

VALUERICH INC  
Form 10-Q  
May 18, 2010

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, 2010

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 or other jurisdiction of incorporation or organization)

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

1804 N. Dixie Highway, Suite A, West Palm  
Beach, Florida  
(Address of principal executive offices)

33407  
(Zip Code)

1-561-370-3617  
(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer

Accelerated filer

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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

As of May 17, 2010, the Company had outstanding 8,657,124 shares of common stock, par value \$0.01.

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## Part I – FINANCIAL INFORMATION

## Item 1. Financial Statements

VALUERICH, Inc.  
BALANCE SHEETS  
AS OF MARCH 31, 2010 AND DECEMBER 31, 2009

|  | March 31,<br>2010<br>(unaudited) | December<br>31,<br>2009 |
|--|----------------------------------|-------------------------|
| <b>ASSETS</b>  |                                  |                         |
| <b>CURRENT ASSETS</b>  |                                  |                         |
| Cash and cash equivalents  | \$47,055                         | \$1,034,848             |
| Investments in marketable securities   | 77,760                           | 607,860                 |
| Current portion of Note Receivable   | 330,000                          | -                       |
| Deferred financing costs   | 25,568                           | -                       |
| <b>TOTAL CURRENT ASSETS</b>  | <b>480,383</b>                   | <b>1,642,708</b>        |
| <b>PROPERTY AND EQUIPMENT, net</b>   | <b>397,696</b>                   | <b>424,936</b>          |
| <b>OTHER ASSETS</b>  |                                  |                         |
| Investment in real estate  | 959,432                          | 139,000                 |
| Note receivable, less current portion  | 474,251                          | -                       |
| <b>TOTAL OTHER ASSETS</b>  | <b>1,433,683</b>                 | <b>139,000</b>          |
| <b>TOTAL ASSETS</b>  | <b>\$2,311,762</b>               | <b>\$2,206,644</b>      |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                  |                         |
| <b>CURRENT LIABILITIES</b>   |                                  |                         |
| Accounts payable and accrued expenses  | \$231,653                        | \$180,019               |
| Deferred revenue   | -                                | 15,000                  |
| Convertible note payable   | 25,000                           | 25,000                  |
| Note Payable, net of debt discount of \$30,671 and \$0<br>as of March 31, 2010 and December 31, 2009         | 169,329                          | -                       |
| <b>TOTAL CURRENT LIABILITIES</b>   | <b>425,982</b>                   | <b>220,019</b>          |
| <b>TOTAL LIABILITIES</b>   | <b>\$425,982</b>                 | <b>\$220,019</b>        |
| <b>COMMITMENTS AND CONTINGENCIES</b>   | <b>-</b>                         | <b>-</b>                |
| <b>STOCKHOLDERS' EQUITY</b>  |                                  |                         |
| Common stock; \$0.01 par value; 100,000,000 shares authorized;<br>8,657,124 shares issued and outstanding as |                                  |                         |

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|   |                    |                    |
|---|--------------------|--------------------|
| of March 31, 2010 and December 31, 2009.          | 86,571             | 86,571             |
| Additional paid-in capital                        | 7,190,811          | 7,190,811          |
| Accumulated other comprehensive income            | 54,760             | 5,800              |
| Accumulated deficit                               | (5,446,362)        | (5,296,557)        |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                 | <b>1,885,780</b>   | <b>1,986,625</b>   |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>\$2,311,762</b> | <b>\$2,206,644</b> |

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

VALUERICH, Inc.

STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS  
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

