

VALUERICH INC  
Form 10-Q  
May 19, 2009

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

Form 10-Q

(Mark One)

- Quarterly report pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended March 31, 2009
- Transition report pursuant Section 13 or 15(d) of the Securities Exchange Act of  
1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 000-52404

VALUERICH, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State of Incorporation)

41-2102385  
(I.R.S. Employer Identification No.)

1804 N. Dixie Highway, Suite A  
West Palm Beach, Florida 33407  
(Address of Principal Executive Offices) (Zip Code)

1-561-370-3617  
(Registrant's Telephone Number, Including Area Code)

N/A  
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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As of May 15, 2009, the Company had 8,669,571 outstanding shares of common stock, par value \$0.01.

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TABLE OF CONTENTS

|   |    |
|---|----|
| Part I – FINANCIAL INFORMATION  | 3  |
| Item 1. Financial Statements  | 3  |
| Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations | 17 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk                            | 23 |
| Item 4. Controls and Procedures   | 23 |
| PART II - OTHER INFORMATION   | 24 |
| Item 1. Legal Proceedings   | 24 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds                           | 24 |
| Item 3. Defaults Upon Senior Securities   | 24 |
| Item 4. Submission of Matters to a Vote of Security Holders                                   | 24 |
| Item 5. Other Information   | 24 |
| Item 6. Exhibits  | 24 |
| SIGNATURES  | 25 |

## Part I – FINANCIAL INFORMATION

## Item 1. Financial Statements

VALUERICH, Inc.  
CONDENSED BALANCE SHEETS  
AS OF MARCH 31, 2009 AND DECEMBER 31, 2008

| ASSETS  | March 31,<br>2009<br>(unaudited) | December 31,<br>2008 |
|---|----------------------------------|----------------------|
| <b>CURRENT ASSETS</b>   |                                  |                      |
| Cash and cash equivalents   | \$ 1,757,757                     | \$ 920,908           |
| Trade accounts receivable   | 1,713                            | 1,713                |
| Prepaid consulting  | 1,555                            | 23,333               |
| Investments in marketable securities  | 502,770                          | 1,957,993            |
| Other current assets  | 10,371                           | -                    |
| <b>TOTAL CURRENT ASSETS</b>   | <b>2,274,166</b>                 | <b>2,903,947</b>     |
| <b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>  | <b>429,762</b>                   | <b>113,547</b>       |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,703,928</b>              | <b>\$ 3,017,494</b>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                                  |                      |
| <b>CURRENT LIABILITIES</b>  |                                  |                      |
| Accounts payable and accrued expenses   | \$ 244,578                       | \$ 240,757           |
| Deferred revenue  | 37,500                           | 45,000               |
| Convertible notes payable - current portion   | 25,000                           | 25,000               |
| Shareholder notes payable   | 9,500                            | 9,500                |
| <b>TOTAL CURRENT LIABILITIES</b>  | <b>316,578</b>                   | <b>320,257</b>       |
| <b>STOCKHOLDERS' EQUITY</b>   |                                  |                      |
| Common stock; \$0.01 par value; 100,000,000 shares authorized;<br>8,669,670 shares issued and outstanding as<br>of March 31, 2009 and December 31, 2008, respectively | 86,696                           | 86,696               |
| Additional paid-in capital  | 7,194,184                        | 7,175,789            |
| Accumulated other comprehensive income  | 48,000                           | 108,000              |
| Accumulated deficit   | (4,941,530)                      | (4,673,248)          |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>   | <b>2,387,350</b>                 | <b>2,697,237</b>     |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>   | <b>\$ 2,703,928</b>              | <b>\$ 3,017,494</b>  |

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



VALUERICH, Inc.  
CONDENSED STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008  
(UNAUDITED)

|  | Three Months Ended<br>March 31, |              |
|--|---------------------------------|--------------|
|  | 2009                            | 2008         |
| REVENUE  | \$ 37,485                       | \$ -         |
| COST OF REVENUE  | -                               | 6,230        |
| GROSS PROFIT   | 37,485                          | (6,230)      |
| OPERATING EXPENSES   |                                 |              |
| Salaries and wages   | 106,996                         |              |
| Selling, general and administrative expenses                                 | 48,680                          | 205,018      |
| Professional fees  | 95,486                          | 239,029      |
| Financing costs  | -                               | -            |
| Depreciation and amortization expense  | 11,965                          | 5,039        |
| TOTAL OPERATING EXPENSES   | 263,127                         | 449,086      |
| LOSS FROM OPERATIONS   | (225,642)                       | (455,316)    |
| OTHER INCOME (EXPENSES):   |                                 |              |
| Dividend and interest income, net  | 20,357                          | 32,097       |
| Unrealized loss on marketable securities                                     | (138,779)                       |              |
| Realized gain on marketable securities                                       | 65,236                          |              |
| Other income (expense)   | 10,546                          | 1,450        |
| TOTAL OTHER INCOME (EXPENSES)  | (42,640)                        | 33,547       |
| LOSS BEFORE PROVISION FOR INCOME TAXES                                       | (268,282)                       | (421,769)    |
| INCOME TAX BENEFIT   | -                               | -            |
| NET LOSS   | \$ (268,282)                    | \$ (421,769) |
| NET LOSS PER SHARE - BASIC AND DILUTED                                       | \$ (0.03)                       | \$ (0.05)    |
| WEIGHTED AVERAGE COMMON EQUIVALENT<br>SHARES OUTSTANDING - BASIC AND DILUTED | 8,669,670                       | 8,406,875    |

