

QUEST RESOURCE HOLDING CORP

FORM 10-Q (Quarterly Report)

Filed 05/05/11 for the Period Ending 03/31/11

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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2011

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ **to** _____

Commission file number 333-152959

YouChange Holdings Corp

(Exact name of registrant as defined in its charter)

Nevada

*(State or other jurisdiction of
incorporation or organization)*

51-0665952

*(I.R.S. Employer
Identification No.)*

7154 East Stetson Drive, Suite 330
Scottsdale, Arizona

(Address of principal executive offices)

85251

(Zip Code)

866-712-9273

(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 file such reports). 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.

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 Act). Yes ☐ No ☒

The number of Common Shares of the Registrant outstanding as of April 30, 2011 was 37,760,665.

DOCUMENTS INCORPORATED BY REFERENCE - None

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FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2011

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

YOUCHANGE HOLDINGS CORP (A DEVELOPMENT STAGE ENTERPRISE) CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2011	June 30, 2010
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 213,675	\$ 44,309
Prepaid expenses and other current assets	<u>21,899</u>	<u>7,394</u>
Total current assets	235,574	51,703
Advances to Feature Marketing	110,000	70,000
Property and equipment - net	4,365	5,265
Capitalized software costs	105,400	40,000
Other assets	<u>6,500</u>	<u>6,500</u>
Total assets	<u><u>\$ 461,839</u></u>	<u><u>\$ 173,468</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued expenses	\$ 117,216	\$ 100,594
Note payable - related party	37,500	37,500
Convertible notes payable	<u>75,000</u>	<u>-</u>
Total current liabilities	229,716	138,094
Convertible notes payable, net of discount of \$1,981 and nil as of March 31, 2011 and June 30, 2010, respectively	66,019	-
Convertible notes payable - related party, net of discount of \$23,854 and nil as of March 31, 2011 and June 30, 2010, respectively	<u>1,146</u>	<u>-</u>
Total liabilities	<u>296,881</u>	<u>138,094</u>
Shareholders' equity:		
Common stock, \$.001 par value; 60,000,000 shares authorized; 37,760,665 and 35,405,588 shares issued and outstanding as of March 31, 2011 and June 30, 2010, respectively	37,761	35,406
Additional paid-in capital	1,760,384	1,067,128
Deficit accumulated during the development stage	<u>(1,633,187)</u>	<u>(1,067,160)</u>
Total shareholders' equity	<u>164,958</u>	<u>35,374</u>
Total liabilities and shareholders' equity	<u><u>\$ 461,839</u></u>	<u><u>\$ 173,468</u></u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,		Nine Months Ended March 31,		Period from August 22, 2008 (Inception) to March 31, 2011
	2011	2010	2011	2010	2011
Net revenues	\$ 1,320	\$ -	\$ 1,320	\$ -	\$ 1,320
Cost of products sold	<u>1,014</u>	<u>-</u>	<u>1,014</u>	<u>-</u>	<u>1,014</u>
Gross profit	<u>306</u>	<u>-</u>	<u>306</u>	<u>-</u>	<u>306</u>
Operating expenses:					
Professional fees	75,035	66,502	311,707	155,864	642,615
Salaries and wages	22,352	-	71,112	-	71,112
Licensing fees	-	-	79,130	-	79,130
General and administrative	15,408	14,503	45,328	21,628	95,564
Marketing	15,122	-	33,135	-	44,874
Expense of reverse merger	<u>-</u>	<u>620,040</u>	<u>-</u>	<u>620,040</u>	<u>620,040</u>
Total operating expenses	<u>127,917</u>	<u>701,045</u>	<u>540,412</u>	<u>797,532</u>	<u>1,553,335</u>
Loss from operations	<u>(127,611)</u>	<u>(701,045)</u>	<u>(540,106)</u>	<u>(797,532)</u>	<u>(1,553,029)</u>
Other income (expense):					
Interest income	4,858	3,000	13,486	4,394	22,930
Interest expense	<u>(29,097)</u>	<u>(37,988)</u>	<u>(39,407)</u>	<u>(63,681)</u>	<u>(103,088)</u>
Total other expense	<u>(24,239)</u>	<u>(34,988)</u>	<u>(25,921)</u>	<u>(59,287)</u>	<u>(80,158)</u>
Net loss	<u>\$ (151,850)</u>	<u>\$ (736,033)</u>	<u>\$ (566,027)</u>	<u>\$ (856,819)</u>	<u>\$ (1,633,187)</u>
Basic and diluted net loss per common share	<u>\$ -</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>	<u>\$ (0.06)</u>	
Weighted average common shares outstanding - basic and diluted	<u>36,725,799</u>	<u>18,834,843</u>	<u>36,195,091</u>	<u>13,448,333</u>	

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

	<u>Common Stock</u>		<u>Additional</u>	<u>Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Accumulated</u>	<u>Shareholders'</u>
			<u>Capital</u>	<u>During the</u>	<u>Equity</u>
				<u>Development</u>	<u>(Deficit)</u>
				<u>Stage</u>	
Balance, August 22, 2008 (inception)	-	\$ -	\$ -	\$ -	\$ -
Issuance of common stock upon formation	1,000,000	1,000	-	-	1,000
Net loss	-	-	-	(67,103)	(67,103)
Balance, June 30, 2009	1,000,000	1,000	-	(67,103)	(66,103)
Common stock issued for cash	4,000,000	4,000	-	-	4,000
Common stock issued for intangible asset	1,500,000	1,500	1,000	-	2,500
Common stock issued for conversion of notes payable	683,197	683	512,998	-	513,681
Effect of reverse merger	26,766,391	26,767	59,546	-	86,313
Common stock issued in connection with reverse merger	1,456,000	1,456	493,584	-	495,040
Net loss	-	-	-	(1,000,057)	(1,000,057)
Balance, June 30, 2010	35,405,588	35,406	1,067,128	(1,067,160)	35,374
Common stock issued for cash	1,000,000	1,000	249,000	-	250,000
Common stock issued for services	992,677	993	297,701	-	298,694
Conversion of convertible note payable	362,400	362	90,238	-	90,600
Beneficial conversion feature	-	-	56,317	-	56,317
Net loss	-	-	-	(566,027)	(566,027)
Balance, March 31, 2011	<u>37,760,665</u>	<u>\$ 37,761</u>	<u>\$ 1,760,384</u>	<u>\$ (1,633,187)</u>	<u>\$ 164,958</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period from August 22, 2008 (Inception) to	
	March 31,	
	Nine Months Ended March	
	31,	
	2011	2010
	2011	2011
Cash flows from operating activities:		
Net loss	\$ (566,027)	\$ (856,819)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	900	-
Common stock issued for services	298,694	-
Amortization of debt discount and deferred financing costs	30,482	-
Issuance of common stock for interest	-	13,681
Cash based expense for reverse merger	-	125,000
Issuance of common stock for reverse merger	-	495,040
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(14,505)	(3,394)
Accounts payable and other accrued expenses	17,222	19,275
Net cash used in operating activities	(233,234)	(207,217)
Cash flows from investing activities:		
Purchase of property and equipment	-	-
Software development costs	(65,400)	(16,000)
Advances to Feature Marketing	(40,000)	(70,000)
Cash paid for reverse merger	-	(87,500)
Net cash used in investing activities	(105,400)	(173,500)
Cash flows from financing activities:		
Proceeds from sale of common stock	250,000	5,000
Proceeds from convertible notes payable	233,000	-
Proceeds from related party convertible notes payable	25,000	-
Proceeds from notes payable	-	500,000
Borrowings from related parties	-	-
Repayment of related party payables	-	(1,689)
Fees paid for financing costs	-	-
Net cash provided by financing activities	508,000	503,311
Increase in cash and cash equivalents	169,366	122,594
Cash and cash equivalents, beginning of period	44,309	21,889
Cash and cash equivalents, end of period	\$ 213,675	\$ 144,483

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization of Business and Basis of Presentation

On March 30, 2010, Youchange, Inc. and BlueStar Financial Group, Inc. (“BSFG”), a Nevada corporation and publicly traded shell company at such time, completed a merger transaction (referred to as the “reverse merger” throughout this filing), which is described in further detail below and in our Form 10-K filing for the year ended June 30, 2010, and resulted in Youchange, Inc. shareholders obtaining control of BSFG. The surviving publicly traded entity following the reverse merger transaction changed its name to “YouChange Holdings Corp” during May 2010. The terms “youchange”, “we”, “us”, “our” or the “Company” refer to YouChange Holdings Corp and its consolidated subsidiary, Youchange, Inc., following the date of the merger transaction, and to Youchange, Inc. prior to the date of the reverse merger transaction. Our fiscal year end is June 30.

For accounting purposes, Youchange, Inc. is the acquirer in the reverse merger transaction, and consequently the assets and liabilities and the historical operations reflected in these condensed consolidated financial statements are those of Youchange, Inc. and are recorded at the historical cost basis of Youchange, Inc. All shares and per share data prior to the acquisition have been restated to reflect the stock issuance as a recapitalization of Youchange.

We were organized as a software and services venture in the Green Technology (“GreenTech”) sector to develop a leading social movement to focus on the elimination of electronic waste (“eWaste”) in the United States, which includes any used, obsolete end-of-life consumer electronics and computer devices. The GreenTech sector is a recognized business sector also known as Environmental Technology or “Envirotech”. Companies in this sector apply environmental science in an effort to help conserve the environment and choose business approaches that are environmentally and economically sustainable.

The Company’s software includes a destination website, www.youchange.com, where users can join and refer friends to learn about the problem of electronic waste through content, blogs and forums. Site members are encouraged to take action through the turn-over and sale of their end-of-life, used or obsolete electronics, which reduces the risk of adding to the waste stream. Members access the youchange calculator and offer database through www.youchange.com and by answering a series of questions, may receive a real-time cash and/or reward points offer. Initially, reward points collected by members may be used to exchange for other items in the “Shop Green” area of the [youchange.com](http://www.youchange.com) website, which is an online marketplace where points can be exchanged for product. In addition to the [youchange.com](http://www.youchange.com) website, users can join and learn about local events and electronic collection drives through youchange Facebook, Twitter and Linked-In social media pages. The local electronic collection events play an important part of the youchange strategy and are done in partnership with local sports teams, businesses, individuals, schools and charity groups.

Youchange is developing an electronic Tracking System (“eTS”) to provide asset receiving, refurbishment and disposal recycling tracking though the complete handling cycle of all electronics collected. In addition, the website and the eTS are expected to allow business to business activity. Businesses can dispose of excess electronics in bulk. The eTS is expected to extend past the website and electronic pricing and rewards calculator previously launched through [youchange.com](http://www.youchange.com) and is intended to be used by local retailers, electronic refurbishment centers and recyclers that may partner with youchange. Youchange intends on generating revenue through the refurbishment, resale (“reCommerce”) and recycling of the electronics collected, facilitating the sustainability objectives by extending the lifecycle of these items and keeping such items from the electronic waste stream. Once developed and launched youchange intends to charge a licensing fee for the use of the eTS software and services application.