|  | 2010<br>(unaudited) | 2009<br>(unaudited) |
|--|---------------------|---------------------|
| REVENUE  | \$ 15,000           | 37,485              |
| COST OF REVENUE  | -                   | -                   |
| GROSS PROFIT   | 15,000              | 37,485              |
| OPERATING EXPENSES   |                     |                     |
| Salaries and wages   | 72,141              | 106,996             |
| Selling, general and administrative expenses                                 | 61,033              | 48,680              |
| Professional fees  | 27,586              | 95,486              |
| Depreciation and amortization expense  | 27,241              | 11,965              |
| TOTAL OPERATING EXPENSES   | 188,001             | 263,127             |
| LOSS FROM OPERATIONS   | (173,001 )          | (225,642 )          |
| OTHER INCOME (EXPENSES):   |                     |                     |
| Interest expense   | (8,881 )            | -                   |
| Dividend and interest income, net  | 17,325              | 20,357              |
| Unrealized gain (loss) on marketable securities                              | 3,260               | (138,779 )          |
| Realized gain (loss) on marketable securities                                | 7,492               | 65,236              |
| Other income   | 4,000               | 10,546              |
| TOTAL OTHER INCOME (EXPENSES)  | 23,196              | (42,640 )           |
| LOSS BEFORE PROVISION FOR INCOME TAXES                                       | (149,805 )          | (268,282 )          |
| INCOME TAX BENEFIT   | -                   | -                   |
| NET LOSS   | \$(149,805 )        | \$(268,282 )        |
| OTHER COMPREHENSIVE LOSS   |                     |                     |
| Unrealized gain (loss) on available for sale securities                      | 48,960              | 108,000             |
| COMPREHENSIVE LOSS   | (100,845 )          | (160,282 )          |
| NET LOSS PER SHARE - BASIC AND DILUTED                                       | \$(0.02 )           | \$(0.03 )           |
| WEIGHTED AVERAGE COMMON EQUIVALENT<br>SHARES OUTSTANDING - BASIC AND DILUTED | 8,657,124           | 8,669,670           |

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



VALUERICH, Inc.

STATEMENTS OF STOCKHOLDERS' EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND YEAR ENDED DECEMBER 31, 2009

|   | Common<br>Stock<br>Shares | Amount   | Additional<br>Paid-in<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity |
|---|---------------------------|----------|----------------------------------|---|------------------------|----------------------------------|
| Balance, December 31, 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                           |
| Retirement of treasury stock                                | (12,546 )                 | (125 )   | (3,373 )                         | -   | -                      | (3,498 )                         |
| Unrealized loss on sale of<br>available-for-sale securities | -                         | -        | -                                | (88,200 )                                       | -                      | (88,200 )                        |
| Realized loss on<br>available-for-sale securities           | -                         | -        | -                                | (14,000 )                                       | -                      | (14,000 )                        |
| Net loss for period   | -                         | -        | -                                | -   | (623,309 )             | (623,309 )                       |
| Balance, December 31, 2009                                  | 8,657,124                 | \$86,571 | \$7,190,811                      | \$ 5,800  | \$ (5,296,557 )        | \$ 1,986,625                     |
| Realized net gain on<br>available-for-sale securities       | -                         | -        | -                                | 48,960  | -                      | 48,960                           |
| Net loss for period   | -                         | -        | -                                | -   | (149,805 )             | (149,805 )                       |
| Balance, March 31, 2010<br>(unaudited)                      | 8,657,124                 | \$86,571 | \$7,190,811                      | \$ 54,760                                       | \$ (5,446,362 )        | \$ 1,885,780                     |

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



VALUERICH, Inc.

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

|  | 2010<br>(unaudited) | 2009<br>(unaudited) |
|--|---------------------|---------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                |                     |                     |
| Net loss   | \$(149,805 )        | \$(268,282 )        |
| Adjustment to reconcile net loss to net cash used in operating activities: |                     |                     |
| Depreciation and amortization  | 27,240              | 11,965              |
| Unrealized net loss on marketable securities                               | -                   | 138,779             |
| Unrealized net gain on marketable securities                               | 3,260               | -                   |
| Realized gain on sale of marketable securities                             | 7,492               | (65,236 )           |
| Marketable securities received for consulting services                     | -                   | -                   |
| Amortization of deferred financing costs                                   | 2,492               | -                   |
| Amortization of debt discount  | 4,381               | -                   |
| Value of warrants granted for consulting services                          | -                   | 18,395              |
| Changes in operating assets and liabilities:                               |                     | -                   |
| Trade accounts receivable  | -                   | (10,371 )           |
| Prepaid expenses   | -                   | 21,778              |
| Accounts payable and accrued expenses                                      | (9,945 )            | 3,822               |
| Deferred revenue   | (15,000 )           | (7,500 )            |
| Net cash used in operating activities                                      | (129,885 )          | (156,650 )          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                |                     |                     |
| Purchase of fixed assets   | -                   | (328,181 )          |
| Purchase of marketable securities  | -                   | (929,423 )          |
| Investment in real estate  | (820,432 )          | -                   |
| Investment in note receivable  | (791,927 )          | -                   |
| Proceeds from sale of marketable securities                                | 582,511             | 2,251,103           |
| Net cash provided by (used in) investing activities                        | (1,029,848)         | 993,499             |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                                |                     |                     |
| Proceeds from issuance of note payable                                     | 200,000             | -                   |
| Payment of financing costs of note payable                                 | (18,305 )           | -                   |
| Payment of offering costs for future debt offering                         | (9,755 )            | -                   |
| Net cash used in financing activities                                      | 171,940             | -                   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                | <b>(987,793 )</b>   | <b>836,849</b>      |
| <b>CASH AND CASH EQUIVALENTS, Beginning of period</b>                      | <b>1,034,848</b>    | <b>920,908</b>      |
| <b>CASH AND CASH EQUIVALENTS, End of period</b>                            | <b>\$47,055</b>     | <b>\$1,757,757</b>  |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