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



VALUERICH, Inc.  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

|   | Common Stock<br>Shares | Common Stock<br>Amount | Additional<br>Paid-in<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity |
|---|------------------------|------------------------|----------------------------------|---|------------------------|----------------------------------|
| Balance, January 1, 2007  | 6,492,644              | \$ 64,926              | \$ 2,039,559                     | \$ -  | \$ (1,914,666)         | \$ 189,819                       |
| Exercise of warrants at \$2<br>per share                            | 41,668                 | 417                    | 83,336                           |   | -                      | 83,753                           |
| Deferred financing cost   | -                      | -                      | 12,572                           |   | -                      | 12,572                           |
| Shares issued for Initial<br>Public Offering at \$3.50 per<br>share | 1,617,230              | 16,172                 | 5,644,134                        |   | -                      | 5,660,306                        |
| Joint venture agreement<br>issuance of stock                        | 100,000                | 1,000                  | 102,000                          |   | -                      | 103,000                          |
| Value of options issued for<br>joint venture agreement              | -                      | -                      | 75,560                           |   | -                      | 75,560                           |
| Shares issued for web<br>development                                | 25,000                 | 250                    | 28,500                           |   | -                      | 28,750                           |
| Fund raising costs  | -                      | -                      | (958,695)                        |   | -                      | (958,695)                        |
| Net loss for the year ended<br>December 31, 2007                    | -                      | -                      | -                                |   | (1,747,987)            | (1,747,987)                      |
| Balance, December 31,<br>2007                                       | 8,276,542              | 82,765                 | 7,026,966                        | -   | (3,662,653)            | 3,447,078                        |
| Shares of common stock<br>issued for consulting<br>services         | 290,000                | 2,900                  | 85,600                           |   |                        | 88,500                           |
| Shares of common stock<br>canceled                                  | (25,000)               | (250)                  | (28,500)                         |   |                        | (28,750)                         |
| Value of warrants granted<br>for consulting services                |                        |                        | 29,954                           |   |                        | 29,954                           |
| Shares of common stock<br>issued in repayment of note<br>payable    | 128,128                | 1,281                  | 61,769                           |   |                        | 63,050                           |
| Unrealized gain on<br>marketable securities                         |                        |                        |                                  | 108,000   |                        | 108,000                          |
| Net loss for period   |                        |                        |                                  |   | (1,010,595)            | (1,010,595)                      |
| Balance, December 31,<br>2008                                       | 8,669,670              | \$ 86,696              | \$ 7,175,789                     | \$ 108,000                                      | \$ (4,673,248)         | \$ 2,697,237                     |
| Value of warrants granted<br>for consulting services                |                        |                        | 18,395                           |   |                        | 18,395                           |
| Unrealized gain on<br>marketable securities                         |                        |                        |                                  | (60,000)  |                        | (60,000)                         |



|                     |  |  |  |  |  |           |  |           |
|---------------------|--|--|--|--|--|-----------|--|-----------|
| Net loss for period |  |  |  |  |  | (268,282) |  | (268,282) |
|---------------------|--|--|--|--|--|-----------|--|-----------|

|  |           |    |        |    |           |    |        |    |             |    |           |
|--|-----------|----|--------|----|-----------|----|--------|----|-------------|----|-----------|
|  | 8,669,670 | \$ | 86,696 | \$ | 7,194,184 | \$ | 48,000 | \$ | (4,941,530) | \$ | 2,387,350 |
|--|-----------|----|--------|----|-----------|----|--------|----|-------------|----|-----------|

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

VALUERICH, Inc.  
 CONDENSED STATEMENTS OF CASH FLOWS  
 FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008  
 (UNAUDITED)

|  | Three Months Ended March 31, |                     |
|--|------------------------------|---------------------|
|  | 2009                         | 2008                |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>  |                              |                     |
| Net loss   | \$ (268,282)                 | \$ (421,769)        |
| Adjustment to reconcile net loss to net cash provided by (used in) operating activities: |                              |                     |
| Depreciation and amortization  | 11,965                       | 5,039               |
| Unrealized loss on marketable securities   | 138,779                      | -                   |
| Realized gain on marketable securities   | (65,236)                     | -                   |
| Value of warrants granted for consulting services  | 18,395                       | -                   |
| Common stock issued for consulting services  | -                            | 57,833              |
| Changes in operating assets and liabilities:   |                              |                     |
| Prepaid expenses   | 21,778                       | 73,600              |
| Other current assets   | (10,371)                     | -                   |
| Accounts payable and accrued expenses  | 3,822                        | (23,393)            |
| Deferred revenue   | (7,500)                      | -                   |
| Net cash used in operating activities  | (156,650)                    | (308,690)           |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>  |                              |                     |
| Purchases of fixed assets  | (328,181)                    | (40,667)            |
| Purchases of marketable securities   | (929,423)                    | -                   |
| Proceeds from sale of marketable securities  | 2,251,103                    | -                   |
| Net cash used in investing activities  | 993,499                      | (40,667)            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>  |                              |                     |
| Repayments of notes payable  | -                            | (25,000)            |
| Offering costs   | -                            | (150)               |
| Net cash provided by (used in) financing activities                                      | -                            | (25,150)            |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                              | <b>836,849</b>               | <b>(374,507)</b>    |
| <b>CASH AND CASH EQUIVALENTS, Beginning of period</b>                                    | <b>920,908</b>               | <b>3,568,535</b>    |
| <b>CASH AND CASH EQUIVALENTS, End of period</b>  | <b>\$ 1,757,757</b>          | <b>\$ 3,194,028</b> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>                                 |                              |                     |
| Interest paid  | \$ -                         | \$ 3,538            |
| Income taxes paid  | \$ -                         | \$ -                |

SUPPLEMENTAL DISCLOSURE OF NON-CASH  
INVESTING AND FINANCING:

|                         |    |   |    |        |
|-------------------------|----|---|----|--------|
| Non-cash stock issuance | \$ | - | \$ | 57,833 |
|-------------------------|----|---|----|--------|

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

6

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#### Note 1 - Organization and Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared by ValueRich, Inc. (the "Company") in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these condensed financial statements do not include all of the disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, the unaudited interim condensed financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed financial statements be read in conjunction with the Company's audited financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008. Operating results for the three months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009.