The Company has realized minimal revenues from its planned business purpose to the date of this filing and currently has limited operations. Accordingly, the Company is considered to be in the development stage. The Company has been in the development stage since its formation. The Company has devoted its efforts to business planning and development and has allocated a substantial portion of its time and investment in bringing its product to the market and raising capital.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

These Unaudited Condensed Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). All significant intercompany transactions and accounts have been eliminated. Certain information related to our organization, significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) has been condensed or omitted. The accounting policies followed in the preparation of these Unaudited Condensed Consolidated Financial Statements are consistent with those followed in our annual consolidated financial statements for the year ended June 30, 2010, as filed on Form 10-K. In the opinion of management, these Unaudited Condensed Consolidated Financial Statements contain all material adjustments, consisting only of normal recurring adjustments, necessary to fairly state our financial position, results of operations and cash flows for the periods presented and the presentations and disclosures herein are adequate when read in conjunction with our Form 10-K for the year ended June 30, 2010. Certain reclassifications have been made to the prior period financial statement amounts to conform to the current presentation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include carrying amounts of long-lived assets, deferred financing costs and deferred taxes.

Basic earnings per share includes no dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings (loss) per share is calculated based on the weighted average shares of Common Stock outstanding during the period plus the dilutive effect of outstanding Common Stock purchase warrants and stock options using the treasury stock method and the dilutive effects of convertible securities using the if-converted method. Basic and diluted loss per share were the same for all periods reported as there were net losses attributable to common shareholders for all periods reported, and thus all potentially dilutive securities were antidilutive.

Reverse Merger with BSFG

On March 15, 2010, BSFG and its wholly owned subsidiary BlueStar Acquisition Corporation (“Merger Sub”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Youchange, Inc. The Merger Agreement and the acquisition agreed to therein was closed on March 30, 2010. At the closing of the reverse merger, Youchange, Inc. merged into Merger Sub, with Youchange, Inc. as the surviving entity. At the time the Merger Agreement was executed, Jeffrey Rassás and Richard Papworth, currently our Chief Executive Officer and Chief Financial Officer, respectively, and directors of the Company, were directors and officers of both BSFG and Youchange, Inc. BSFG acquired all 7,183,197 of the issued and outstanding common shares of Youchange Inc. from Youchange Inc. shareholders in exchange for 21,549,591 shares of BSFG Common Stock. Youchange, Inc. shareholders received three shares of BSFG Common Stock for each share of Youchange, Inc. These figures included 2,049,591 shares of BSFG Common Stock issued to the former note holders of Youchange, Inc. whereby the \$500,000 principal amount of secured convertible promissory notes plus accrued interest of \$13,681 was converted into 683,197 shares of Youchange, Inc. common stock immediately prior to the reverse merger. As a result of the reverse merger there are a total of 35,405,588 shares of our common stock issued and outstanding immediately following the transaction, of which the former Youchange, Inc. shareholders hold 61%. Additionally, following the completion of the reverse merger, we issued 1,456,000 shares of our common stock to the sellers of BSFG.

Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenue sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (i) obtaining capital from management and significant stockholders sufficient to meet its minimal operating expenses; (ii) obtaining funding from outside sources through the sale of its debt and/or equity securities; and (iii) as a last resort, seeking out and completing a merger with another company. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually attaining profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Recently Issued Accounting Pronouncements

In February 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-09, "Amendments to Certain Recognition and Disclosure Requirements" ("ASU 2010-09"), which amends ASC Topic 855, "Subsequent Events." The amendments to ASC Topic 855 do not change existing requirements to evaluate subsequent events, but: (i) defines a "SEC Filer"; (ii) removes the definition of a "Public Entity"; and (iii) for SEC Filers, reverses the requirement to disclose the date through which subsequent events have been evaluated. ASU 2010-09 was effective for us upon issuance. The adoption of this guidance did not have a material impact on our financial position and results of operations.

In June 2009, the FASB issued guidance for determining the primary beneficiary of a variable interest entity ("VIE"). In December 2009, the FASB issued ASU 2009-17, "Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities" ("ASU 2009-17"). ASU 2009-17 provides amendments to ASC 810 to reflect the revised guidance. The amendments in ASU 2009-17 replace the quantitative-based risks and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a VIE with an approach focused on identifying which reporting entity has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (i) the obligation to absorb losses of the entity or (ii) the right to receive benefits from the entity. The amendments in ASU 2009-17 also require additional disclosures about a reporting entity's involvement with VIEs. ASU 2009-17 is effective for annual reporting periods beginning after November 15, 2009. The adoption of this guidance did not have a material impact on our financial position and results of operations.

In June 2009, the FASB issued guidance that seeks to improve the relevance and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. Specifically, this guidance eliminates the concept of a qualifying special-purpose entity, creates more stringent conditions for reporting a transfer of a portion of a financial asset as a sale, clarifies other sale-accounting criteria, and changes the initial measurement of a transferor's interest in transferred financial assets. This guidance is effective for annual reporting periods beginning after November 15, 2009. The adoption of this guidance did not have a material impact on our financial position and results of operations.

2. Feature Marketing Acquisition

Effective December 31, 2010, we entered into a Share Exchange Agreement (the "Exchange Agreement") with Feature Marketing, Inc. ("Feature Marketing") an Arizona corporation. The Exchange Agreement provided for the acquisition of all issued and outstanding shares of Feature Marketing in exchange for 3,030,303 shares of our common stock and \$200,000 of cash. Feature Marketing owns and operates a computer and consumer electronics refurbishment center based in Scottsdale, Arizona, which we intended to integrate with our planned operations.

Subsequent to the completion of the acquisition, on February 25, 2011, the Company and Feature Marketing entered into a Rescission Agreement that provided for the rescission of the acquisition as of December 31, 2010, so that from an economic standpoint, the acquisition never occurred and all applicable shares were never exchanged. Accordingly, the financial position and results of Feature Marketing have not been, and are never expected to be, consolidated with those of the Company. The Company believes the rescission of this transaction was in its best interests based on the discovery of a mutual mistake and impossibility to perform under the agreement, which was not contemplated by either party.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The Company executed a non-exclusive fulfillment agreement with Feature Marketing on March 29, 2011. Under the terms of the fulfillment agreement, Feature Marketing will provide receiving, refurbishment, shipping and storage services and repay the amounts previously advanced towards the acquisition discussed above. As of March 31, 2011 these previous advances totaled \$110,000, which are secured by the assets of Feature Marketing and are supported by a promissory note from Feature Marketing. These advances bear interest at a rate of 24.0% per annum. We have recognized interest income totaling approximately \$20,000 relative to these advances for the period from August 22, 2008 (inception) to March 31, 2011.

3. Common Stock

Our authorized common stock consists of 60,000,000 shares of common stock with a par value of \$.001. The following summarizes our common stock activity for the period from August 22, 2008 (inception) to the completion of the reverse merger on March 30, 2010:

- Upon formation on August 22, 2008, Youchange, Inc. issued 1,000,000 of its common shares to its founder and Chief Executive Officer, Jeffrey Rassás, in exchange for \$1,000.
- During fiscal 2010, Youchange, Inc. issued an additional 4,000,000 of its common shares to unrelated entities in exchange for \$4,000 (except for 40,000 of these shares, which were issued to an officer / director).
- During fiscal 2010, Youchange, Inc. issued 1,500,000 shares of its common stock to Mr. Rassás in exchange for certain intangible assets related to the youchange.com domain. This transaction was valued at \$2,500. Although it may require renewal from time-to-time, this intangible asset has an indefinite life and accordingly is not being amortized.
- During fiscal 2010, Youchange, Inc. issued 683,197 shares of its common stock upon conversion of \$500,000 in convertible notes plus \$13,681 of unpaid accrued interest.

As described in more detail above, on March 30, 2010, BSFG acquired all 7,183,197 of the issued and outstanding common shares of Youchange, Inc. from Youchange, Inc. shareholders in exchange for 21,549,591 shares of BSFG Common Stock. Youchange, Inc. shareholders received three shares of BSFG Common Stock for each share of Youchange, Inc.

In conjunction with the reverse merger, the Company issued 1,456,000 shares of its common stock as partial compensation for the purchase of the BSFG. The shares were valued at \$0.34 per share, which was the closing stock price on March 30, 2010. The total fair value of these common shares of \$495,040 was expensed as an acquisition cost.

As a result of the reverse merger there are a total of 35,405,588 shares of our common stock issued and outstanding immediately following the transaction, of which the former Youchange, Inc. shareholders hold 61%. For accounting purposes, Youchange, Inc. is the acquirer in the reverse merger transaction.

During the first nine months of fiscal 2011, we issued common shares for the following transactions:

- During July 2010, we entered into a one-year consulting agreement with Naser Ahmad through NOMA Enterprises, LLC to provide services as Chief Technology Officer, and issued 333,333 shares of our common stock to Mr. Ahmad as compensation for such services. The term of this agreement is from January 1, 2010 to December 31, 2010. As of June 30, 2010, we had accrued \$60,000 of compensation for Mr. Ahmad, which was paid by way of the issuance of one half of these shares. We recognized the remaining \$33,333 of expense during July 2010 for the 333,333 total shares issued to Mr. Ahmad, which was recorded as professional fees. The consulting agreement has not been renewed as of the date of this filing; however, Mr. Ahmad has continued to provide services to the Company on a month-to-month basis for \$10,000 per month, which is expected to be paid in shares of our common stock.

YOUCHANGE HOLDINGS CORP
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- During July 2010, we entered into a licensing agreement with a strategic partner for access to a database for pricing of used consumer electronic goods. We issued 193,322 shares of common stock upon the execution of this agreement and will be required to pay \$60,000 over the first year of the agreement and \$63,000 over the second year of the agreement. Additionally, we will be required to issue additional common shares valued at \$30,000 as payment for the second year of the agreement after the one year anniversary of this agreement. We expensed \$54,130 as general and administrative expense for the issuance of the 193,322 shares of common stock during July 2010.
- During December 2010, we entered into a one year consulting agreement with Mary Juetten, through Protect your Intellectual Property (PIP), LLC to provide services as Chief Operating Officer of YouChange, Inc. and issued 390,625 shares of our common stock to Ms. Juetten as compensation for such services. The term of this agreement is from October 1, 2010 to September 30, 2011. We recognized \$125,000 of expense in December 2010 for the issuance of these shares, which was recorded as professional fees.
- During March 2011, we raised \$250,000 through the sale of 1,000,000 common shares in a private placement transaction with an accredited investor at a sales price of \$0.25 per common share.
- During the first nine months of fiscal 2011 we also issued 75,397 common shares in exchange for other professional services. We expensed \$26,231 as general and administrative expense for the issuance of these shares.

4. Short Term Note Payable to BSFG

On January 1, 2010, Youchange, Inc. entered into a \$75,000 note payable agreement with the previous shareholders of BSFG, which, together with a \$50,000 cash payment and the issuance of 1,456,000 common shares following the reverse merger, was used to complete the reverse merger with BSFG. The payable was due in two equal installments, which were due on April 1, 2010 and June 30, 2010. In the event we failed to pay the first installment in full, under the terms of the agreement, the entire balance would accrue interest at 9.0% per annum retroactive from January 1, 2010. We may pay this interest penalty in cash or stock at a price of \$0.05 per share, at our option. The first payment of \$37,500 was paid when due on April 1, 2010; however, we have not made the second payment as of the date of this filing.

5. Convertible Notes Payable

The following summarizes our currently outstanding convertible notes payable and convertible notes payable due related parties:

- During July 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured on January 19, 2011 and bears interest at a rate of 12.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. Based on our share price at the time the note agreement was entered into, there was no beneficial conversion feature associated with this convertible note. As of the date of this filing, this note is past due and the Company is negotiating alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 15.0%.
- During August 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured on February 6, 2011 and bears interest at 12.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. Based on our share price at the time the note agreement was entered into, there was no beneficial conversion feature associated with this convertible note. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 15.0%.