|                   |     |     |
|-------------------|-----|-----|
| Interest paid     | \$- | \$- |
| Income taxes paid | \$- | \$- |

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

#### 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. . All intercompany accounts and transactions have been eliminated within the consolidation. Accordingly, these consolidated 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 consolidated 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/A for the year ended December 31, 2009. Operating results for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

#### 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

Financial instruments, which potentially subject us to concentrations of credit risk, consist of cash and cash equivalents and accounts receivables. The Company placed its cash with high quality financial institutions and at times may have exceeded the FDIC insurance limit. The Company extends 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. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, as required. Accounts are “written-off” when deemed uncollectible. As of March 31, 2010 and December 31, 2009, the Company had deposits in excess of FDIC limits totaling \$0 and \$784,848, 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.

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The fair value of 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 |

#### Impairment or Disposal of Long-lived Assets

The Company applies the provisions of Accounting Standards Codification ("ASC") Topic 360, "Property, Plant, and Equipment," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 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, 2010 and December 31, 2009, there were no significant impairments of its long-lived assets.

#### Fair Value of Financial Instruments

On January 1, 2008, the Company adopted FASB ASC 820-10, "Fair Value Measurements and Disclosures." FASB ASC 820-10 defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values 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 of valuation hierarchy 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 \$77,760 and \$607,860 at March 31, 2010 and December 31, 2009, respectively. The Company used Level 1 inputs for its valuation methodology as the securities' quoted prices are publicly available.

| Assets                               | Fair Value<br>As of<br>March 31,<br>2010 | Fair Value Measurements at<br>March 31, 2010<br>Using Fair Value Hierarchy |         |         |
|--------------------------------------|--|--|---------|---------|
|                                      |  | Level 1  | Level 2 | Level 3 |
| Investments in marketable securities | \$77,760                                 | \$77,760   | -       | -       |

For the three months ended March 31, 2010, the Company recognized net unrealized gains on its trading securities in its statements of operations in the amounts of \$3,260. For the three months ended March 31, 2009, the Company recognized net unrealized losses on its trading securities in its statements of operations in the amount of \$138,779.

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 FASB ASC Topic 815.

#### Revenue Recognition

For revenue from product sales, the Company recognizes revenue in accordance with ASC Topic 605, "Revenue Recognition". Revenue is recognized at the date of shipment to customers, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. 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. We defer any revenue for which the product has not been delivered or is subject to refund until such time that we 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.

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), which was launched during the quarter ended June 30, 2009. The Company has not earned any revenue from its old line of financial media products during the year ended December 31, 2009.

For the year ended December 31, 2008, we entered into two consulting agreements to assist foreign-based companies in managing their financial statement reporting, regulatory and compliance issues in the United States. During 2009, we continued to assist these companies in managing their financial statement reporting. We do not recognize revenue on its consulting business until persuasive evidence of an arrangement exists, delivery has occurred (we have performed according to the terms of the consulting agreement), the selling price is fixed and determinable, and collectability is reasonably assured.

#### Income Taxes

Income taxes are provided based upon the asset and liability method of accounting in accordance with ASC Topic 740 "Income Taxes". 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. The realization 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's practice is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. At March 31, 2010 and December 31, 2009, the Company had no accrued interest or penalties.

#### Basic and Diluted Losses Per Share

Earnings per share is calculated in accordance with the FASB ASC 260, "Earnings Per Share." 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.