#### Note 2 – Summary of Significant Accounting Policies

##### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The Company bases its estimates on historical experience, management expectations for future performance, and other assumptions as appropriate. Key areas affected by estimates include the assessment of the recoverability of long-lived assets, which is based on such factors as estimated future cash flows. The Company re-evaluates its estimates on an ongoing basis; actual results may vary from those estimates.

##### Concentration of Credit Risk

Cash includes cash on hand and demand deposits in accounts maintained within the United States. Certain financial instruments, which subject the Company to concentration of credit risk, consist of cash. The Company maintains balances at financial institutions which, from time to time, may exceed Federal Deposit Insurance Corporation insured limits for the banks located in the United States. As of March 31, 2009 and December 31, 2008, the Company had deposits in excess of federally-insured limits totaling \$164,579 and \$782,283, respectively. The Company has not experienced any losses in such accounts.

##### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

##### Marketable Securities

The Company has designated its investments in marketable securities as trading and available-for-sale. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Marketable equity securities not classified as trading are classified as available for sale, and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in shareholders' equity. Investment income is recognized on an accrual basis.



The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market.

#### Property, Plant and Equipment

Property and equipment are stated at historical cost and are depreciated using the straight-line method over their estimated useful lives. The useful life and depreciation method are reviewed periodically to ensure that the depreciation method and period are consistent with the anticipated pattern of future economic benefits. Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Gains and losses on disposals are included in the results of operations.

The Company provides for depreciation over the assets estimated lives as follows:

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| Computers, software and equipment | 3 years                               |
| Furniture and fixtures            | 5 years                               |
| Leasehold improvements            | Lesser of lease life or economic life |

#### Long-Lived Assets

The Company applies the provisions of Statement of Financial Accounting Standards No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of,” and the accounting and reporting provisions of APB Opinion No. 30, “Reporting the Results of Operations for a Disposal of a Segment of a Business.” The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets’ carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal. Based on its review, the Company believes that, as of March 31, 2009 and December 31, 2008, there were no significant impairments of its long-lived assets.

#### Fair Value of Financial Instruments and Concentrations

On January 1, 2008, the Company adopted SFAS No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosures requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.



- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's investments in marketable securities are carried at fair value totaling \$502,770 and \$1,957,993 at March 31, 2009 and December 31, 2008, respectively. The Company used Level 1 inputs for its valuation methodology as the securities' quoted prices are publicly available.

|                                      | Fair Value |            | Fair Value Measurements at |         |         |
|--------------------------------------|------------|------------|----------------------------|---------|---------|
|                                      | As of      | March 31,  | March 31, 2009             |         |         |
|                                      | 2009       |            | Using Fair Value Hierarchy |         |         |
| Assets                               |            |            | Level 1                    | Level 2 | Level 3 |
| Investments in marketable securities | \$ 502,770 | \$ 502,770 | -                          | -       | -       |

For the three months ended March 31, 2009 and 2008, the Company recognized unrealized losses on its trading securities in its statements of operations and comprehensive loss in the amounts of \$138,779 and \$0, respectively. For the three months ended March 31, 2009 and 2008, the Company recognized unrealized losses on its available-for-sale securities in its statements of stockholders' equity in the amounts of \$60,000 and \$0, respectively, for the changes in the valuation of the aforementioned assets.

The Company did not identify any other assets or liabilities that are required to be presented on the balance sheets at fair value in accordance with SFAS No. 157.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company adopted SFAS 159 on January 1, 2008. The Company chose not to elect the option to measure the fair value of eligible financial assets and liabilities.

#### Revenue Recognition

Revenue is recognized in the period that services are provided. For revenue from product sales, the Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB104"), which superseded Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB101"). SAB 101 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required. Payments received in advance are deferred until the product is delivered or service is rendered. SAB 104 incorporates Emerging Issues Task Force 00-21 ("EITF 00-21"), "Multiple-Deliverable Revenue Arrangements." EITF 00-21 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing EITF 00-21 on our financial position and results of operations was not significant.



In 2008, the Company has focused on the transition from its old line of financial media products including the ValueRich financial Expos and the ValueRich Magazine to web-based products such as [www.WallStreetHDTV.com](http://www.WallStreetHDTV.com), the second generation of [www.iValueRich.com](http://www.iValueRich.com) and [www.ValueRichTV.com](http://www.ValueRichTV.com) (expected to launch in the second quarter of 2009). The new ValueRich products have mostly been in the design, development and implementation stages throughout the 2008 calendar year. Accordingly, the Company has not earned any revenue from its old line of financial media products during the three months ended March 31, 2008. During 2008, the Company entered into two consulting agreements to assist foreign-based companies manage their financial statement reporting, regulatory and compliance issues in the United States. The Company does not recognize revenue on its consulting business until persuasive evidence of an arrangement exists, delivery has occurred (the Company has performed according to the terms of the consulting agreement), the selling price is fixed and determinable, and collectability is reasonably assured. See Note 3.

#### Income Taxes

Income taxes are provided based upon the asset and liability method of accounting in accordance with SFAS No. 109, "Accounting for Income Taxes". Pursuant to SFAS No. 109 the Company is required to compute deferred income tax assets for net operating losses carried forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. Realizing of deferred tax assets is assessed throughout the year and a valuation allowance is recorded if necessary to reduce net deferred tax assets to the amount more likely than not to be realized. The potential benefits of net operating losses ("NOLs") have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

The Company has an NOL carry forward for income tax reporting purposes that may be offset against future taxable income. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Accordingly, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements, because the Company is uncertain if they will ever be in a position to utilize the NOL carry forward. Accordingly, the potential tax benefits of the loss carry forward are offset by a valuation allowance of the same amount.

The Company is current in its filing of federal income tax returns. The Company believes that the statutes of limitations for its federal income tax returns are open for years after 2004. The Company is not currently under examination by the Internal Revenue Service or any other taxing authority.

The Company adopted FASB Interpretation 48, "Accounting for Uncertainty in Income Taxes", during 2007. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no affect on the Company's financial statements.

The Company's practice is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. At March 31, 2009 and December 31, 2008, the Company had no accrued interest or penalties.