YOUCHANGE HOLDINGS CORP
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- During September 2010, we issued a \$22,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and bears interest at a rate of 8.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. Based on our share price at the time the note agreement was entered into, there was no beneficial conversion feature associated with this convertible note.
- During September 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured 61 days from the date of issue and bears interest at a rate of 8.0% per annum. The Company had the right to extend the maturity of this note an additional 30 days. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. Based on our share price at the time the note agreement was entered into, we recognized a beneficial conversion feature of \$5,500 for this convertible note. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 12.0%.
- During October 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.30 per share.
- During November 2010, we issued a \$13,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.30 per share. Based on our share price at the time the note agreement was entered into, we recognized a beneficial conversion feature of \$1,083 for this convertible note.
- During December 2010, we issued an \$8,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.30 per share. Based on our share price at the time the note agreement was entered into, we recognized a beneficial conversion feature of \$1,334 for this convertible note.
- During December 2010, we issued a \$90,000 convertible note with an unrelated, accredited third party in exchange for cash. The note is secured by all of the assets of the Company, matures two years from the date of issuance and may be accelerated if the Company raises \$1.0 million in private financing before the maturity date. The note bears interest at a rate of 12.0% per annum and is convertible at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. Unpaid accrued interest is convertible at any time, at the discretion of the investor, to shares of our common stock, with the conversion rate equal to the average closing price of our common stock for the ten days preceding such conversion. Based on our share price at the time the note agreement was entered into, we recognized a beneficial conversion feature of \$23,400 for this convertible note. During January 2011, this \$90,000 convertible note plus \$600 in accrued interest was converted to 362,400 common shares.
- During March 2011, we raised \$25,000 under a convertible note with the spouse of an officer of YouChange, Inc. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.25 per share. Based on our share price at the time the note agreement was entered into, we recognized a beneficial conversion feature of \$25,000 for this convertible note.

As of March 31, 2011, the convertible notes payable and associated accrued interest described above are convertible into a total of approximately 675,000 common shares.

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The intrinsic value of a beneficial conversion feature inherent to a convertible note payable, which is not bifurcated and accounted for separately from the convertible note payable and may not be settled in cash upon conversion, is treated as a discount to the convertible note payable. This discount is amortized over the period from the date of issuance to the date the note is due using the effective interest method. If the note payable is retired prior to the end of its contractual term, the unamortized discount is expensed in the period of retirement to interest expense. In general, the beneficial conversion feature is measured by comparing the effective conversion price, after considering the relative fair value of detachable instruments included in the financing transaction, if any, to the fair value of the common shares at the commitment date to be received upon conversion.

6. Professional Fees

Included in professional fees on the accompanying Condensed Statements of Operations are charges relative to four of the Company's officers of \$42,000 and \$38,500 for the three months ended March 31, 2011 and 2010, respectively, \$236,300 and \$49,500 for the nine months ended March 31, 2011 and 2010, respectively, and \$441,300 for the period from August 22, 2008 (inception) to March 31, 2011. As of March 31, 2011, \$16,000 is due to officers for these professional fees, which is included in accounts payable and other accrued expenses on the accompanying condensed consolidated balance sheet.

7. Commitments and Contingencies

Operating Leases

The Company leases approximately 2,000 square feet of office space in Scottsdale, Arizona. The lease agreement, which was entered into in July 2010, ends on May 31, 2011 and requires monthly lease payments of approximately \$3,000.

Indemnifications

During the normal course of business, we make certain indemnities and commitments under which we may be required to make payments in relation to certain transactions. These may include: (i) intellectual property indemnities to customers in connection with the use, sales and/or license of products and services; (ii) indemnities to customers in connection with losses incurred while performing services on their premises; (iii) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct; and (iv) indemnities involving the representations and warranties in certain contracts. In addition, under our by-laws we are committed to our directors and officers for providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities and commitments do not provide for any limitation on the maximum potential for future payments that we could be obligated to make.

Other

During July 2010, we entered into a licensing agreement with a strategic partner for access to a database for pricing of used consumer electronic goods. As described elsewhere herein, we issued 193,322 shares of common stock upon the execution of this agreement and will be required to pay \$60,000 over the first year of the agreement and \$63,000 over the second year of the agreement. Additionally, we will be required to issue additional common shares valued at \$30,000 after the one year anniversary of this agreement for the second year of the agreement.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

8. Supplemental Schedule of Cash Flow Information

Supplemental cash flow information is as follows:

	Nine Months Ended March 31,		Period from August 22, 2008 (Inception) to March 31, 2011
	2011	2010	2011
Supplemental cash flow information:			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for income taxes	-	-	-
Supplemental disclosure of non-cash investing and financing activities:			
Beneficial conversion feature	56,317	-	56,317
Conversion of notes payable to common stock	90,600	-	590,600
Common stock issued for intangible asset	-	-	2,500
Effect of reverse merger	-	-	86,313
Reverse merger costs financed with note payable	-	-	75,000
Issuance of 1,000,000 shares of common stock for a note	-	-	1,000

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations, contains certain “forward-looking statements,” which include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, and availability of resources. These forward-looking statements include, without limitation, statements regarding: proposed new initiatives; expectations regarding planned operations; statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management’s goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as “may,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those described in “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2010, as updated in our subsequent reports filed with the SEC, including any updates found in Part II, Item 1A of this or other reports on Form 10-Q. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Overview and Recent Developments

On March 30, 2010, Youchange, Inc. and BlueStar Financial Group, Inc. (“BSFG”), a Nevada corporation and publicly traded shell company at such time, completed a merger transaction (referred to as the “reverse merger” throughout this filing), which is described in further detail below and in our Form 10-K filing for the year ended June 30, 2010, and resulted in Youchange, Inc. shareholders obtaining control of BSFG. The surviving publicly traded entity following the reverse merger transaction changed its name to “YouChange Holdings Corp” during May 2010. The terms “youchange,” “we,” “us,” “our” or the “Company” refer to YouChange Holdings Corp and its consolidated subsidiary, Youchange, Inc., following the date of the merger transaction, and to Youchange, Inc. prior to the date of the reverse merger transaction. Our fiscal year end is June 30.

For accounting purposes, Youchange, Inc. is the acquirer in the reverse merger transaction, and consequently the assets and liabilities and the historical operations reflected in these condensed consolidated financial statements are those of Youchange, Inc. and are recorded at the historical cost basis of Youchange, Inc. All shares and per share data prior to the acquisition have been restated to reflect the stock issuance as a recapitalization of Youchange.

We were organized as a software and services venture in the Green Technology (“GreenTech”) sector to develop a leading social movement to focus on the elimination of electronic waste (“eWaste”) in the United States, which includes any used, obsolete end-of-life consumer electronics and computer devices. The GreenTech sector is a recognized business sector also known as Environmental Technology or “Envirotech”. Companies in this sector apply environmental science in an effort to help conserve the environment and choose business approaches that are environmentally and economically sustainable.

The software includes a destination website, www.youchange.com, where users can join and refer friends to learn about the problem of electronic waste through content, blogs and forums. Site members are encouraged to take action through the turn-over and sale of their end-of-life, used or obsolete electronics, which reduces the risk of adding to the waste stream. Members access the youchange calculator and offer database through www.youchange.com and by answering a series of questions, may receive a real-time cash and/or reward points offer. Initially, reward points collected by members may be used to exchange for other items in the “Shop Green” area of the [youchange.com](http://www.youchange.com) website, which is an online marketplace where points can be exchanged for product. Members may send their items to us, or drop-off their items at our offices. In addition to the [youchange.com](http://www.youchange.com) website, users can join and learn about local events and electronic collection drives through youchange Facebook, Twitter and Linked-In social media pages.

We plan to collect used electronics through:

- (i) Offers made to members through our website, which is discussed above.
- (ii) Using already existing retailers or businesses as drop-off locations for used electronics. We plan to develop strategic alliances with retailers, electronic refurbishment centers and recyclers that may partner with youchange. By listing retailers as drop-off locations on our website, we will encourage our members to visit these locations and thus, would expect an increase in foot traffic for those locations. If members drop-off items rather than use our prepaid shipping mechanism, we expect to obtain these items at a lower cost. We are in discussions with Phoenix locations of a national car dealership, a local computer repair store chain and several local charities and other organizations.
- (iii) Collecting used electronics through Company initiated collection events. Local electronic collection events play an important part of the youchange strategy and are done in partnership with local sports teams, businesses and charity groups. We have developed a collection event and brand awareness model built around employees of third party companies bringing their excess electronics to work on designated days. We have piloted these events over the past month in the Phoenix, Arizona area. A second component of this collection event and brand awareness model is to partner with local sports teams to host pre-game collection and brand awareness events. A third component of this model, which was launched in April 2011, is a new program we refer to as GREEN Ambassadors and GREEN Leaders, where members of the youchange community host collection events at various business or charity locations. As with retail and business permanent drop-off locations, if members drop-off their items rather than use our prepaid shipping mechanism, we expect to obtain these items at a lower cost.

The GREEN Leaders program was piloted at two Phoenix private elementary schools and is expected to be expanded to public and private high schools and colleges. The GREEN Ambassadors program is expected to be piloted in a retirement community and we are in discussions with a local umbrella charity organization to allow its members to become GREEN Ambassadors.

Youchange is developing an electronic Tracking System (“eTS”) to provide asset receiving, refurbishment and disposal recycling tracking through the complete handling cycle of all electronics collected. In addition, the website and the eTS are expected to allow business to business activity. Businesses can dispose of excess electronics in bulk. The eTS is expected to extend past the website and electronic pricing and rewards calculator previously launched through [youchange.com](http://www.youchange.com) and is intended to be used by local retailers, electronic refurbishment centers and recyclers that may partner with youchange. Youchange intends on generating revenue through the refurbishment, resale (“reCommerce”) and recycling of the electronics collected, facilitating the sustainability objectives by extending the lifecycle of these items and keeping such items from the electronic waste stream. Once developed and launched youchange intends to charge a licensing fee for the use of the eTS software and services application.

We intend on developing limited in-house refurbishment, focusing on sanitizing data, and plan to out-source recycling to responsible recyclers with certifications (either R2 or e-stewards industry certifications). We are currently meeting with a local recycling and refurbishing company to discuss a supplier relationship.

The Company has realized minimal revenue from its planned business purpose to the date of this filing and currently has limited operations. Accordingly, the Company is considered to be in the development stage. The Company has been in the development stage since its formation. The Company has devoted its efforts to business planning and development and has allocated a substantial portion of its time and investment in bringing its product to the market and raising capital.

Background of BSFG

BSFG was incorporated in the state of Nevada on July 12, 2002. BSFG had the principal business objective of working toward establishing “small ticket” equipment leases within a small niche of the equipment leasing market. BSFG intended to provide cost effective “small ticket item” leasing to small and middle market companies primarily within the hospitality, spa and resort communities. This business plan was never implemented and no significant business activities related thereto ever occurred. Since becoming incorporated, other than the reverse merger described below, BSFG did not make any significant purchases or sales of assets, nor did it engage in any mergers, acquisitions or consolidations.

