
<b>Total current assets</b>	<u>514,442</u>	<u>307,815</u>
<b>Property and equipment, net</b>	17,541	-
<b>Intangible assets:</b>		
Software license	6,878,037	3,849,180
Software	902,150	902,150
Tradenames, brands and domains	<u>1,500,000</u>	<u>1,500,000</u>
	9,280,187	6,251,330
Less: Accumulated amortization	<u>(4,566,714)</u>	<u>(4,059,670)</u>
<b>Total intangible assets</b>	<u>4,713,473</u>	<u>2,191,660</u>
<b>Total assets</b>	<u><u>\$ 5,245,456</u></u>	<u><u>\$ 2,499,475</u></u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 407,559	\$ 368,808
Advances from related party	72,351	72,770
Accrued interest payable	15,129	6,581
Convertible notes payable, net	<u>136,155</u>	<u>20,000</u>
<b>Total current liabilities</b>	<u>631,194</u>	<u>468,159</u>
<b>Total liabilities</b>	<u>631,194</u>	<u>468,159</u>
<b>Commitments</b>		
<b>Stockholders' equity</b>		
Common stock, (\$0.001 par value, 75,000,000 shares authorized, 68,162,377 and 53,732,377 issued and outstanding as of May 31, 2016 and 2015, respectively)	68,162	53,732
Treasury stock (4,000,000 shares)	4,000	4,000
Additional paid in capital	24,724,473	20,308,206
Accumulated deficit	<u>(20,182,373)</u>	<u>(18,334,622)</u>
<b>Total stockholders' equity</b>	<u>4,614,262</u>	<u>2,031,316</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 5,245,456</u></u>	<u><u>\$ 2,499,475</u></u>

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

**Yippy, Inc.**  
**Consolidated Statements of Operations**  
**For the years ended May 31, 2016 and 2015**  
**(Unaudited)**

	<u>2016</u>	<u>2015</u>
Revenues	\$ 531,500	\$ 338,463
Operating expenses		
General and administrative expense	1,861,899	510,081
Depreciation and amortization expense	507,043	633,804
Total operating expenses	<u>2,368,942</u>	<u>1,143,885</u>
Loss from operations	(1,837,442)	(805,422)
Other (income) expense		
Interest expense	10,309	10,365
(Gain) / loss on extinguishment of debt	-	-
Total other expense	<u>10,309</u>	<u>10,365</u>
Net loss	\$ <u>(1,847,751)</u>	\$ <u>(815,787)</u>
Net loss per common share - basic and diluted	\$ <u>(0.03)</u>	\$ <u>(0.02)</u>
Weighted average number of shares outstanding - basic and diluted	<u>60,571,802</u>	<u>53,992,479</u>

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, 2016 and 2015**  
**(Unaudited)**

	Common Stock		Treasury Stock		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity
Balances, May 31, 2014	57,645,810	\$ 57,645	-	-	\$ 20,210,384	\$ (17,518,835)	\$ 2,749,194
Conversion of notes payable	86,567	87	-	-	67,822	-	67,909
Discount on issuance of notes payable					30,000	-	30,000
Shares to Treasury	(4,000,000)	(4,000)	4,000,000	4,000	-	-	-
Net loss	-	-	-	-	-	(815,787)	(815,787)
Balances, May 31, 2015	53,732,377	53,732	4,000,000	4,000	20,308,206	(18,334,622)	2,031,316
Beneficial conversion feature of convertible debt	-	-	-	-	50,000	-	50,000
Warrant issued for compensation	-	-	-	-	1,351,840	-	1,351,840
Common stock issued for license agreement	14,430,000	14,430	-	-	3,034,427	-	3,048,857
Net loss	-	-	-	-	-	(1,847,751)	(1,847,751)
Balance, May 31, 2016	<u>68,162,377</u>	<u>\$ 68,162</u>	<u>4,000,000</u>	<u>\$ 4,000</u>	<u>\$ 24,744,473</u>	<u>\$ (20,182,373)</u>	<u>\$ 4,634,262</u>