#### Basic and Diluted Losses Per Share

Earnings per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings Per Share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net

earnings per share for all periods presented have been restated to reflect the adoption of SFAS No. 128. Basic earnings per share is based upon the weighted average number of  
10

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common shares outstanding. Diluted earnings per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. All dilutive securities were excluded from the diluted loss per share due to the anti-diluted effect.

The computation of earnings per share of common stock is based on the weighted average number of shares outstanding at the date of the financial statements.

|  | Loss<br>(Numerator) | Shares<br>(Denominator) | Per-Share<br>Amount |
|--|---------------------|-------------------------|---------------------|
| For the Three Months Ended March 31, 2009: |                     |                         |                     |
| Basic and diluted EPS                      |                     |                         |                     |
| Loss to common stockholders                | \$ (268,282)        | 8,669,670               | \$ (0.03)           |
| For the Three Months Ended March 31, 2008: |                     |                         |                     |
| Basic and diluted EPS                      |                     |                         |                     |
| Loss to common stockholders                | \$ (421,769)        | 8,406,875               | \$ (0.05)           |

As of March 31, 2009 and 2008, the following potential dilutive shares were excluded from diluted loss per share for all periods presented because of their anti-dilutive effect.

|                   | March 31, 2009 | March 31, 2008 |
|-------------------|----------------|----------------|
| Options           | 100,000        | 100,000        |
| Warrants          | 1,235,715      | 1,836,494      |
| Convertible notes | 67,000         | 134,000        |
| Total             | 1,402,715      | 2,070,494      |

#### Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123." The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees, estimated using the Black-Scholes option pricing model. No options or warrants were exercised during the year ended December 31, 2008. During the year ended December 31, 2008, 1,390,779 warrants expired. As of March 31, 2009 and December 31, 2008, there were 1,235,715 warrants and 100,000 options and 1,185,715 warrants and 100,000 options outstanding, respectively.

#### Special Purpose Entities

The Company does not have any off-balance sheet financing activities.

#### Reclassification

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 financial statement presentation. These reclassifications had no effect on net income or cash flows as previously reported.

## Recent Pronouncements

In April 2009, the FASB issued FSP No. FAS 157-4, “Determining Fair Values When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly.” This FSP provides guidance on (1) estimating the fair value of an asset or liability when the volume and level of activity for the asset or liability have significantly declined and (2) identifying transactions that are not orderly. The FSP also amends certain disclosure provisions of SFAS No. 157 to require, among other things, disclosures in interim periods of the inputs and valuation techniques used to measure fair value. This pronouncement is effective prospectively beginning April 1, 2009. The Company is currently evaluating the impact of this standard, but would not expect it to have a material impact on the Company’s consolidated results of operations or financial condition.

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (FSP 115-2). This FSP modifies the requirements for recognizing other-than-temporarily impaired debt securities and changes the existing impairment model for such securities. The FSP also requires additional disclosures for both annual and interim periods with respect to both debt and equity securities. Under the FSP, impairment of debt securities will be considered other-than-temporary if an entity (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security’s entire amortized cost basis (even if the entity does not intend to sell). The FSP further indicates that, depending on which of the above factor(s) causes the impairment to be considered other-than-temporary, (1) the entire shortfall of the security’s fair value versus its amortized cost basis or (2) only the credit loss portion would be recognized in earnings while the remaining shortfall (if any) would be recorded in other comprehensive income. FSP 115-2 requires entities to initially apply the provisions of the standard to previously other-than-temporarily impaired debt securities existing as of the date of initial adoption by making a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The cumulative-effect adjustment potentially reclassifies the noncredit portion of a previously other-than-temporarily impaired debt security held as of the date of initial adoption from retained earnings to accumulated other comprehensive income. This pronouncement is effective April 1, 2009. The Company does not believe this standard will have a material impact on the Company’s consolidated results of operations or financial condition.

In April 2009, the FASB issued FSP No. FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments.” This FSP essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the FSP requires certain additional disclosures regarding the methods and significant assumptions used to estimate the fair value of financial instruments. These additional disclosures will be required beginning with the quarter ending June 30, 2009. The Company is currently evaluating the requirements of these additional disclosures.

## Note 3 – Consulting Agreement with Bodisen Biotech

Effective July 1, 2008 and continuing for a period of 2 years, the Company has been engaged to perform strategic business consulting services to Bodisen Biotech. As compensation for the consulting services, Bodisen Biotech has agreed to:

- (a) Issue to the Company 400,000 shares of Bodisen Biotech common stock to the Company up front;
- (b) Issue to the Company options to purchase 400,000 shares of its common stock. The options will be exercisable at \$0.70 per share and will have an exercise period of 5 years;
- (c) Pay the Company \$10,000 per month for the 24-month consulting period, equaling a total of \$120,000 per year.

The Company has also recorded \$60,000 in marketable securities and corresponding revenue for the 400,000 shares received on September 18, 2008. The marketable securities have been classified as available-for-sale. These securities are carried at fair value with unrealized gains and losses, net of deferred income taxes, reported as accumulated other

comprehensive income (loss), a separate component of stockholder's equity.

12

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The Company has valued the options received under the consulting agreement using the Black-Scholes option pricing model. The option exercise price is \$0.70 per share. The fair value of the options was \$25,800 and the following assumptions: term of 2.5 years, a risk free interest rate of 2.1%, a dividend yield of 0% and volatility of 128%. Management has performed an analysis and determined the options are impaired at March 31, 2009, and therefore the Company has recorded a 100% allowance against the value of the options.

For the three months ended March 31, 2009, the Company has recognized \$30,000, less wire fees, in consulting revenues relating to the cash component of its consulting compensation.