As of March 31, 2010 and December 31, 2009, the following potential dilutive shares were excluded from diluted loss per share for all periods presented because of their anti-dilutive effect.

|                   | March 31,<br>2010<br>(unaudited) | December<br>31, 2009 |
|-------------------|----------------------------------|----------------------|
| Options           | 100,000                          | 100,000              |
| Warrants          | 1,235,715                        | 1,235,715            |
| Convertible notes | 67,000                           | 67,000               |
| Total             | 1,402,715                        | 1,402,715            |

#### Stock-Based Compensation

The Company records stock-based compensation in accordance with ASC Topic 718, "Compensation – Stock Compensation." ASC 718 requires companies to measure compensation cost for stock-based employee compensation at fair value at the grant date and recognize the expense over the employee's requisite service period. Under ASC 718, the Company's volatility is based on the historical volatility of the Company's stock or the expected volatility of similar companies. The expected life assumption is primarily based on historical exercise patterns and employee post-vesting termination behavior. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The Company uses the Black-Scholes option-pricing model which was developed for use in estimating the fair value of options. Option-pricing models require the input of highly complex and subjective variables including the expected life of options granted and the Company's expected stock price volatility over a period equal to or greater than the expected life of the options. Because changes in the subjective assumptions can materially affect the estimated value of the Company's employee stock options, it is management's opinion that the Black-Scholes option-pricing model may not provide an accurate measure of the fair value of the Company's employee stock options. Although the fair value of employee stock options is determined in accordance with ASC 718 using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

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.

#### Recent Pronouncements

On February 25, 2010, the FASB issued ASU 2010-09 Subsequent Events Topic 855 "Amendments to Certain Recognition and Disclosure Requirements," effective immediately. The amendments in the ASU remove the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of U.S. GAAP. The FASB believes these amendments remove potential conflicts with the SEC's literature. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

#### Note 3 – Marketable Securities

The Company invests its available operating funds primarily in high-yield mutual funds that hold common stock of U.S. companies with large market capitalizations. The Company also invests in common stock of U.S. companies with large market capitalizations. Management's objective is to identify common stocks and mutual funds with holdings that are under-valued with potential for short-term (under one-year holding period) appreciation. 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, 2010 and December 31, 2010. Net unrealized gains and losses on trading securities are included in net earnings. Available-for sale 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 the available-for-sale securities has been valued at \$77,760 at March 31, 2010, and accordingly a \$54,760 net unrealized gain has been recognized in accumulated other comprehensive income at March 31, 2010 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, 2010 and December 31, 2009.

|                               | Cost      | March 31, 2010         |                         | Fair Value |
|-------------------------------|-----------|------------------------|-------------------------|------------|
|                               |           | Gross Unrealized Gains | Gross Unrealized Losses |            |
| Available-for-sale securities | \$ 23,000 | \$ 59,760              | (5,000 )                | \$ 77,760  |
| Mutual Funds                  |           | -                      | -                       | -          |
| Common Stock                  | -         | -                      | -                       | -          |
| Total marketable securities   | \$ 23,000 | \$ 59,760              | \$ (5,000 )             | \$ 77,760  |

|                               | Cost       | December 31, 2009      |                         | Fair Value |
|-------------------------------|------------|------------------------|-------------------------|------------|
|                               |            | Gross Unrealized Gains | Gross Unrealized Losses |            |
| Available-for-sale securities | \$ 23,000  | \$ 10,800              | \$ (5,000 )             | \$ 28,800  |
| Mutual Funds                  | 438,104    | 87,740                 | -                       | 525,844    |
| Common Stock                  | 26,574     | 26,642                 | -                       | 53,216     |
| Total marketable securities   | \$ 487,678 | \$ 125,182             | \$ (5,000 )             | \$ 607,860 |

Investment income for the three months ended March 31, 2010 and 2009 consists of the following:

|   | Three months ended<br>March 31, |             |
|---|---------------------------------|-------------|
|   | 2010                            | 2009        |
| Gross realized gains from sale of trading securities  | \$7,492                         | \$171,187   |
| Gross realized losses from sale of trading securities | -                               | (105,951 )  |
| Dividend and interest income                          | 17,325                          | 20,357      |
| Net unrealized holding gain                           | 3,260                           | (138,779 )  |
| Net investment income                                 | \$28,077                        | \$(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 that management considers to be other-than-temporary impairments at March 31, 2010 and December 31, 2009.

There were no purchases of marketable securities during the three months ended March 31, 2010.