After careful consideration it became clear there could be great benefit to the economic downturn resulting in the liquidation of non-performing leases and used equipment. It was further concluded that much of this excess equipment and used electronics from both small to middle market companies and individual consumers was classified as eWaste and presented a negative environmental impact. This problem was growing and very few viable solutions have made it to market leaving a substantial void in this highly visible and much anticipated GreenTech sector. It was decided that to fully take advantage and leverage this new market opportunity BSFG would need to expand the board and management team and begin an immediate search for a company with experience, relationships and leadership, focused in this newly defined sector of GreenTech. As discussed more fully below, BSFG was successful in locating and merging with Youchange, Inc., a company that had the desired attributes. The youchange management team will lead and execute this new direction that will focus on the eWaste challenge by launching the youchange.com website, software and services application that is expected to include paying and providing reward points to businesses and consumers for their used electronics, refurbishing and recycling through established and certified strategic partners and generating revenue from the sales and reCommerce (resale online) of these products as well as licensing fees for proprietary data.

Reverse Merger with BSFG

On March 15, 2010, BSFG and its wholly owned subsidiary BlueStar Acquisition Corporation (“Merger Sub”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Youchange, Inc. The Merger Agreement and the acquisition agreed to therein was closed on March 30, 2010. At the closing of the reverse merger, Youchange, Inc. merged into Merger Sub, with Youchange, Inc. as the surviving entity. At the time the Merger Agreement was executed, Jeffrey Rassás and Richard Papworth, currently our Chief Executive Officer and Chief Financial Officer, respectively, and directors of the Company, were directors and officers of both BSFG and Youchange, Inc. BSFG acquired all 7,183,197 of the issued and outstanding common shares of Youchange Inc. from Youchange Inc. shareholders in exchange for 21,549,591 shares of BSFG Common Stock. Youchange, Inc. shareholders received three shares of BSFG Common Stock for each share of Youchange, Inc. These figures included 2,049,591 shares of BSFG Common Stock issued to the former note holders of Youchange, Inc. whereby the \$500,000 principal amount of secured convertible promissory notes plus accrued interest of \$13,681 was converted into 683,197 shares of Youchange, Inc. common stock immediately prior to the reverse merger. As a result of the reverse merger there are a total of 35,405,588 shares of our common stock issued and outstanding immediately following the transaction, of which the former Youchange, Inc. shareholders hold 61%. Additionally, following the completion of the reverse merger, we issued 1,456,000 shares of our common stock to the sellers of BSFG.

Feature Marketing Acquisition

Effective December 31, 2010, we entered into a Share Exchange Agreement (the “Exchange Agreement”) with Feature Marketing, Inc. (“Feature Marketing”) an Arizona corporation. The Exchange Agreement provided for the acquisition of all issued and outstanding shares of Feature Marketing in exchange for 3,030,303 shares of our common stock and \$200,000 of cash. Feature Marketing owns and operates a computer and consumer electronics refurbishment center based in Scottsdale, Arizona, which we intended to integrate with our planned operations.

Subsequent to the completion of the acquisition, on February 25, 2011 the Company and Feature Marketing entered into a Rescission Agreement that provided for the rescission of the acquisition as of December 31, 2010, so that from an economic standpoint, the acquisition never occurred and all applicable shares were never exchanged. Accordingly, the financial position and results of Feature Marketing have not been, and are never expected to be, consolidated with those of the Company. The Company believes the rescission of this transaction was in its best interests based on the discovery of a mutual mistake and impossibility to perform under the agreement, which was not contemplated by either party.

The Company executed a non-exclusive fulfillment agreement with Feature Marketing on March 29, 2011. Under the terms of the fulfillment agreement, Feature Marketing will provide receiving, refurbishment, shipping and storage services and repay the amounts previously advanced towards the acquisition discussed above. As of March 31, 2011 these previous advances totaled \$110,000, which are secured by the assets of Feature Marketing and are supported by a promissory note from Feature Marketing. These advances bear interest at a rate of 24.0% per annum. We have recognized interest income totaling approximately \$20,000 relative to these advances for the period from August 22, 2008 (inception) to March 31, 2011.

Critical Accounting Estimates and Policies

General

Our discussion and analysis of our financial condition and results of operations are based on our Condensed Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of the Consolidated Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosure of contingent assets and liabilities. On an ongoing basis we evaluate our estimates, including those related to areas that require a significant level of judgment or are otherwise subject to an inherent degree of uncertainty. These areas include carrying amounts of long-lived assets, deferred financing costs and deferred taxes. We base our estimates on historical experience, our observance of trends in particular areas and information or valuations and various other assumptions that we believe to be reasonable under the circumstances and which form the basis for making judgments about the carrying value of assets and liabilities that may not be readily apparent from other sources. Actual amounts could differ significantly from amounts previously estimated.

We believe that of our significant accounting policies (refer to the Notes to the Condensed Consolidated Financial Statements contained elsewhere in this quarterly report), the following may involve a higher degree of judgment and complexity:

Long-Lived Assets

We periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful life of property and equipment or whether the remaining balance of property and equipment, or other long-lived assets should be evaluated for possible impairment. Instances that may lead to an impairment include: (i) a significant decrease in the market price of a long-lived asset group; (ii) a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; (iii) a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or asset group, including an adverse action or assessment by a regulator; (iv) an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or asset group; (v) a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; or (vi) a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

Upon recognition of an event, as previously described, we use an estimate of the related undiscounted cash flows, excluding interest, over the remaining life of the property and equipment and long-lived assets in assessing their recoverability. We measure impairment loss as the amount by which the carrying amount of the asset(s) exceeds the fair value of the asset(s). We primarily employ two methodologies for determining the fair value of a long-lived asset: (i) the amount at which the asset could be bought or sold in a current transaction between willing parties; or (ii) the present value of expected future cash flows grouped at the lowest level for which there are identifiable independent cash flows.

Beneficial Conversion Features

The intrinsic value of a beneficial conversion feature inherent to a convertible note payable, which is not bifurcated and accounted for separately from the convertible note payable and may not be settled in cash upon conversion, is treated as a discount to the convertible note payable. This discount is amortized over the period from the date of issuance to the date the note is due using the effective interest method. If the note payable is retired prior to the end of its contractual term, the unamortized discount is expensed in the period of retirement to interest expense. In general, the beneficial conversion feature is measured by comparing the effective conversion price, after considering the relative fair value of detachable instruments included in the financing transaction, if any, to the fair value of the common shares at the commitment date to be received upon conversion.

Accounting for Income Taxes

We use the asset and liability method to account for income taxes. Significant management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against net deferred tax assets. In preparing the Condensed Consolidated Financial Statements, we are required to estimate income taxes in each of the jurisdictions in which we operate. This process involves estimating the actual current tax liability together with assessing temporary differences resulting from differing treatment of items, such as deferred revenue, depreciation on property, plant and equipment, intangible assets, goodwill and losses for tax and accounting purposes. These differences result in deferred tax assets, which include tax loss carry-forwards, and liabilities, which are included within the Condensed Consolidated Balance Sheet. We then assess the likelihood that deferred tax assets will be recovered from future taxable income, and to the extent that recovery is not likely or there is insufficient operating history, a valuation allowance is established. To the extent a valuation allowance is established or increased in a period, we include an expense within the tax provision of the Condensed Consolidated Statements of Operations. As of March 31, 2011, the Company has established a full valuation allowance for all net deferred tax assets.

As of March 31, 2011, we did not recognize any assets or liabilities relative to uncertain tax positions, nor do we anticipate any significant unrecognized tax benefits will be recorded during the next 12 months. Any interest or penalties related to unrecognized tax benefits is recognized in income tax expense. Since there are no unrecognized tax benefits as a result of tax positions taken, there are no accrued penalties or interest.

Operating Results

The following table summarizes our operating results for the periods presented below:

	Three Months Ended March 31,		Nine Months Ended March 31,		Period from August 22, 2008 (Inception) to March 31, 2011
	2011	2010	2011	2010	2011
Revenue	\$ 1,320	\$ -	\$ 1,320	\$ -	\$ 1,320
Cost of products sold	1,014	-	1,014	-	1,014
Gross profit	306	-	306	-	306
Operating expenses:					
Professional fees	75,035	66,502	311,707	155,864	642,615
Salaries and wages	22,352	-	71,112	-	71,112
Licensing fees	-	-	79,130	-	79,130
General and administrative	15,408	14,503	45,328	21,628	95,564
Marketing	15,122	-	33,135	-	44,874
Expense of reverse merger	-	620,040	-	620,040	620,040
Total operating expenses	127,917	701,045	540,412	797,532	1,553,335
Loss from operations	\$ (127,611)	\$ (701,045)	\$ (540,106)	\$ (797,532)	\$ (1,553,029)

We are a development stage enterprise for the periods presented above and accordingly, have not recognized significant revenues from our planned business to March 31, 2011.

Professional fees were \$75,035 and \$66,502 for the three months ended March 31, 2011 and 2010, respectively, \$311,707 and \$155,864 for the nine months ended March 31, 2011 and 2010, respectively, and \$642,615 for the period from August 22, 2008 (inception) to March 31, 2011. Professional fees include fees incurred for our Chief Executive Officer, Chief Financial Officer, Chief Technology Officer and Chief Operating Officer of \$42,000 and \$38,500 for the three months ended March 31, 2011 and 2010, respectively, \$236,300 and \$49,500 for the nine months ended March 31, 2011 and 2010, respectively, and \$441,300 for the period from August 22, 2008 (inception) to March 31, 2011. Also included in professional fees are legal, accounting and auditing fees.

Salaries and wages totaled \$22,352 and \$71,112 for the three and nine months ended March 31, 2011, respectively. Salaries and wages represent amounts paid or accrued to officers and other employees, which commenced during the second quarter of fiscal 2011 as we began to hire staff in the anticipation of executing our business plan. As of March 31, 2011, we employed one individual other than our executive officers.

Licensing fees were nil for the three months ended March 31, 2011 and 2010, \$79,130 and nil for the nine months ended March 31, 2011 and 2010, respectively. Licensing fees relate to the use of a database to support the consumer offer calculator on our website.

General and administrative expense was \$15,408 and \$14,503 for the three months ended March 31, 2011 and 2010, respectively, \$45,328 and \$21,628 for the nine months ended March 31, 2011 and 2010, respectively, and \$95,564 for the period from August 22, 2008 (inception) to March 31, 2011. These expenses primarily consist of facility rent, travel, computer, network and internet costs.

Marketing expense was \$15,122 and nil for the three months ended March 31, 2011 and 2010, respectively, \$33,135 and nil for the nine months ended March 31, 2011 and 2010, respectively, and \$44,874 for the period from August 22, 2008 (inception) to March 31, 2011. Marketing related costs relate primarily to events, marketing collateral, press releases and other public relations efforts.

As described above, during March 2010, we completed a reverse merger transaction. We incurred \$125,000 of cash based expense for this transaction, of which \$37,500 remains to be paid as of March 31, 2011, in addition to recording \$495,040 for shares issued in connection with this transaction.

We recognized other expense of \$24,239 and \$34,988 for the three months ended March 31, 2011 and 2010, respectively, \$25,921 and \$59,287 for the nine months ended March 31, 2011 and 2010, respectively, and \$80,158 for the period from August 22, 2008 (inception) to March 31, 2011. Since inception, other expense primarily relates to interest expense of \$103,088, which relates to: (i) \$50,000 for the amortization of deferred financing costs; (ii) \$13,681 for interest on convertible notes that were converted prior to the reverse merger on March 30, 2010; and (iii) interest on convertible notes that were issued during the first nine months of fiscal 2011 and the amortization of discounts associated with some of these notes. Other income relates to interest income, which is primarily associated with advances previously made to Feature Marketing.