Note 4 – Marketable Securities

The Company's marketable securities consist of trading and available-for-sale securities, all of which are classified as marketable securities and are carried at their fair value based on the quoted market prices of the securities at March 31, 2009 and December 31, 2008. Net unrealized gains and losses on trading securities are included in net earnings. Available-for sale securities consist of the 400,000 shares received in July 2008 for consulting services performed for Bodisen Biotech (see Note 3). These securities are carried at fair value with unrealized gains and losses, net of deferred income taxes, reported as accumulated other comprehensive income (loss), a separate component of stockholder's equity. The investment in these shares has been valued at \$108,000 at March 31, 2009, and accordingly a \$48,000 unrealized gain has been recognized in accumulated other comprehensive income at March 31, 2009 in the accompanying balance sheets. Realized gains and losses on trading and available-for-sale securities are included in net earnings in the period earned or incurred. For purpose of determining realized gains and losses, the cost of securities sold is based on specific identification.

The composition of marketable securities, classified as current assets, is as follows at March 31, 2009 and December 31, 2008.

|                               | March 31, 2009 |            | December 31, 2008 |              |
|-------------------------------|----------------|------------|-------------------|--------------|
|                               | Cost           | Fair Value | Cost              | Fair Value   |
| Available-for-sale securities | \$ 60,000      | \$ 108,000 | \$ 60,000         | \$ 168,000   |
| Mutual Funds                  | 387,016        | 361,550    | 1,249,431         | 1,331,571    |
| Common Stock                  | 31,407         | 33,220     | 421,497           | 458,422      |
| Total marketable securities   | \$ 478,423     | \$ 502,770 | \$ 1,730,928      | \$ 1,957,993 |

Investment income for the three months ended March 31, 2009 and 2008 consists of the following:

|   | 2009        | 2008 |
|---|-------------|------|
| Gross realized gains from sale of trading securities  | \$ 171,187  | \$ - |
| Gross realized losses from sale of trading securities | (105,951)   | -    |
| Dividend and interest income                          | 20,357      | -    |
| Net unrealized holding loss                           | (138,779)   | -    |
| Net investment income                                 | \$ (53,186) | \$ - |

Management evaluates securities for other-than-temporary impairment at least on a yearly basis, and more frequently when economic or market conditions warrant such evaluation. Consideration is given to the length of time and amount of the loss relative to cost, the nature and financial condition of the issuer and the ability and intent of the Company to hold the investment for a time sufficient to allow any anticipated recovery in fair value. There were no securities with

unrealized losses which management considers to be other-than-temporary impairments at March 31, 2009 and December 31, 2008.

13

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Proceeds from the sale of investments in trading securities during the three months ended March 31, 2009 and 2008 were \$2,254,348 and \$0, respectively. As of March 31, 2009 and December 31, 2008, the Company had no significant concentration of credit risk related to investments.

#### Note 6 – Property and Equipment

Property and equipment consisted of the following at March 31, 2009 and December 31, 2008:

|                          | March 31,<br>2009 | December<br>31,<br>2008 |
|--------------------------|-------------------|-------------------------|
| Building                 | \$ 225,682        | \$ -                    |
| Computers and equipment  | 113,691           | 31,859                  |
| Furniture and fixtures   | 33,427            | 29,366                  |
| Leasehold improvements   | 82,257            | 82,257                  |
| Website                  | 71,745            | 55,140                  |
|                          | 526,802           | 198,622                 |
| Accumulated depreciation | (97,040)          | (85,075)                |
| Fixed assets, net        | \$ 429,762        | \$ 113,547              |

Depreciation expense amounted to \$11,965 and \$5,039 for the three months ended March 31, 2009, and 2008, respectively.

#### Note 7 – Accounts Payable and Accrued Expenses

Accrued expenses and other liabilities comprises of the following:

|                        | March 31,<br>2009 | December<br>31,<br>2008 |
|------------------------|-------------------|-------------------------|
| Accounts payable       | \$ 202,968        | \$ 216,252              |
| Accrued interest       | 6,000             | 6,000                   |
| Other accrued expenses | 35,610            | 18,505                  |
| Total                  | \$ 244,578        | \$ 240,757              |

#### Note 8 – Operating Lease and Other Commitments

The Company leases a 1,750 square foot office facility at \$3,190 per month (\$38,280 per year) from Joseph C. Visconti CEO and President. There is no long-term lease arrangement and the company pays on a month-to-month basis.

#### Note 9 – Debt

The Company's debt at March 31, 2009 and December 31, 2008 is detailed as follows:



|   | March 31,<br>2009 | December<br>31,<br>2008 |
|---|-------------------|-------------------------|
| Shareholders Notes Payable:   |                   |                         |
| Notes payable to an individual 10% interest accrued, Issued 12/03, Matures 5/09                         | 9,500             | 9,500                   |
| Convertible Notes Payable:  |                   |                         |
| Note payable to an individual 6% interest accrued, Issued 10/04, convertible Matures 12/07 (in default) | 25,000            | 25,000                  |

In addition to the information stated above, other material terms of the convertible debt instruments include: 1) a conversion price of \$0.60 per share; 2) a debt penalty to include the issuance of additional shares upon conversion totaling 10% of the shares into which the note may convert if the Company's shares are not listed for public trading on or before October 1, 2004; 3) a debt penalty to include the issuance of additional shares upon conversion totaling 15% of the shares into which the note may convert if the Company's shares are not listed for public trading on or before December 31, 2004 and 4) a warrant to purchase the same number of shares into which the original principal amount could be converted at an exercise price of \$2.00 per share.

The Company has adopted Emerging Issues Task Force ("EITF") Issue No. 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios," and EITF Issue No. 00-27, "Application of EITF Issue No. 98-5 to Certain Convertible Instruments." During 2004 and 2005 we incurred debt with a conversion feature that provides for a rate of conversion, but with no trading market value there was no beneficial conversion feature to record.

The Company repaid \$0 and \$25,000 of its shareholder notes payable in cash during the three months ended March 31, 2009 and 2008, respectively.

#### Note 10 – Equity

The Company did not issue shares of its common stock during the three months ended March 31, 2009.