Proceeds from the sale of investments in trading securities during the three months ended March 31, 2010 and 2009 was \$582,511 and \$2,254,348, respectively.

## Note 4 – Note Receivable

On January 19, 2010, the Company entered into a four year 8% note receivable agreement with Tesoro Preserve Property Owners Association Inc., with monthly payments of principal and interest totaling \$15,000 commencing on February 19, 2010. Any unpaid principal or interest is due in full upon the earlier of January 14, 2010 or the turnover of the development to the property owners. Upon the event of default, interest will be accrued based on 15% from the date of default. As of March 31, 2010 the note receivable balance was \$804,251.

## Note 5 – Property and Equipment

Property and equipment consisted of the following at March 31, 2010 and December 31, 2009:

|                          | March 31,<br>2010<br>(unaudited) | December<br>31,<br>2009 |
|--------------------------|----------------------------------|-------------------------|
| Building                 | \$225,682                        | \$225,682               |
| Computers and equipment  | 140,848                          | 140,848                 |
| Furniture and fixtures   | 33,427                           | 33,427                  |
| Leasehold improvements   | 84,023                           | 89,875                  |
| Website                  | 71,745                           | 71,745                  |
|                          | 555,725                          | 561,577                 |
| Accumulated depreciation | (158,029 )                       | (136,641 )              |
| Fixed assets, net        | \$397,696                        | \$424,936               |

Depreciation expense amounted to \$27,240 and \$11,965 for the three months ended March 31, 2010 and 2009, respectively

## Note 6 – Accounts Payable and Accrued Expenses

Accrued expenses and other liabilities comprises of the following:

|                        | March 31,<br>2010<br>(unaudited) | December<br>31,<br>2009 |
|------------------------|----------------------------------|-------------------------|
| Accounts payable       | \$158,000                        | \$158,119               |
| Accrued interest       | 9,508                            | 7,500                   |
| Other accrued expenses | 64,145                           | 14,400                  |
| Total                  | \$231,653                        | \$180,019               |

## Note 7 – Operating Lease and Other Commitments

In January 2009, the Company entered into a one year lease agreement with Joseph C. Visconti, CEO and President, to lease a 1,750 square foot office facility for \$3,190 per month (\$38,280 per year) commencing January 1, 2009 and terminating on December 31, 2009. The Company has renewed the lease for the 2010 for one year. During the three months ended March 31, 2010 and 2009, rent expense was \$38,280 and \$36,000, respectively.

## Note 8 – Promissory Note

On February 10, 2010, the Company issued a 6% promissory note for one year in the amount of \$200,000. Accrued interest is due on a monthly basis commencing on March 10, 2010. Any unpaid interest and outstanding principal balance is payable and due on February 10, 2011 or when the Company raises a minimum of \$1,500,000 of Investor capital, which ever event transpires first. The Company had capitalized \$18,305 in connection to the issuance of the note payable and will amortize the financing costs based on the term of the note of one year. In lieu of the note, the holder will be issued 250,000 shares of the Company's common stock. The Company fair valued the cost of these shares at the date of note issuance and recorded a discount in the amount of \$35,052 which will be amortized based on the life of note of one year.

The Company had recorded interest expense relating to the note payable of \$4,125 for the three months ended March 31, 2010.

The Company had amortized \$4,381 of the debt discount for the three months ended March 31, 2010.

## Note 9 – Debt

|   | March 31,<br>2010<br>(unaudited) | December<br>31,<br>2009 |
|---|----------------------------------|-------------------------|
| 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; and 3) 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. As the convertible note payable is in default at March 31, 2010, the Company has classified the note as short-term in its accompanying balance sheets.

The Company has adopted FASB ASC 470-20 "Debt – Debt with Conversion and Other Options." 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 recorded \$375 and \$613 in interest expense for the three months ended March 31, 2010 and 2009, respectively.

## Note 10 – Equity

The Company did not issue shares of its common stock during the three months ended March 31, 2010.