We anticipate that the execution of our business plan will result in a rapid expansion of our operations, which may place a significant strain on our management, financial and other resources. Youchange's ability to manage the challenges associated with the expansion of our business and integration of future acquisitions, if any, will depend, among other things, on our ability to monitor operations, control costs, maintain effective quality control, secure necessary marketing arrangements, expand internal management, implement technical information and accounting systems and attract, assimilate and retain qualified management and other personnel. If we fail to effectively manage these issues, we may not be profitable in the near future, or ever.

The difficulties in managing these various business issues will be compounded by a number of unique attributes of our anticipated business operations and business strategy. Should these and other concepts not perform as expected, youchange's financial condition and the results of our operations could be materially and adversely affected.

Liquidity and Capital Resources

As of March 31, 2011, we had \$213,675 of cash and cash equivalents and working capital of \$5,858. Over the next twelve months we estimate in order to maintain reporting company status as defined under the Securities Exchange Act of 1934, we will require cash for expenses, which include accounting, legal and other professional fees, as well as filing fees. We must raise cash to cover these expenses and implement our business plan. We estimate that the \$250,000 raised in March 2011 through the private placement of our common shares, which is discussed elsewhere herein, will allow us to continue our proposed business and maintain our status as a reporting company for the next 90 to 120 days.

The Company's ability to commence operations is entirely dependent upon the proceeds to be raised. If we do not raise at least \$1.5 million, we will be unable to establish a base of operations, without which we will be unable to execute our current business plan. The Company will need to raise additional capital by issuing capital stock, notes payable or a combination of both, in exchange for cash in order to continue as a going concern. During the nine months of fiscal 2011, we have raised a total of \$508,000, which is described in further detail below. We cannot assure any investor that, if needed, sufficient financing can be obtained or, if obtained, that it will be on reasonable terms. Without realization of additional capital, it would be unlikely that operations would continue and any investment made by an investor would be lost in its entirety.

Although we have taken steps to focus our business on the GreenTech and eWaste sectors, we currently have no ability to fund the development and implementation of our business plan. As is typical of companies going through the development stage, we currently have no revenue. This raises substantial doubt about the Company's ability to continue as a going concern. We expect to rely on external sources of capital through the issuance of debt and/or equity securities in private placement offerings to provide funding of our business. We expect to initiate such actions to obtain additional capital to fund our business, however, no assurances can be made that we will be successful in obtaining additional funding on terms and conditions that are acceptable to us.

If Youchange acquires its needed funding through the issuance of our equity securities, our existing shareholders may experience dilution and the value of their equity securities may decline. The acquisition of funding through the issuance of debt could result in a substantial portion of our future cash flow from operations being dedicated to the payment of principal and interest on that indebtedness, and could render us more vulnerable to competitive pressures and economic downturns.

We will require capital for key near-term milestones of our business, which we currently believe to include:

- Acquiring or developing strategic relationships with recyclers and refurbishment centers in Phoenix, Arizona.
- Completing certain key modules of eTS and identifying pilot locations as drop-off locations and recyclers and/or refurbishment centers.
- Expanding collection events that are hosted by local businesses, schools and sports teams.
- Expanding the youchange "Ambassadors" program, which we expect will allow us to expand our collection events by recruiting "Ambassadors" to host events that benefit their organizations and collect electronics for youchange.
- Researching collection methods and equipment to develop permanent drop-off locations with local retailers.
- Replication of the Phoenix, Arizona youchange model in other cities in the United States once the model is proven in this market.

During the first nine months of fiscal 2011, we raised a total of \$508,000 through the following transactions:

- During July 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured on January 19, 2011 and bears interest at a rate of 12.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 15.0%.
- During August 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured on February 6, 2011 and bears interest at 12.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 15.0%.

- During September 2010, we issued a \$22,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and bears interest at a rate of 8.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share.
- During September 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured 61 days from the date of issue and bears interest at a rate of 8.0% per annum. The Company had the right to extend the maturity of this note an additional 30 days. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 12.0%.
- During October 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.30 per share.
- During November 2010, we issued a \$13,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.30 per share.
- During December 2010, we issued an \$8,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.30 per share.
- During December 2010, we issued a \$90,000 convertible note with an unrelated, accredited third party in exchange for cash. The note is secured by all of the assets of the Company, matures two years from the date of issuance and may be accelerated if the Company raises \$1.0 million in private financing before the maturity date. The note bears interest at a rate of 12.0% per annum and is convertible at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. Unpaid accrued interest is convertible at any time, at the discretion of the investor, to shares of our common stock, with the conversion rate equal to the average closing price of our common stock for the ten days preceding the such conversion. During January 2011, this \$90,000 convertible note plus \$600 in accrued interest was converted to 362,400 common shares.
- During March 2011, we raised \$25,000 under a convertible note with the spouse of an officer of YouChange, Inc. The note matures two years from the date of issuance and may be extended by an additional 180 days if the Company so chooses. The note bears interest at a rate of 8.0% per annum and is convertible at any time, with accrued interest, at the discretion of the investor to shares of our common stock at a rate of \$0.25 per share.
- During March 2011, we raised \$250,000 through the sale of 1,000,000 common shares in a private placement transaction with an accredited investor at a sales price of \$0.25 per common share.

Until such time, if at all, as we receive adequate funding, we intend to defer payment of all other obligations that are capable of being deferred. Such deferment has resulted in the past, and may result in the future, in some vendors demanding cash payment for their goods and services in advance, and other vendors refusing to continue to do business with us, which may adversely affect our ability to obtain goods and services in the future, or to do so on favorable terms.

Cash Flows

The following discussion relates to the major components of our cash flows:

Cash Flows from Operating Activities

Cash used in operating activities was \$233,234 and \$207,217 for the nine months ended March 31, 2011 and 2010, respectively, and \$528,463 for the period from August 22, 2008 (inception) to March 31, 2011. Cash used in operating activities primarily relates to payments for professional fees and general and administrative costs. We expect our operating activities will require additional cash in the future as we commence our planned operations.

Cash Flows from Investing Activities

Cash used in investing activities was \$105,400 and \$173,500 for the nine months ended March 31, 2011 and 2010, respectively, and \$308,165 for the period from August 22, 2008 (inception) to March 31, 2011. Cash used in investing activities for the nine months ended March 31, 2011 primarily relates to cash used for the development of our proprietary business platform and cash used for advances to Feature Marketing, which is described more fully above. Cash used in investing activities for the period from August 22, 2010 (inception) to March 31, 2011 also includes cash used for our reverse merger transaction in March 2010, which is discussed more fully above.

Cash Flows from Financing Activities

Cash provided by financing activities was \$508,000 and \$503,311 for the nine months ended March 31, 2011 and 2010, respectively, and \$1,050,303 for the period from August 22, 2008 (inception) to March 31, 2011. Cash provided by financing activities for the nine months ended March 31, 2011 relates to various convertible and non-convertible note agreements entered into and the private placement of our common shares, which are described further above. Cash provided by financing activities for the nine months ended March 31, 2010 relates to proceeds from various convertible notes, which were converted to shares of our common stock at the time of the reverse merger on March 30, 2010. Cash provided by financing activities for the period from August 22, 2010 (inception) to March 31, 2011 primarily relates to the activities described above.

Recently Issued Accounting Pronouncements

In February 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-09, “Amendments to Certain Recognition and Disclosure Requirements” (“ASU 2010-09”), which amends ASC Topic 855, “Subsequent Events.” The amendments to ASC Topic 855 do not change existing requirements to evaluate subsequent events, but: (i) defines a “SEC Filer”; (ii) removes the definition of a “Public Entity”; and (iii) for SEC Filers, reverses the requirement to disclose the date through which subsequent events have been evaluated. ASU 2010-09 was effective for us upon issuance. The adoption of this guidance did not have a material impact on our financial position and results of operations.

In June 2009, the FASB issued guidance for determining the primary beneficiary of a variable interest entity (“VIE”). In December 2009, the FASB issued ASU 2009-17, “Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities” (“ASU 2009-17”). ASU 2009-17 provides amendments to ASC 810 to reflect the revised guidance. The amendments in ASU 2009-17 replace the quantitative-based risks and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a VIE with an approach focused on identifying which reporting entity has the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (i) the obligation to absorb losses of the entity or (ii) the right to receive benefits from the entity. The amendments in ASU 2009-17 also require additional disclosures about a reporting entity’s involvement with VIEs. ASU 2009-17 is effective for annual reporting periods beginning after November 15, 2009. The adoption of this guidance did not have a material impact on our financial position and results of operations.

In June 2009, the FASB issued guidance that seeks to improve the relevance and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. Specifically, this guidance eliminates the concept of a qualifying special-purpose entity, creates more stringent conditions for reporting a transfer of a portion of a financial asset as a sale, clarifies other sale-accounting criteria, and changes the initial measurement of a transferor's interest in transferred financial assets. This guidance is effective for annual reporting periods beginning after November 15, 2009. The adoption of this guidance did not have a material impact on our financial position and results of operations.

Off-Balance Sheet Financing

We have no off-balance sheet debt or similar obligations. We have no transactions or obligations with related parties that are not disclosed, consolidated into or reflected in our reported results of operations or financial position. We do not guarantee any third-party debt.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are designed to provide a reasonable assurance that the information required to be disclosed by us in this quarterly report on Form 10-Q was (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and (ii) accumulated and communicated to our management, being the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Based on their evaluation as of March 31, 2011, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at providing a reasonable assurance that the information required to be disclosed by us in this quarterly report on Form 10-Q meets the objective of being (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and (ii) accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

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 in our most recent fiscal quarter.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes in risk factors previously disclosed in our Form 10-K for the year ended June 30, 2010; however, we have added the following risk factor, which you should consider before deciding to invest in our common stock:

YOUCHANGE HAS RECEIVED A “GOING CONCERN” OPINION FROM ITS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM THAT EXPRESSES UNCERTAINTY REGARDING ITS ABILITY TO CONTINUE AS A GOING CONCERN.

Our independent registered public accounting firm’s opinion contains an explanatory paragraph that expresses uncertainty regarding our ability to continue as a going concern due to our development stage nature and lack of revenues. We cannot be certain that our business plans will be successful or what actions may become necessary to preserve our business. Any inability to raise capital could cause our business to fail.

Our limited operating history makes our future operating results unpredictable rendering it difficult to assess the health of our business or its likelihood of success. The inability to assess these factors could result in a total loss of an investor's investment in youchange.

In the case of an established company in an ongoing market, investors may look to past performance and financial condition to get an indication of the health of the company or its likelihood of success. Our short history, development stage nature and the evolving nature of the markets in which we plan to focus make it difficult to forecast our revenues, if any, and operating results accurately. We expect this unpredictability to continue into the future.

Youchange could experience operating losses or even a total loss of our business which, as a result of the foregoing factors, would be difficult to anticipate and could thus cause a total loss of capital invested in youchange.