The following is a summary of shares of the Company's common stock issued during 2008:

- On March 31, 2008, the Company issued 290,000 shares of its common stock at approximately \$0.31 per share to four consultants for strategic, financial and business consulting services performed in 2008.
- On September 30, 2008, the Company canceled 25,000 shares of its common stock at \$1.15 per share issued in 2007 for software development services related to its intangible asset.
- On October 1, 2008, the Company issued 128,128 shares of common stock at approximately \$0.42 per share and 50,000 warrants (see Note 11) in repayment of a convertible note payable with a face amount of \$25,000.

#### Note 11 – Warrants and Deferred Financing Costs

On March 19, 2009, the Company granted 50,000 warrants to purchase common stock at \$0.25 per share in connection with consulting services. The warrants were valued at \$18,395 using the Black-Scholes pricing model with the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 184%; (3) risk-free interest rate

of 0.87%, and expected life of 2 years. The amount was recorded to professional fees in the accompanying statements of operations and comprehensive loss for the three months ended March 31, 2009.

15

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The following table summarizes the changes in warrants outstanding and the related prices for the shares of the Company's common stock issued to non-employees of the Company. These warrants were granted in connection with the convertible shareholder notes payable and for consulting services.

A summary of warrant activity for the three months ended March 31, 2009 is presented below:

|                                | Number of<br>Warrants | Weighted<br>Average<br>Exercise<br>Price | Weighted<br>Average<br>Remaining<br>Contractual<br>Life (in<br>years) | Aggregate<br>Intrinsic<br>Value<br>(000) |
|--------------------------------|-----------------------|--|---|--|
| Outstanding, January 1, 2008   | 2,376,494             | \$ 2.00                                  | 0.37  | \$ -                                     |
| Granted                        | 200,000               | 0.55                                     |   |  |
| Exercised                      | -                     | -  |   |  |
| Expired                        | (1,390,779)           | 1.89                                     |   |  |
| Outstanding, December 31, 2008 | 1,185,715             | 1.61                                     | 2.59  | -  |
| Exercisable, December 31, 2008 | 1,185,715             | 1.61                                     | 2.59  | -  |
| Outstanding, January 1, 2009   | 1,185,715             | 1.61                                     | 2.59  | -  |
| Granted                        | 50,000                | 0.25                                     |   |  |
| Exercised                      | -                     | -  |   |  |
| Expired                        | -                     | -  |   |  |
| Outstanding, March 31, 2009    | 1,235,715             | 1.55                                     | 2.32  | 16                                       |
| Exercisable, March 31, 2009    | 1,235,715             | \$ 1.55                                  | 2.32  | \$ 16                                    |

The aggregate intrinsic value in the table above is before applicable income taxes and is calculated based on the difference between the exercise price of the warrants and the quoted price of the Company's common stock as of the reporting date.

#### Note 11 – Related Party Transactions

The Company leases a 1,750 square foot office facility at \$3,190 per month (\$38,280 per year) from Joseph C. Visconti CEO and President. See Note 8.

Various shareholders have made loans to the company. At March 31, 2009 and December 31, 2008, one shareholder note was outstanding for \$9,500. See Note 9.

#### Note 13 – Subsequent Events

None.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion and analysis should be read in conjunction with the accompanying Condensed Financial Statements and related notes. Our discussion and analysis of our financial condition and results of operations are based upon our condensed financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis we review our estimates and assumptions. Our estimates are based on our historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions. Our critical accounting policies, the policies we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments, are outlined below in "Critical Accounting Policies," and have not changed significantly.

### FORWARD-LOOKING STATEMENTS

Certain statements made in this report may constitute "forward-looking statements on our current expectations and projections about future events". These forward-looking statements involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases you can identify forward-looking statements by terminology such as "may," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions. These statements are based on our current beliefs, expectations, and assumptions and are subject to a number of risks and uncertainties. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These forward-looking statements are made as of the date of this report, and we assume no obligation to update these forward-looking statements whether as a result of new information, future events, or otherwise, other than as required by law. In light of these assumptions, risks, and uncertainties, the forward-looking events discussed in this report might not occur and actual results and events may vary significantly from those discussed in the forward-looking statements.

#### General

The following discussion and analysis should be read in conjunction with our condensed financial statements and related footnotes for the year ended December 31, 2007 included in our Form 10K-SB for the year ended December 31, 2007 filed with the Securities and Exchange Commission. The discussion of results, causes and trends should not be construed to imply any conclusion that such results or trends will necessarily continue in the future.

## Our Corporate History

ValueRich, Inc., (the Company), was incorporated under the laws of the state of Florida on July 11, 2003 and reincorporated in Delaware on March 3, 2006. The Company owns various online and offline media-based properties for corporate and financial professionals. Its properties include 1) iValueRich.com, 2) ValueRich magazine and 3) the ValueRich Small-cap Financial Expo. iValueRich.com is an online community providing a range of business solutions for public companies and the many industry related businesses and professionals that seek to do business with each other. The small-cap financial expo is a unique expo-style financial conference format for small-cap public companies to showcase their products and services and have continuous access to investment bankers and buy-side professionals.

We have a limited operating history. We launched iValuerich.com in June 2006, we hosted our first financial expo in March 2005, and we published our first edition of ValueRich magazine in the spring of 2004. During our limited operating history, we have not been profitable. For the three months ended March 31, 2009, we incurred a net loss of \$268,282.

Our corporate mission is to create an active community of Wall Street professionals and small-cap public company executives. To accomplish this we will use our online and offline properties, including our global Internet community, print publishing and financial events to connect the corporate and financial professionals that make up the securities industry. We seek to accomplish this through our integrated portfolio of products and services that we now provide for the small public capitalization market place.

## Results of Operations

Our results of operations for the three months ended March 31, 2009 have been significantly impacted by our decision to revise our financial expo line of business to be a co-branded or partnered expo in response to increased competition we have experienced in the financial convention space. Since we were unable until the mid-second quarter 2008 to find a suitable partner to co-brand or partner our expos, we did not have any expo events during the first three quarters of 2008 as we had planned, and therefore we did not derive any revenue from expos during such quarters.