## Note 11 – Warrants

On March 19, 2009, the Company granted a warrant to purchase 50,000 shares of its common stock at \$0.25 per share in connection with consulting services. The warrant was 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 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, 2010 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) |
|---|-----------------------|--|---|
| 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            | 1,235,715             | 1.61                                     | 2.59  |
| Granted                                 | -                     | -  | -   |
| Exercised                               | -                     | -  | -   |
| Expired                                 | -                     | -  | -   |
| Outstanding, March 31, 2010 (unaudited) | 1,235,715             | 1.55                                     | 1.32  |
| Exercisable, March 31, 2010 (unaudited) | 1,235,715             | \$1.55                                   | 1.32  |

#### 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 7.

#### Note 13 – Subsequent Events

The Company has performed an evaluation of subsequent events through May 14, 2010, which is the date the consolidated financial statements were issued and no additional significant subsequent events warrant disclosure

## 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 financial statements and related footnotes for the year ended December 31, 2009 included in our Form 10K/A for the year ended December 31, 2009 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. We began as a financial media company owning various online and offline media-based properties for corporate and financial professionals. Its properties included 1) iValueRich.com, 2) ValueRich magazine and 3) the ValueRich Small-cap Financial Expo. Until December 2008, ValueRich magazine was published approximately three times per year and was a glossy full-color magazine of approximately 120 pages that was geared toward an affluent readership of investment related professionals and corporate leaders. In the first quarter of 2009, the Company transitioned its media business to a web-based business model.





By the first quarter of 2009, we had launched the second generation of the iValueRich media platform, which added a full spectrum of financial and web-based tools for small-cap companies seeking to go public or raise capital via a web-based Direct Public Offering (“DPO”) format. In addition to the web-based network banking platform, we created a business talk show called The Money Bunker, which was produced at a dedicated studio next door to our headquarters. The purpose of the show was to create a successful Wall Street based talk show that could be streamed over the internet for worldwide distribution. In January 2009, we purchased and closed on the building to be used as the studio.

Taking into effect the recession and specifically the pressure put on micro and small cap stocks that were the life blood to our business model, we chose to reduce some of our overhead associated with our media business and focus on leveraging our assets to either buy or acquire a more successful company in our industry. We continue to own our media properties and the assets associated with the production and distribution of media content, we are hopeful that sometime in the future we can benefit from our financial media components and infrastructure.

In early 2009, the Company began to search for a company that was hard hit by the recession but remained an opportunity for a publicly traded company with cash. In October of 2009, we were presented with an opportunity to acquire the Tesoro Preserve Development that came available from the previous owner and lender after they were severely impacted by the downturn in real estate in south Florida. The purchase of the development included acquiring assets from the previous developer; among the assets purchased were 82 single-family residential lots and approximately 7 acres of commercially zoned land. Included in the acquisition, VR Preserve Development, LLC, ValuRich’s wholly owned subsidiary became the master declarant or developer of the Tesoro Preserve Development and assumed control over the Property Owners Association (“POA”). These are special fees assessed by the Property Owner’s Association against its members for the purpose of developing, managing and selling a development of homes.

On January 20, 2010, the Company’s wholly owned subsidiary, VR Preserve Development, LLC (the “VR Preserve”), acquired certain assets related to the Tesoro Preserve Development located in Port St. Lucie, Florida, (“the Development”) from an unaffiliated third party. The Tesoro Preserve Development is a private 350-acre community with 440 individual home sites in St. Lucie County, Florida. Included in the asset purchase was six (6) waterfront single-family residential lots, seventy-six (76) single family residential lots, approximately seven (7) acre commercially zoned parcel, and certain related Appurtenances, Improvements, Personal Property, Intangible Property, Assigned Agreements, Leases, Interests as Declarant under the Master Declaration, and Association Rights as defined in the Contract for Sale and Purchase, dated December 31, 2009 between Ginn-La Wilderness Ltd., LLL (the “Seller”) and Seaboard Home Building, Corp. (the “Assignor”), which was assigned to the Company pursuant to an Assignment of Contract that the Company had entered into with the Assignor. As consideration for the acquisition, the Company advanced \$250,000 to VR Preserve who acquired a significant amount of the land, development rights, and builder’s royalty program.