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

During the third quarter of fiscal 2011, we issued common shares for the following transactions:

- During March 2011, we raised \$250,000 through the sale of 1,000,000 common shares in a private placement transaction with an accredited investor at a sales price of \$0.25 per common share. This share issuance is exempt from the registration requirements under section 4(2) of the Securities Act of 1933 and/or Reg. D promulgated thereunder as well as applicable exemptions under state securities laws.
- During March 2011, we issued 12,795 common shares to vendors for services rendered. We expensed approximately \$10,000 as general and administrative expense for the issuance of these shares. This share issuance is exempt from the registration requirements under section 4(2) of the Securities Act of 1933 and/or Reg. D promulgated thereunder as well as applicable exemptions under state securities laws.
- During January 2011, a \$90,000 convertible note plus \$600 in accrued interest was converted to 362,400 common shares. This share issuance is exempt from the registration requirements under section 4(2) of the Securities Act of 1933 and/or Reg. D promulgated thereunder as well as applicable exemptions under state securities laws.

Item 3. Defaults Upon Senior Securities

On January 1, 2010, Youchange, Inc. entered into a \$75,000 note payable agreement with the previous shareholders of BSFG, which, together with a \$50,000 cash payment and the issuance of 1,456,000 common shares following the reverse merger, was used to complete the reverse merger with BSFG. The payable was due in two equal installments, which were due on April 1, 2010 and June 30, 2010. The first payment of \$37,500 was paid when due on April 1, 2010; however, we have not made the second payment as of the date of this filing. We have received a verbal waiver of the default from the note holders.

During July 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured on January 19, 2011 and bears interest at a rate of 12.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 15.0%.

During August 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured on February 6, 2011 and bears interest at 12.0% per annum. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 15.0%.

During September 2010, we issued a \$25,000 convertible note with an unrelated, accredited third party in exchange for cash. The note matured 61 days from the date of issue and bears interest at a rate of 8.0% per annum. The Company had the right to extend the maturity of this note an additional 30 days. The note and any accrued interest may be converted at any time, at the discretion of the investor, to shares of our common stock at a rate of \$0.25 per share. As of the date of this filing, this note is past due and the Company is negotiating conversion or alternative repayment provisions with the note holder. Following the maturity date of this note, interest accrues at a penalty rate of 12.0%.

Item 4. Removed and Reserved

Item 5. Other Information

None.

Item 6. Exhibits

<u>No.</u>	<u>Exhibit</u>
2.1	Agreement and Plan of Merger dated March 15, 2010 (Filed as an Exhibit to Form 8-K filed March 22, 2010 and incorporated herein by reference)
2.3	Rescission Agreement dated February 25, 2011 by and among youchange, Feature Marketing, and Feature Marketing Shareholders (Filed as an Exhibit to Form 8-K filed February 28, 2011 and incorporated herein by reference).
3.1	Articles of Incorporation (Filed as an Exhibit to Form S-1 Registration Statement filed on August 12, 2008, Registration No. 333-152959 and incorporated herein by reference)
3.2	Amendment to Articles of Incorporation (Filed as an Exhibit to Form 14C Definitive Information Statement filed on June 2, 2010 and incorporated herein by reference)
3.3	By-laws (Filed as an Exhibit to Form S-1 Registration Statement filed on August 12, 2008, Registration No. 333-152959 and incorporated herein by reference)
10.1	Consulting Agreement with Naser Ahmed dated January 1, 2010 (Filed as an Exhibit to Form 10-Q filed on March 8, 2011 and incorporated herein by reference)
10.2	Data and Proprietary License Agreement with UsedPrice.Com, LLC dated July 22, 2010.
31.1	8650 Section 302 Certification of Chief Executive Officer
31.2	8650 Section 302 Certification of Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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.

YOUCHANGE HOLDINGS CORP

Date: May 5, 2011

By: /s/ JEFFREY I. RASSÁS
Jeffrey I. Rassás
Chief Executive Officer and Director

By: /s/ RICHARD A. PAPWORTH
Richard A. Papworth
Chief Financial Officer and Director

DATA & PROPRIETARY LICENSE AGREEMENT

by and between

**USEDPRICE.COM, L.L.C.,
An Arizona Limited Liability Company**

**YOUCHANGE, INC.,
An Arizona Corporation**

and

**YOUCHANGE HOLDINGS CORP.,
A Nevada Corporation**

DATA & PROPRIETARY LICENSE AGREEMENT

This DATA & PROPRIETARY LICENSE AGREEMENT (this “**Agreement**”) is entered into and effective as of July 22, 2010 (the “**Effective Date**”) by and between UsedPrice.com, L.L.C. (“**Licensor**”), an Arizona limited liability company with its principal office at 14555 N. Scottsdale Rd., Ste. 330, Scottsdale, AZ 85254 and YouChange, Inc. (“**Licensee**”), an Arizona corporation with its principal office at 7154 E. Stetson Dr., Ste. 330, Scottsdale, AZ 85251, and YouChange Holdings Corp, formerly known as BlueStar Financial Group, Inc., a Nevada corporation (the “**Company**”) with its principal office located at 7154 E. Stetson Dr., Ste. 330, Scottsdale, AZ 85251.

WHEREAS, Licensor is the creator and owner of certain Data (as defined below) regarding used products and software relating thereto;

WHEREAS, Licensee, a wholly-own subsidiary of the Company, desires a non-exclusive, non-transferable, non-assignable, license to use the Data;

WHEREAS, the License (as defined herein) does not convey any rights to the Company, including the right to access or otherwise view the Data; and

WHEREAS, the Company is the parent company of Licensee and as such, shall receive a direct benefit from the License granted by Licensor to Licensee under this Agreement and therefore, the Company agrees to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION I – DEFINITIONS

- 1.1.** “**API**” means Licensor’s application programming interface that permits Licensee to interact with Licensor’s database to access and view the Data.
 - 1.2.** “**API Call**” is a SearchItems Request (as defined below) that counts towards Licensee’s allotted usage.
 - 1.3.** “**API Usage**” means any request to the API, including each API Call.
 - 1.4.** “**Blue Book Product Types**” means the following seventeen (17) product types for which Data will be developed and/or maintained by Licensor pursuant to this Agreement: (i) digital cameras; (ii) camera lenses; (iii) mobile phones; (iv) laptops; (v) desktops; (vi) PDAs; (vii) LCD monitors; (viii) external drives; (ix) Blu-ray and DVD players; (x) camcorders; (xi) large screen projectors; (xii) satellite radios; (xiii) GPS devices; (xiv) portable media players; (xv) audio systems; (xvi) compact home theater; and (xvii) gaming consoles.
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- 1.5. “ **Business Day** ” means any day other than a Saturday, Sunday or holiday observed by the United States Government.
- 1.6. “ **Cached** ” means the temporary storage of specific information for local usage.
- 1.7. “ **Confidential Information** ” means all business, proprietary and confidential information, including but not limited to the Data and Intellectual Property Rights (as defined below), furnished by a party (the “ **Disclosing Party** ”) to the other party (the “ **Receiving Party** ”) in connection with this Agreement.
- 1.8. “ **Customer** ” means an actual or prospective customer of Licensee’s website and/or business.
- 1.9. “ **Data** ” means the proprietary data and appraisal information, including Used Retail Value (as defined below), related to the Blue Book Product Types in the possession or control of Licensor, in whatever form, including without limitation, all materials, components, products, technology, data, software, source code, instruction, documentation, skills, training, and know-how.
- 1.10. “ **Developer Key** ” means the unique user code to the API that allows Licensee to access and use the Data.
- 1.11. “ **Enterprise Management System** ” means the Licensee’s proprietary software application that provides functionality to:
- (a) End users, including but not limited to Customers, other consumers, and businesses, that wish to recycle their products, to identify their products by means of a drill down search based on the product type, the manufacturer, the model number and the attributes of the product that defines its description or is a factor in determining the Value for such product.
 - (b) Allow an end user to modify product attributes to more accurately define their product.
 - (c) Provide back office functionality to Licensee for product tracking, inventory control, purchasing, sales and accounting interfaces: (i) where the warehouse receiving function enables the receiver to correct any end user error in product identification and to generate a new Value; and (ii) where each product or a component/attribute within the product (*e.g.* , a hard disk within a desktop computer), can be tracked from its point of origin to its final disposition of either being recycled for scrap or being refurbished for re-commerce through the Licensee’s website or affiliate sites, such as eBay or Amazon.
 - (d) Provide other functionality required to integrate the application modules described in this **Section 1.11** .

1.12. “ Intellectual Property Rights ” means with respect to either party all intangible legal rights, titles and interests evidenced or embodied in: (i) all inventions, patents, provisionals, patent applications (whether pending or not), and patent disclosures; (ii) all copyrights and designs; (iii) all trademarks, service marks, trade styles, and logos; (iv) trade secrets, know-how, and proprietary processes; (v) all derivative works of the above; and (vi) all other proprietary rights and any other intellectual property rights of any kind and nature however designated and however recognized in any country or jurisdiction worldwide.

1.13. “ Material Breach ” means a substantial failure to adequately fulfill an obligation of this Agreement.

1.14. “ Sales Transaction ” means a transaction whereby Licensee’s Customers use the System (as defined below) to exchange products and receive Value (as defined below).

1.15. “ SearchItems Request ” means a request made to the API to return product information, including but not limited to, items identified by the API as ItemModel, ItemDescription, ItemManufacturerId, ItemManufacturerName, ItemTypeId, ItemTypeName, ItemFirstYear, and UsedRetail.

1.16. “ System ” means Licensee’s pricing system accessed by its Customer’s for the purpose of trading and/or exchanging products for Value.

1.17. “ Used Retail Value ” or **“ UsedRetail ”** means the derived used product value calculated by Licensor or any used retail value derived from the Data or by the Enterprise Management System.

1.18. “ Value ” means any form of consideration, including but not limited to cash, gift cards, coupons, or any combination thereof or any alternative means of value, received by Customers in exchange for their products.

SECTION 2 – LICENSE

2.1. License Grant. Subject to Licensee’s compliance with the terms and conditions of this Agreement, including the restrictions set forth herein, Licensor grants the following rights (the “ **License** ”) to Licensee:

- (a) A non-exclusive, non-transferable, non-assignable license to use the Data as part of the System; and
- (b) A non-exclusive, non-transferable, non-assignable license to implement the API in Licensee’s application in accordance with **Section 3**.

2.2. License Restrictions . The License granted in **Section 2.1** is hereby restricted as follows:

- (a) Licensee shall not use the Data except in conjunction with the System and for the limited purpose of generating price quotes through the API to determine a Value for Customer's product and to display such Value to Customer on Licensee's website and/or additional applications, so long as any additional applications are in compliance with the terms of this Agreement. Excluding the website and the Enterprise Management System, the use of any additional applications by Licensee shall require written approval from Licensor.
- (b) Except as provided in **Section 8** , Licensee shall not display or otherwise allow access to any Used Retail Value, whether generated by the Data or derived from the Data or the Enterprise Management System or otherwise, to any third party, including Customers.
- (c) Licensee shall only access the Data for the Blue Book Product Type that is specifically related to the product contained in each Customer inquiry.
- (d) Except as specified herein relating to the Enterprise Management System, Licensee shall only present the Data in response to a specific Customer inquiry and is not permitted to present the Data in any other format, including but not limited to bulk or aggregate formats, without the prior written consent of Licensor.
- (e) Except as specified herein relating to the Enterprise Management System, Licensee will not retain or store any Data from the API for any reason without prior written consent of Licensor.
- (f) Except as specified herein relating to the Enterprise Management System, Data retrieved from the SearchItems Request is not allowed to be Cached for any length of time, but all other API Usage may be Cached for up to 24 hours.
- (g) For usage within the Enterprise Management System, the following Data, as identified by the API, specific to the particular item configuration returned from the SearchItems Request may be Cached only when such item is taken in by Licensee: ItemModel, ItemDescription, ItemManufacturerId, ItemManufacturerName, ItemTypeId, ItemTypeName, and ItemFirstYear.
- (h) The Used Retail Value shall not be Cached or otherwise retained by Licensee under any circumstances without prior written approval of Licensor.