Throughout 2008, we have focused on the transition of our old line financial media products including the ValueRich financial Expos and the ValueRich Magazine to web-based products such as [www.WallStreetHDTV.com](http://www.WallStreetHDTV.com), the second generation of [www.iValueRich.com](http://www.iValueRich.com) and the soon to be launched [www.ValueRichTV.com](http://www.ValueRichTV.com). The new ValueRich products have mostly been in design, development and implementation stages throughout the 2008 calendar year.

By the first quarter of 2009, we had launched the second generation of the ValueRich platform, which added a full spectrum of financial and web-based tools for small-cap companies seeking to go public and raise capital via a web-based Direct Offering (“DO”) format. Companies that want to raise capital could file their own registration statement through the DO process and pay us for the use of our technology platform and access to their our of financial related professionals to assist in funding the issuing company’s deal. For the first time, users of the ValueRich technology platform who have verified their qualified investor’s status will be able to discover and participate in Direct Offerings featured on the ValueRich platform. While we are not a registered broker-dealer or investment advisor, soon we will be able to provide companies with technology and marketing tools they need to communicate directly with qualified investors.

In January 2009, we announced plans to create a business talk show called ValueRich TV, which will be produced at a dedicated studio next door to our headquarters. Its purpose is to create a successful Wall Street based talk show that can be streamed over the internet for worldwide distribution. In January 2009, we purchased and closed on the building to be used as the studio.



In August 2008, we implemented a stock repurchase program for up to \$400,000 shares of our common stock on the open market. As you know, our stock has become somewhat illiquid due to very light volume. To date, the \$400,000 buy back program has resulted in only approximately \$30,000 of stock being repurchased in the open market.

For the three month period ended March 31, 2009 vs. the three month period ended March 31, 2008

During the quarter ended March 31, 2009, we generated \$37,485 in revenue that arose primarily from consulting services we provided. During the same period of 2008 we had revenues of \$0. Our total cost of sales for the three months ended March 31, 2009 was \$0 as compared to \$6,230 for the three months ended March 31, 2008. Total operating expenses decreased significantly from \$449,086 for the three months ended March 31, 2008 to \$263,127 for the three months ended March 31, 2009. The decrease in total operating expenses was primarily attributable to a decrease in salaries as a result in downsizing due to a change in our focus. Net loss for the quarter ended March 31, 2009 as compared to the period ended March 31, 2008 decreased from \$421,769 to \$268,282 primarily as a result of the decrease in staffing costs as well as consulting revenue earned in the three months ended March 31, 2009.

#### Liquidity and Capital Resources

For the three months ended March 31, 2009 we had an increase in total cash resources of \$836,849. The increase in cash was primarily due to the sales of marketable securities and a corresponding gain on sale of \$65,236.

We have spent, and expect to continue to spend, substantial amounts in connection with the implementation of our business strategy, including our revisions to our current lines of business and our future endeavors. Based on our current plans, we believe that our cash will be sufficient to enable us to meet our planned operating needs at least for the next 12 months. Because of current economic and market conditions and due to the unknown future of our nations's economic health, we have taken prudent measures to manage our cash position and not force the growth of our core business.

#### Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon our financial condition or results of operations.

#### Critical Accounting Policies

##### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements. We base our estimates on historical experience, management expectations for future performance, and other assumptions as appropriate. Key areas affected by estimates include the assessment of the recoverability of long-lived assets, which is based on such factors as estimated future cash flows. We re-evaluate our estimates on an ongoing basis; actual results may vary from those estimates.

#### Concentration of Credit Risk

Financial instruments, which potentially subject us to concentrations of credit risk, consist of cash and cash equivalents and accounts receivables. We place our cash with high quality financial institutions and at times may exceed the FDIC insurance limit. We extend credit based on an evaluation of the customer's





financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. We monitor our exposure for credit losses and maintain allowances for anticipated losses, as required. Accounts are "written-off" when deemed uncollectible.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

#### Marketable Securities

The Company has designated its investments in marketable securities as trading and available-for-sale. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Marketable equity securities not classified as trading are classified as available for sale, and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in shareholders' equity. Investment income is recognized on an accrual basis.

The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market.

#### Fair Value of Financial Instruments and Concentrations

On January 1, 2008, the Company adopted SFAS No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosures requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's investments in marketable securities are carried at fair value totaling \$502,770 and \$1,957,993 at March 31, 2009 and December 31, 2008, respectively. The Company used Level 1 inputs for its valuation methodology as the securities' quoted prices are publicly available.

|                                      | Fair Value |            | Fair Value Measurements at |         |         |
|--------------------------------------|------------|------------|----------------------------|---------|---------|
|                                      | As of      | March 31,  | March 31, 2009             |         |         |
|                                      | 2009       |            | Using Fair Value Hierarchy |         |         |
| Assets                               |            |            | Level 1                    | Level 2 | Level 3 |
| Investments in marketable securities | \$ 502,770 | \$ 502,770 | -                          | -       | -       |



For the three months ended March 31, 2009 and 2008, the Company recognized unrealized losses on its trading securities in its statements of operations and comprehensive loss in the amounts of \$138,779 and \$0, respectively. For the three months ended March 31, 2009 and 2008, the Company recognized unrealized losses on its available-for-sale securities in its statements of stockholders' equity in the amounts of \$60,000 and \$0, respectively, for the changes in the valuation of the aforementioned assets.

The Company did not identify any other assets or liabilities that are required to be presented on the balance sheets at fair value in accordance with SFAS No. 157.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company adopted SFAS 159 on January 1, 2008. The Company chose not to elect the option to measure the fair value of eligible financial assets and liabilities.

### Revenue Recognition

Revenue is recognized in the period that services are provided. For revenue from product sales, the Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB104"), which superseded Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB101"). SAB 101 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required. Payments received in advance are deferred until the product is delivered or service is rendered. SAB 104 incorporates Emerging Issues Task Force 00-21 ("EITF 00-21"), "Multiple-Deliverable Revenue Arrangements." EITF 00-21 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing EITF 00-21 on our financial position and results of operations was not significant.