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, 2016 and 2015**  
**(Unaudited)**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Loss	\$ (1,847,751)	\$ (815,787)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Stock-based compensation	1,371,840	-
Amortization of intangible assets	487,602	633,804
Amortization of debt discount on convertible notes payable	16,155	20,000
Bad debt expense	-	50,000
Changes in Operating Assets and Liabilities		
Accounts receivable	(174,449)	43,199
Accounts payable and accrued liabilities	47,300	18,428
<b>Net Cash Generated by/(Used in) Operating Activities</b>	<u>(99,303)</u>	<u>(50,356)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(18,100)	-
<b>Net Cash Provided / (Used) for Investing Activities</b>	<u>(18,100)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from convertible notes payable	150,000	97,909
Repayments of shareholder advances	(419)	5,470
<b>Net Cash Provided from Financing Activities</b>	<u>149,581</u>	<u>103,379</u>
<b>Net Increase (Decrease) in Cash</b>	32,178	53,023
<b>Cash - Beginning of Period</b>	72,352	19,329
<b>Cash - End of Period</b>	<u>\$ 104,530</u>	<u>\$ 72,352</u>
<b>NON-CASH ACTIVITIES:</b>		
Beneficial conversion feature of convertible notes payable	\$ 50,000	\$ -
Conversion of convertible notes payable party to common stock	\$ -	\$ 303,000

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

**Yippy, Inc.**  
**Notes to Consolidated Financial Statements**  
**May 31, 2016**

**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

**Yippy, Inc.**  
**Notes to Consolidated Financial Statements**  
**May 31, 2016**

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 years ended May 31, 2016 and 2015.

**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. Revenue is derived primarily from consulting contracts and our contract with Globalstar, Inc.

**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)**



**Yippy, Inc.**  
**Notes to Consolidated Financial Statements**  
**May 31, 2016**

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, 2016 and 2015, 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.

**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.

**Yippy, Inc.**  
**Notes to Consolidated Financial Statements**  
**May 31, 2015**

**Note 2. Accounts receivable**

At May 31, 2016, the Company evaluated the collectability of accounts receivable and determined that an allowance for doubtful accounts of \$175,000 was necessary due to the cancellation of a project by a customer. Accounts receivable at May 31, 2016 and 2015 consists of:

	May 31,	
	2016	2015
Accounts receivable	\$ 584,912	\$ 410,463
Less: Allowance for doubtful accounts	175,000	175,000
Balance, accounts receivable	<u>\$ 409,912</u>	<u>\$ 235,463</u>

**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 December 10, 2015, the Company entered into a 20 year license agreement with Globalstar, Inc. (“Globalstar”) whereby the Company granted a limited exclusive (MSS industry) license to Globalstar for the use of the Company’s technology and Globalstar granted to the Company the right to market its services to Globalstar’s customers. The Company also received a carrier sales agreement for Globalstar services up to 20% of the network capacity with colocation and hosting in all the Globalstar network operation centers worldwide. The Company issued 14,430,000 shares of its common stock to Globalstar in exchange for the license agreement. The common stock has a market value of \$3,028,857 on the date of issuance.

The intangible assets included in the table below:

Description	May 31, 2016	May 31, 2015	Estimated Useful Life
Software license	\$ 3,849,180	\$ 3,849,180	5 - 7 years
Developed software	902,150	902,150	5 years
Trademarks, brands and domains	1,500,000	1,500,000	5 - 7 years
Globalstar license	<u>3,028,857</u>	<u>-</u>	20 years
Total	9,280,187	6,251,330	
Less: accumulated amortization	<u>(4,566,714)</u>	<u>(4,059,670)</u>	
Intangible assets, net	<u>\$ 4,713,473</u>	<u>\$ 2,191,660</u>	

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, 2016 and 2015, respectively.

The Company recorded amortization expense of \$507,044 and \$633,804 for the years ended May 31, 2016 and 2015, respectively, related to the intangible assets.