2.3. License Restriction Material Breach Penalty . Licensee acknowledges that any violation of the license restrictions set forth in **Section 2.2** constitutes a Material Breach of this Agreement. Licensee further acknowledges and agrees that any such Material Breach of **Section 2.2** would be egregiously insidious, and that in the event of such Material Breach, Licensor shall be entitled to punitive damages, in addition to any other remedies, in an amount to be determined by an arbitrator pursuant to **Section 10.2** .

2.4. No Creative Use. Licensee shall not use the rights conveyed by the License in any way that is inconsistent with the terms or intent of this Agreement. Licensee is strictly prohibited from using the Data, including any Data that is Cached or otherwise retained by Licensee, to create software or profit in any way that is inconsistent with the terms and intent of this Agreement. Licensee shall not manipulate any corporate form, including by merger, acquisition, partnerships or restructuring, that intends or has the effect of using the Data, including any Data that is Cached or otherwise retained by Licensee, for any purpose inconsistent with the term and intent of this Agreement.

2.5. Prohibited Uses. Prohibited uses of the Data and/or the API, include but are not limited to:

- (a) Licensee shall not attempt to decompile, reverse-engineer, disassemble or otherwise reduce or attempt to reduce the Data to a human-perceivable form.
- (b) Licensee shall not discover, ascertain or otherwise replicate or attempt to discover, ascertain or otherwise replicate (i) the source code of the Data; (ii) the basis of the Data; or (iii) the appraisal process of Licensors.
- (c) Licensee shall not create derivative works based on the Data.
- (d) Licensee shall not sell, license, or otherwise distribute any software, including the Enterprise Management System or any other proprietary software, that includes a Used Retail Value or depreciation trending reports derived by Used Retail Values to any third party, including but not limited to refurbishment centers, recycling centers, asset recovery businesses or manufactures, without Licensors' prior written consent, including the execution of a separate license agreement.
- (e) Licensee shall not use the Data or the API to harvest or otherwise collect information, including email addresses.
- (f) Licensee shall not submit any false or misleading information in Licensee's application to access and use the Data.
- (g) Licensee shall not falsify or alter the Developer Key assigned to Licensee's application, or otherwise obscure or alter the source of queries coming from Licensee's application.
- (h) Licensee will not present the Data in a manner that misleads any Customer or alters the API so that it appears to be derived from a different source or company other than Licensors.
- (i) Licensee will not violate or attempt to violate the security of the Data or the API, including without limitation, accessing a server or account for which Licensee does not have authorization; attempting to test, scan, probe, or hack the vulnerability of the API or any network used by the API; attempting to circumvent any authentication measures; and overload, flooding, or pinging the API.

(j) Licensee will not transmit or otherwise make available any material that contains software virus or any other computer code, files, or programs designed to: (i) interrupt, destroy, or limit the functionality of any equipment (including software and hardware); or (ii) spy on the activities of others.

(k) Licensee will not use any robot (bot), grabber, scraper, crawler, spider, site search/retrieval application, or other device to retrieve or index any portion of the Data that is not pursuant to **Section 2** and **Section 3** , or permit any third party to do the same.

2.6. Prohibited Use Material Breach Penalty. Licensee acknowledges that any violation of the prohibited uses set forth in **Section 2.4** and **Section 2.5** constitutes a Material Breach of this Agreement. Licensee further acknowledges and agrees that any such Material Breach of **Section 2.4** or **Section 2.5** would be egregiously insidious, and that in the event of such Material Breach, Licensor shall be entitled to punitive damages, in addition to any other remedies, in an amount to be determined by an arbitrator pursuant to **Section 10.2** .

2.7. No License to Company. The License does not convey any rights to the Company, including the right to access or otherwise view the Data.

2.8. Notices, Marks and Names. Certain trademark, copyright and attribution notices (“ **Trade Notices** ”) of Licensor will appear within or on the Data and although Licensee shall not ever display the Data without the prior written consent of Licensor, if Licensee makes a reference to the Data, in any manner, such reference must include all Trade Notices thereon unless with written permission from Licensor. Further, Licensee shall not, nor shall it allow a third party to, remove or make or permit alterations to, such Trade Notices. Licensee further acknowledges that Licensor may change any and all Trade Notices associated with the Data at any time and agrees to obtain accurate Trade Notice information from Licensor before making any references thereto pursuant to this **Section 2.7** .

2.9. Term. Unless earlier terminated pursuant to **Section 9** , the initial term of this Agreement (the “ **Initial Term** ”) shall begin on the Effective Date, and shall end one (1) year following the Effective Date. The Agreement shall automatically renew after the Initial Term and for each year thereafter for an additional one (1) year term (“ **Additional Term** ”), unless either party provides written notice to terminate the automatic renewal at least sixty (60) days prior to the commencement of each Additional Term or unless otherwise terminated pursuant to **Section 9** .

SECTION 3 – APPLICATION PROGRAMMING INTERFACE

3.1. API Documentation. Licensor has provided Licensee Licensor’s proprietary API documentation. Implementation of the API into Licensee’s software application will provide access to query Licensor’s database containing the Data and retrieve information related to the Data. Licensee may implement the API into Licensee’s software application, except as provided in **Section 3.2** .

3.2. Developer Key. Licensor assigned Licensee a single, unique Developer Key. All queries to the API made by Licensee's application must include the Developer Key. Licensee assumes liability for any and all uses of the Data accessed by the Developer Key. Licensee shall keep the Developer Key confidential pursuant to **Section 8**. Licensee shall not, *inter alia*, embed the Developer Key in any Licensee software or store the Developer Key in any other manner that makes the Developer Key visible to any third party, including Customers.

3.3. Data from API. Data retrieved from the API will include the following information for each product query: (i) the model number; (ii) product specifications; and (iii) the Used Retail Value. Any pricing information retrieved from the API shall not be disclosed to any third party, including Customers, and shall be converted by Licensee to Value for each particular product. The Data accessed from the API may be changed, updated, or deleted without notice for any reason at Licensor's sole discretion. All content supplied through the API is the sole property of Licensor and Licensee shall not copy, store, redistribute, alter, manipulate or otherwise modify the content supplied through the API in any manner inconsistent with the terms or intent of this Agreement.

3.4. Exclusive Access. The API is the sole means by which Licensee shall access the Data. Licensee shall not access or attempt to access the Data by any other means. Any application Licensee develops utilizing the API shall be designed to access and use the Data consistent with the terms and intent of this Agreement. Upon request, Licensee shall provide Licensor access to any application Licensee develops utilizing the API.

3.5. Restrictions. Licensee shall not export or transmit any Data from Licensor's API to any applications, directly or indirectly, in any other country other than the United States. Further, Licensee will not use the API in a manner that exceeds reasonable request volumes, as determined by Licensor; constitutes excessive or abusive use; or otherwise fails to comply with the terms or intent of this Agreement.

3.6. API Maintenance and Support. Licensor will provide its best reasonable efforts to keep the API running efficiently and up-to-date with current technologies at all times without responsibility or warranty of any kind. The parties further agree as follows:

- (a) Licensor will use its best efforts to resolve any issues relating to the performance of the API without any warranty of any kind. Despite Licensor's best efforts it may occur that errors cannot be rectified in providing support to Licensee.
- (b) Due to the complex nature of the hardware, software and networks of the API with specific configurations, Licensor cannot assume liability for the successful remedy of any error, technical issue or response to a problem with Licensee's access to the API. Consequently, all services are provided on an "As Is" basis only with no warranty of any kind.
- (c) Licensor can modify or change the API as long as the modification or change has no impact on Licensee's service.
- (d) If a modification or change is necessary that will affect Licensee's access to the API, then Licensee will be notified accordingly pursuant to **Section 12.14**.

- (e) Licensee shall reasonably oversee the performance of the API and notify Licensor of any problems or maintenance issues that arise.
- (f) Licensee is fully responsible and liable for any changes to Licensee's technology updates that may interfere with Licensor's API.

SECTION 4 – PAYMENTS

4.1. License Fee . Licensee shall pay Licensor an annual non-refundable license fee (“ **License Fee** ”) for the Initial Term in the amount of US\$60,000.00. For the first Additional Term following the Initial Term, the License Fee shall be US\$60,000.00 plus five percent (5%) or US\$63,000.00. For each subsequent Additional Term, the License Fee shall increase by five percent (5%) and the License Fee for such Additional Term shall be the sum of (i) the License Fee paid for the preceding Additional Term and (ii) five percent (5%) of the License Fee paid for the preceding Additional Term.

4.2. Payment Schedule for Initial License Fee . Licensee represents to Licensor that it is unable to pay the License Fee for the Initial Term (“ **Initial License Fee** ”) in full on the Effective Date and is in need of additional capital to maintain its operations. Nonetheless, Licensee is incurring the full financial obligation of this Agreement and Licensor agrees to accept the Initial License Fee in accordance with the payment schedule set forth herein. All other License Fees required to be paid pursuant to **Section 4.1** shall be paid in full on the date due.

- (a) The first three installments of the Initial License Fee shall be paid as follows:

- (1) US\$10,000.00 due on the Effective Date;
- (2) US\$5,000.00 due on July 15, 2010; and
- (3) US\$5,000.00 due on September 1, 2010.

- (b) The remaining balance of US\$40,000.00 of the Initial License Fee shall be paid in the amount of \$5,000.00 per month due the first of each month beginning on October 1, 2010, until the earlier of:

- (1) Licensee successfully obtains additional capital for its operational expenses. At such time, the Initial License Fee payments to Licensor shall increase from US\$5,000.00 per month to US\$10,000.00 per month, due on the first of each month until the balance of the Initial License Fee is paid in full.
- (2) May 1, 2011.

- (c) Licensee agrees to use its best efforts to obtain additional capital for its operational expenses as expeditiously as possible and agrees to keep Licensor informed of its progress to obtain such funding.

4.3. Stock Compensation . The Company further agrees to compensate Licensor for the Initial Term and each Additional Term in restricted shares of the Company's Common Stock (" **Stock Compensation** "). The Company shall compensate Licensor for the Initial Term in an amount equal to \$50,000.00 of the Company's Common Stock, par value \$.001 per share (the " **Shares** "). The actual number of Shares to be paid to Licensor for the Initial Term shall be calculated by the average value of the Shares during the month immediately preceding the Effective Date. The Company shall compensate Licensor for each Additional Term in an amount equal to \$30,000.00 of the Shares. The actual number of Shares to be paid to Licensor for each Additional Term shall be calculated by the average value of the Shares during the month immediately preceding the effective date of each Additional Term. Further:

- (a) On the Effective Date, Licensor agrees to execute the Investor Representation Letter attached hereto as **Exhibit A** . Upon such execution, the Shares shall be issued.
- (b) Licensor agrees to deposit the Shares in a brokerage account with the same brokerage firm that holds the Company's security interests.
- (c) Licensor agrees not to offer, sell, contract to sell, grant an option to sell, transfer or otherwise dispose of, directly or indirectly, the Shares, unless and until Licensor satisfies the applicable requirements under Rule 144 of the Securities Act of 1933.