For the purpose of managing, developing and selling the recently acquired Tesoro Preserve assets, the Company authorized the creation of the following four new LLC’s: 1)VR Preserve Development, LLC., (2)VR Premier Holdings, LLC., (3)VR Circle Holdings, LLC., and (4)Tesoro Preserve Development Fund, LLC. The first (3) three LLC’s are specifically for the purpose of managing, developing and selling the assets. The fourth LLC, Tesoro Preserve Opportunity Fund, LLC is a newly formed company with its main business strategy being the acquisition, development, management and sale of real estate assets, located within the Tesoro Preserve Development, in Port St. Lucie, Florida. Tesoro Preserve Opportunity Fund LLC’s goal is to acquire up to 200 single family lots within the Tesoro Preserve Development, that are either bank owned, in the process of foreclosure, non-performing assets for the mortgage holders or properties facing liens from unpaid POA fees and unpaid back property taxes. The intent is to capitalize on discounted pricing, current market conditions and the banks’ desire to remove these particular assets from their balance sheets leveraging VR Preserve as developer of the project.



On January 20, 2010, the Company (the “Assignee”) entered into an Assignment of Contract with Seaboard Homebuilding (the “Assignor”). As partial consideration of obtaining assignment rights to the property, the Company paid \$139,000 and issued 600,000 shares of common stock to the Assignor. As a result, the Assignor transferred all rights, title and interest held, to the Company. As such, the Company assumes and agrees to perform all the remaining and executor obligations of the Assignor under the contract and agrees to indemnify and hold the Assignor harmless from any claim or demand resulting from non-performance by the Company. As additional consideration for the purchase, the Company loaned an additional amount of \$1.4 million to one of its wholly owned subsidiary, VR Preserve Development, to pay the estimated costs to complete the work under the Development Agreement, entered into on January 15, 2010 between the Seller of the property and VR Preserve.

The Company trades on the NYSE Amex under the trading symbol “IVA.”

## Results of Operations

### Comparison of the Three Months Ended March 31, 2010 2009

|                        | Three months ended |              | \$ Change   | % Change |   |
|------------------------|--------------------|--------------|-------------|----------|---|
|                        | 2010               | 2009         |             |          |   |
| REVENUE                | \$ 15,000          | \$ 37,485    | \$(22,485 ) | -60.0    | % |
| COST OF REVENUE        | -                  | -            | -           | 0.0      | % |
| GROSS PROFIT           | 15,000             | 37,485       | (22,485 )   | -60.0    | % |
| OPERATING EXPENSES     | 188,001            | 263,127      | (75,126 )   | -28.6    | % |
| OTHER INCOME (EXPENSE) | 23,196             | (42,640 )    | 65,836      | -154.4   | % |
| NET LOSS               | \$(149,805 )       | \$(268,282 ) | \$ 118,477  | -44.2    | % |

### Revenue and Cost of Revenue

During the three months ended March 31, 2010, we generated \$15,000 in revenue that arose primarily from consulting services we provided. During the same period of 2009 we had revenues of \$37,485.

### Operating Expenses

Total operating expenses decreased by \$75,126 from \$263,127 for the three months ended March 31, 2009 to \$188,001 for the three months ended March 31, 2010. The decrease in total operating expenses was due to a decrease in salaries as a result of downsizing and a decrease in consulting services received in the amount of \$60,000 and \$18,000, respectively.

### Other Income (Expense)

Other income (expenses) during the three months ended March 31, 2010 as compared to March 31, 2009 increased by \$65,836 from \$(42,640) for the three months ended March 31, 2009 to \$23,196 for the same period in 2010. This increase is primarily attributable to a net unrealized loss in the amount of \$139,000 and net realized gain of \$65,000 in

marketable securities for the three months ended March 31, 2009, offset by a decrease in interest income for \$9,000. During the three months ended March 31, 2010, the Company sold all trading securities to invest in a development property and fund operations.

## Liquidity and Capital Resources

As of March 31, 2010, we had cash of \$47,055 and we had a working capital deficit of \$275,599, compared to cash of \$1,034,848 and a working capital of \$1,422,689 as of December 31, 2009. The decrease in working capital is due to an investment purchase of real estate.

The following table sets forth a summary of our cash flows for the periods presented below:

|  | Three months ended<br>March 31, |              |
|--|---------------------------------|--------------|
|  | 2010                            | 2009         |
| Net cash used in operating activities                | \$(129,885 )                    | \$(156,650 ) |
| Net cash (used in) provided by investing activities  | (1,029,848)                     | 993,499      |
| Net cash provided by financing activities            | 171,940                         | -            |
| Net (decrease)/increase in cash and cash equivalents | (987,793 )                      | 836,849      |
| Cash and cash equivalents at the end of the period   | \$47,055                        | \$1,757,757  |

For the three months ended March 31, 2010 we had a decrease in total cash resources of \$987,793. The decrease was primarily due to purchase of real estate of the Tesoro Preserve Development.