**Yippy, Inc.**  
**Notes to Consolidated Financial Statements**  
**May 31, 2015**

**Note 4. Property and equipment**

Property and equipment consists of the following at May 31, 2016 and 2015:

Description	May 31, 2016	May 31, 2015	Estimated Useful Life
Sailing vessels	\$18,117	\$-	15 years
Total	18,117	-	
Less: accumulated amortization	(576)	-	
Intangible assets, net	\$17,541	\$-	

**Note 5. Convertible Notes Payable**

Convertible notes payable consists of the following at May 31, 2016 and 2015, respectively:

	2016	2015
Convertible Notes Payable		
Loan payable bearing interest at 18% due on August 20, 2016, convertible to common stock at \$0.10 per share.	20,000	-
Loan payable bearing interest at 18% due on July 1, 2016, convertible to common stock at \$0.10 per share.	30,000	-
Loan payable bearing interest at 18% at due at September 1, 2015, convertible to common stock at \$0.10 per share.	10,000	10,000
Loan payable bearing interest at 18% at due at September 1, 2015, convertible to common stock at \$0.10 per share	10,000	10,000
Loan payable bearing interest at 18% at due at July 1, 2017, convertible to common stock at \$0.20 per share	120,000	-
Less: Discounts	(70,000)	-
Plus: Amortization of Discounts	16,155	-
Total Convertible Notes Payable	\$ 53,845	\$ 20,000

Accrued interest on the convertible notes payable was \$8,692 and \$0 at May 31, 2015 and 2014, respectively.

**Note 6. Going Concern**

As reflected in the accompanying financial statements, the Company has accumulated net losses of \$20,182,373 since inception and a net loss of \$1,847,751 for the year ended May 31, 2016.

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 7. 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

**Yippy, Inc.**  
**Notes to Consolidated Financial Statements**  
**May 31, 2016**

payable – related party, was \$72,351 and \$72,770 at May 31, 2016 and 2015, respectively.

**Note 8. Stockholders' Equity (Deficit)**

In the year ended May 31, 2015 convertible notes in the principal amount of \$30,000 were converted for 303,000 shares.

On December 10, 2015, the Company entered into a 20 year license agreement with Globalstar, Inc. ("Globalstar") whereby the Company granted a limited exclusive (MSS industry) license to Globalstar for the use of the Company's technology and Globalstar granted to the Company the right to market its services to Globalstar's customers. The Company also received a carrier sales agreement for Globalstar services up to 20% of the network capacity with colocation and hosting in all the Globalstar network operation centers worldwide. The Company issued 14,430,000 shares of its common stock to Globalstar in exchange for the license agreement. The common stock has a market value of \$3,028,857 on the date of issuance.

**Warrants**

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.

In the year ended May 31, 2015, the Company issued 250,000 warrants in exchange for accounting services on March 1, 2015. Fair value of the warrant at the date of the grant was \$7,500. The stock grant has an exercise price of \$0.20 per share.

On July 15, 2015, the Company entered into a consulting agreement with a law firm to provide legal representation to the Company in exchange for a warrant to purchase a total of 2,500,000 shares of the Company's common stock at a purchase price of \$0.03 per share. The warrant has term of five years. The fair market value of the warrant was \$706,000 on the date of issuance. The warrant was valued using the Black-Scholes option pricing model with the following assumptions: volatility of 5.14%, risk adjusted interest rate of 1.66%, and zero dividends. The warrant vests as follows: 1,000,000 shares upon issuance and 100,000 shares per month, starting June 30, 2015. The Company recognized legal expense of \$1,351,840 during the year ended May 31, 2016 related to the vesting of the warrant and the common stock.

**Note 9. Subsequent Event**

On August 31, 2016, the Company entered into of a definitive merger agreement to acquire Michael Cizmar + Associates, Ltd. ("MC+A"), an Illinois corporation. According to the terms of the merger agreement, MC+A will merge with and into a wholly-owned acquisition subsidiary of Yippy, with MC+A surviving the merger and continuing as a wholly-owned subsidiary of Yippy. The closing of the merger is subject to certain customary closing conditions, and the parties anticipate that the merger will close shortly.