In 2008, the Company has focused on the transition from its old line of financial media products including the ValueRich financial Expos and the ValueRich Magazine to web-based products such as [www.WallStreetHDTV.com](http://www.WallStreetHDTV.com), the second generation of [www.iValueRich.com](http://www.iValueRich.com) and [www.ValueRichTV.com](http://www.ValueRichTV.com) (expected to launch in the second quarter of 2009). The new ValueRich products have mostly been in the design, development and implementation stages throughout the 2008 calendar year. Accordingly, the Company has not earned any revenue from its old line of financial media products during the three months ended March 31, 2008. During 2008, the Company entered into two consulting agreements to assist foreign-based companies manage their financial statement reporting, regulatory and compliance issues in the United States. The Company does not recognize revenue on its consulting business until persuasive evidence of an arrangement exists, delivery has occurred (the Company has performed according to the terms of the consulting agreement), the selling price is fixed and determinable, and collectability is reasonably assured.

## Basic and Diluted Losses Per Share

Earnings per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings Per Share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net earnings per share for all periods presented have been restated to reflect the adoption of SFAS No. 128. Basic earnings per share is based upon the weighted average number of common shares outstanding. Diluted earnings per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. All dilutive securities were excluded from the diluted loss per share due to the anti-diluted effect.

The computation of earnings per share of common stock is based on the weighted average number of shares outstanding at the date of the financial statements.

|  | Loss<br>(Numerator) | Shares<br>(Denominator) | Per-Share<br>Amount |
|--|---------------------|-------------------------|---------------------|
| For the Three Months Ended March 31, 2009: |                     |                         |                     |
| Basic and diluted EPS                      |                     |                         |                     |
| Loss to common stockholders                | \$ (268,282)        | 8,669,670               | \$ (0.03)           |
| For the Three Months Ended March 31, 2008: |                     |                         |                     |
| Basic and diluted EPS                      |                     |                         |                     |
| Loss to common stockholders                | \$ (421,769)        | 8,406,875               | \$ (0.05)           |

As of March 31, 2009 and 2008, the following potential dilutive shares were excluded from diluted loss per share for all periods presented because of their anti-dilutive effect.

|                   | March 31, 2009 | March 31, 2008 |
|-------------------|----------------|----------------|
| Options           | 100,000        | 100,000        |
| Warrants          | 1,235,715      | 1,836,494      |
| Convertible notes | 67,000         | 134,000        |
| Total             | 1,402,715      | 2,070,494      |

## Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123." The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees, estimated using the Black-Scholes option pricing model. No options or warrants were exercised during the year ended December 31, 2008. During the year ended December 31, 2008, 1,390,779 warrants expired. As of March 31, 2009 and December 31, 2008, there were 1,235,715 warrants and 100,000 options and 1,185,715 warrants and 100,000 options outstanding, respectively.

## Recent Pronouncements

In April 2009, the FASB issued FSP No. FAS 157-4, "Determining Fair Values When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly." This FSP provides guidance on (1) estimating the fair value of an asset or liability when the volume and level of activity for the asset or liability have significantly declined and (2) identifying transactions that are not orderly. The

FSP also amends certain disclosure provisions of SFAS No. 157 to require, among other things, disclosures in interim periods of the inputs and valuation

22

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techniques used to measure fair value. This pronouncement is effective prospectively beginning April 1, 2009. The Company is currently evaluating the impact of this standard, but would not expect it to have a material impact on the Company's consolidated results of operations or financial condition.

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (FSP 115-2). This FSP modifies the requirements for recognizing other-than-temporarily impaired debt securities and changes the existing impairment model for such securities. The FSP also requires additional disclosures for both annual and interim periods with respect to both debt and equity securities. Under the FSP, impairment of debt securities will be considered other-than-temporary if an entity (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security's entire amortized cost basis (even if the entity does not intend to sell). The FSP further indicates that, depending on which of the above factor(s) causes the impairment to be considered other-than-temporary, (1) the entire shortfall of the security's fair value versus its amortized cost basis or (2) only the credit loss portion would be recognized in earnings while the remaining shortfall (if any) would be recorded in other comprehensive income. FSP 115-2 requires entities to initially apply the provisions of the standard to previously other-than-temporarily impaired debt securities existing as of the date of initial adoption by making a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The cumulative-effect adjustment potentially reclassifies the noncredit portion of a previously other-than-temporarily impaired debt security held as of the date of initial adoption from retained earnings to accumulated other comprehensive income. This pronouncement is effective April 1, 2009. The Company does not believe this standard will have a material impact on the Company's consolidated results of operations or financial condition.

In April 2009, the FASB issued FSP No. FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments." This FSP essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the FSP requires certain additional disclosures regarding the methods and significant assumptions used to estimate the fair value of financial instruments. These additional disclosures will be required beginning with the quarter ending June 30, 2009. The Company is currently evaluating the requirements of these additional disclosures.

### Item 3- Quantitative and Qualitative Disclosures About Market Risk

N/A

### Item 4 – Controls and Procedures

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures at the end of the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer, who is our principal executive officer and principal financial officer. Based on this evaluation, this officer has concluded that the design and operation of our disclosure controls and procedures are effective. During the quarter ended March 31, 2009, there were no changes in our internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including principal executive officer and



principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our controls and procedures, our management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

None.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Submission of Matters to a Vote of Security Holders

None.

### Item 5. Other Information

None.

### Item 6. Exhibits

#### Exhibit Description

31.1 Section 302 Certification of Chief Executive Officer and Principal Financial Officer.\*

32.1 Certification of Chief Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350.\*

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\* Filed herewith



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VALUERICH INC.

Date: May 18, 2009

By: /s/ Joseph C.  
Visconti  
Joseph C. Visconti,  
Director and Chief  
Executive Officer  
(Principal Executive  
Officer and Principal  
Financial Officer)