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.

## Commitments and Contingencies

In January 2009, the Company entered into a one year lease agreement with Joseph C. Visconti, CEO and President, to lease a 1,750 square foot office facility for \$3,190 per month (\$38,280 per year) commencing January 1, 2009 and terminating on December 31, 2009. The Company has renewed the lease for the 2010 for one year.

## Contractual Obligations

We have one \$25,000 convertible note payable outstanding at March 31, 2010. The note was issued in October 2004, accrues interest at 6% per annum, and matured in December 2007. 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 and 3) 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. As the note is in default, we have classified the convertible note as short-term.

### 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

The Company believes that the following critical accounting policies are affected by significant judgments and estimates used in the preparation of its consolidated financial statements.

### Fair Value of Financial Instruments and Concentrations

On January 1, 2008, we adopted FASB ASC 820-10, "Fair Value Measurements and Disclosures." FASB ASC 820-10 defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values 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 of valuation hierarchy 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.

### Stock-Based Compensation

We account for its stock-based compensation in accordance with FASB ASC 718 "Compensation-Stock Compensation." We recognize 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 nine months ended September 30, 2009.

### Recent Pronouncements

On December 15, 2009, the FASB issued ASU No. 2010-06 Fair Value Measurements and Disclosures Topic 820 "Improving Disclosures about Fair Value Measurements". This ASU requires some new disclosures and clarifies some existing disclosure requirements about fair value measurement as set forth in Codification Subtopic 820-10. The FASB's objective is to improve these disclosures and, thus, increase the transparency in financial reporting. The adoption of this ASU will not have a material impact on the Company's consolidated financial statements.

On February 25, 2010, the FASB issued ASU 2010-09 Subsequent Events Topic 855 "Amendments to Certain Recognition and Disclosure Requirements," effective immediately. The amendments in the ASU remove the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of U.S. GAAP. The FASB believes these amendments remove

potential conflicts with the SEC's literature. The adoption of this ASU did not have a material impact on the Company's financial statements.



On March 5, 2010, the FASB issued ASU No. 2010-11 Derivatives and Hedging Topic 815 “Scope Exception Related to Embedded Credit Derivatives.” This ASU clarifies the guidance within the derivative literature that exempts certain credit related features from analysis as potential embedded derivatives requiring separate accounting. The ASU specifies that an embedded credit derivative feature related to the transfer of credit risk that is only in the form of subordination of one financial instrument to another is not subject to bifurcation from a host contract under ASC 815-15-25, Derivatives and Hedging — Embedded Derivatives — Recognition. All other embedded credit derivative features should be analyzed to determine whether their economic characteristics and risks are “clearly and closely related” to the economic characteristics and risks of the host contract and whether bifurcation is required. The ASU is effective for the Company on July 1, 2010. Early adoption is permitted. The adoption of this ASU will not have a material impact on the Company’s consolidated financial statements.

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

N/A

### Item 4T – Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

The Company’s Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2010. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer has concluded that, as of March 31, 2010, the Company’s disclosure controls and procedures were ineffective. This conclusion by the Company’s Chief Executive Officer and Chief Financial Officer does not relate to reporting periods after March 31, 2010. This conclusion is based upon material weaknesses of this Company’s disclosure controls and procedures that relate to the following:

1. Accounting and Finance Personnel Weaknesses – The Company’s current accounting staff is relatively small and the Company’s resources are limited given its size; and
2. Lack of Internal Audit Function – The Company lacks sufficient resources to perform the internal audit function.

In order to mitigate these material weaknesses to the fullest extent possible, all financial reports are reviewed by an outside accounting firm that is not our audit firm. All unexpected results are investigated. At any time, if it appears that any control can be implemented to continue to mitigate such weaknesses, it will be immediately implemented. The Company is in the process of complying with SOX 404 during 2009 and will be implementing additional internal controls over financial reporting and additional disclosure controls and procedures.

#### Changes in Internal Control Over Financial Reporting

No change in the Company’s internal control over financial reporting occurred during the quarter ended March 31, 2010, that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.



PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company knows of no material, existing or pending legal proceedings against it, nor is the Company involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of the Company's directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to the company.

Item 1A. Risk Factors

This item is not applicable to smaller reporting companies.

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 Principal 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, 2010

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