4.4. Excessive API Usage . Licensee is allocated up to an average of 100,000 API calls per month.

- (a) In the event API Calls from Licensee to the API exceed an annual monthly average of 100,000 API Calls for the Initial Term or any Additional Term, Licensee shall pay to Licensor an additional \$25,000.00 license fee in a cash payment (" **Additional License Fee** ").
- (b) In the event Licensor's equipment, including but not limited to, servers, networking equipment, firewalls, power or bandwidth, requires additional capacity due to Licensee's API Usage, Licensee will be moved to a dedicated API cluster for Licensee's API Usage only, and Licensee will be responsible for all associated equipment, development, and hosting fees to facilitate service to the API for use by Licensee.

4.5. Data from API . Licensor shall provide Licensee the Data on the Effective Date.

4.6. Payments Due . The Initial License Fee is to be paid in accordance with **Section 4.2** . Stock Compensation for the Initial Term is due on the Effective Date and upon execution of the Investor Representative Letter attached as **Exhibit A** . The License Fee and Stock Compensation for each Additional Term is to be paid in full on the first day of each Additional Term. Any amounts due from Licensee to Licensor under this Agreement may not be withheld or offset by Licensee for any reason.

4.7. Past Due Amounts . Any undisputed amounts not paid when due shall be subject to a late payment fee from the due date until paid, at a rate equal to ten percent (10%) per month or part thereof or the maximum allowed by law, if less. Licensee agrees to pay to Licensor any and all collection costs incurred by Licensor in collecting late payments, including reasonable attorney's fees and/or all arbitration costs.

SECTION 5 – REPRESENTATIONS AND WARRANTIES

5.1. Mutual Representations and Warranties . Each party represents and warrants to the other that (i) it has the legal right and power to enter into this Agreement and to perform fully its obligations hereunder; (ii) this Agreement and the signatories hereto have been duly authorized; (iii) this Agreement is a valid and binding agreement of such party, enforceable in accordance with its terms; and (iv) this Agreement does not violate the terms of any other contract executed by either party.

5.2. Disclaimer . Licensor makes no representation or warranty, either expressed or implied, and no representation or warranty shall be implied, with respect to the License rights granted hereunder. The License rights granted by Licensor to Licensee hereunder are provided on an "As Is" basis and without warranty of merchantability or fitness for a particular purpose or any other warranty, express or implied.

SECTION 6 – LIMITATIONS ON LIABILITY

6.1. Limitations on Liability . Licensee is solely responsible for using the Data and assumes the entire risk of any such use. To the maximum extent permitted by law and in no event will Licensor be liable for any injury, liability, or direct, indirect, incidental, special, punitive, exemplary, or consequential damages or other losses of any kind incurred by Licensee, its Customers, or any other third party, whether in tort (including negligence), contract or otherwise, for any claims for such damages, losses or other injuries asserted against such party, relating to, arising out of, or resulting from the exercise by or on behalf of Licensor or Licensee of the rights granted to each party under this Agreement. The foregoing is without regard to whether or not Licensor shall have been advised of or otherwise might have anticipated the possibility of such damages, losses or other injuries, including without limitation, for lost profits.

6.2. Data Liability . Licensor will not be liable for losses or damages Licensee may incur due to any errors in pricing, descriptions or any incorrect omissions in the Data, or due to Licensee's inability to use the Data, API or the System (collectively, the "**Data Network** ") or any malfunctions in the Data Network or any interruption of business therefrom, including the cost of procuring substitute services.

SECTION 7 – INTELLECTUAL PROPERTY RIGHTS

7.1. Ownership. Licensee and the Company acknowledge and agree that under the terms of this Agreement neither party obtains nor retains any ownership rights in, or title to, the Data or any portion thereof or any Intellectual Property Rights thereto. All rights in and materials relating to the Data and any Intellectual Property Rights thereto, including, but not limited to, any Confidential Information shall be, and will remain, the property of Licensor. No implied license or right of any kind is granted to Licensee or the Company hereunder. Neither Licensee nor the Company shall contest or challenge in any way Licensor's exclusive right in or to the Data or any Intellectual Property Rights relating thereto. Neither Licensee nor the Company shall register or apply for registration of any Intellectual Property Rights relating to the Data. If necessary, in order to ensure that the Intellectual Property Rights inure to the benefit of Licensor, at Licensor's request and expense, Licensee and/or the Company shall file any documents reasonably requested by Licensor with any state or federal regulatory agencies or other such entities.

SECTION 8 – CONFIDENTIALITY

8.1. Confidential Information. Except to the extent expressly authorized by this Agreement or otherwise agreed to in writing by both parties, the parties agree that the Receiving Party shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any Confidential Information in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the Disclosing Party or is otherwise received, accessed or developed by the Receiving Party in the course of performing its obligations under this Agreement.

8.2. Restrictions. The Receiving Party shall and shall cause its employees engaged in the performance of this Agreement to (i) maintain all Confidential Information in strict confidence; (ii) not use Confidential Information for any purpose inconsistent with the terms and intent of this Agreement; and (iii) not disclose Confidential Information to a third party, except that the Receiving Party may disclose or permit the disclosure of any Confidential Information to its directors, officers, and employees who are obligated to maintain the confidential nature of such Confidential Information and who need to know such Confidential Information to perform the Receiving Party's obligations under this Agreement.

8.3. Licensee Restrictions. Notwithstanding **Section 8.2**, Licensee agrees that only Licensee directors, officers, and employees directly engaged in operations related to the performance of Licensee's obligations under this Agreement shall have access to the Data and (i) such access must be in the capacity of Licensee personnel and (ii) be strictly in accordance with the terms and intent of this Agreement. For purposes of clarification, shareholders and/or any affiliates of Licensee or the Company may not access the Data, except for such shareholders and affiliates of the Licensee that satisfy the requirements contained in this **Section 8.3**.

8.4. Confidentiality Material Breach Penalty. Licensee acknowledges that any disclosure of Confidential Information in violation of **Section 8.3** constitutes a Material Breach of this Agreement. Licensee further acknowledges and agrees that any such Material Breach of **Section 8.3** would be egregiously insidious, and that in the event of such Material Breach, Licensor shall be entitled to punitive damages, in addition to any other remedies, in an amount to be determined by an arbitrator pursuant to **Section 10.2**.

8.5. Security Measures. Licensee shall take reasonable security measures to prevent the unauthorized copying, use or disclosure of Confidential Information, including the Data. Licensor reserves the right to use proprietary technologies to protect the Data from automated bots and or data collection technologies.

8.6. Unauthorized Disclosure. In the event the Receiving Party learns of any unauthorized disclosure or use of the other party's Confidential Information, the Receiving Party shall promptly notify the other party of such unauthorized disclosure or use and cooperate fully with the other party to protect its information.

8.7. Effect of Termination. Upon the termination of this Agreement, the Receiving Party shall return to the Disclosing Party all originals, copies, and summaries of documents, materials, and other tangible manifestations of Confidential Information in the possession or control of the Receiving Party.

SECTION 9 – TERMINATION

9.1. Termination. This Agreement may be terminated in the following circumstances:

9.2. Material Breach. Upon any Material Breach of this Agreement by either party (in such capacity, the “**Breaching Party**”), the other party may terminate this Agreement by providing written notice to the Breaching Party, specifying the Material Breach. If Licensor is the Breaching Party, Licensor shall be provided with thirty (30) days written notice. If Licensee is the Breaching Party, Licensee shall be provided with five (5) days written notice. The termination of the Agreement shall become effective at the end of the applicable notice period unless the Breaching Party cures such breach during the applicable notice period.

9.3. Termination for Insolvency. Except to the extent prohibited by law, either party may, at its option and without notice, terminate this Agreement, effective immediately, if the other party: (i) admits in writing its inability to pay its debts generally as they become due; (ii) files or has filed against it a petition under any bankruptcy or insolvency law, which petition is not dismissed within sixty (60) days after filing; (iii) has a receiver, liquidator, trustee, or assignee in insolvency covering all or substantially all of such party's property (which appointment is not vacated within sixty (60) days of the entry of the order of appointment); (iv) dissolves or liquidates; or (v) makes an assignment for creditors.

9.4. Consequences of Termination. In the event this Agreement is terminated for any reason, Licensee's rights under this Agreement will automatically cease and Licensee shall promptly return and certify as returned all Confidential Information, including all Data, belonging to Licensor that is within the possession or control of Licensee. In no case, shall Licensee use the Data or access or seek to access the API, following termination of this Agreement.

SECTION 10 – DISPUTE RESOLUTION

10.1. Peaceful Resolution. Notwithstanding anything herein to the contrary, in the event of any controversy or claim arising out of or relating to any provision of this Agreement or the breach thereof, the parties shall endeavor to settle those conflicts amicably between the parties. Should the parties fail to agree, the parties or their representatives with full settlement authority shall meet personally within twenty (20) days of a request by either party for such a meeting.

Such request shall identify the nature of the disagreement or dispute and shall state the position thereon of the requesting party. Such meeting shall be during normal business hours and at a location within fifty (50) miles of Phoenix, Arizona, or elsewhere by agreement of the parties. In the event the parties fail to agree on a time, it shall be held at 10 a.m. on the last Business Day that is within twenty (20) days of the aforementioned request. In the event that the parties fail to resolve the disagreement or dispute at such meeting, they shall conduct a second such meeting, at the same place and same starting time, not later than ten (10) days of the first meeting.

10.2. Arbitration. If the parties fail to resolve any controversy or claim arising out of or relating to this Agreement, or breach thereof, in accordance with the process set forth in **Section 10.1**, such dispute shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, except that the provisions in **Section 10.1** do not need to be satisfied before proceeding to arbitration pursuant to **Sections 2.3, 2.6 and 8.4**. Any judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The venue for arbitration shall be Phoenix, Arizona.

10.3. Injunctive Relief. Notwithstanding anything in this Agreement to the contrary, each party acknowledges and agrees that any breach of any provision of this Agreement may cause immediate and irreparable harm for which there is no adequate remedy at law, and that in the event of such breach the aggrieved party shall be entitled, as an alternative or supplement to arbitration and without waiving any other rights or remedies and without posting any bond or showing actual money damage, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

10.4. Attorneys' Fees and Costs. In the event of any dispute arising under this Agreement, the prevailing party shall recover its reasonable costs and expenses, including, without limitation, its attorney's fees and/or arbitration costs.

SECTION 11 – INDEMNITY

11.1. Indemnity by Licensee. Licensee shall indemnify, hold harmless and defend Licensor, its officers, employees, and agents, from and against all claims, suits, losses, damages, costs, fees, and expenses resulting from or arising out of (i) Licensee's breach of this Agreement or operation of the System; (ii) any modifications of the Data, other than modifications made by Licensor; (iii) use of the Data in combination with any products not provided by Licensor; or (iv) any use of the Data by Licensee, its Customers or any third party using Licensee's Developer Key. If Licensor intends to claim indemnification under this **Section 11.1**, it shall promptly notify Licensee and Licensee shall assume the defense and shall control the defense or disposition of the claim. Licensor shall have the right to retain its own counsel at its own cost and expense. Licensor shall cooperate fully with Licensee and its legal representatives in the investigation and defense of any matter giving rise to a claim for indemnification hereunder.

11.2. Indemnity by Licensor. Licensor shall indemnify, hold harmless and defend Licensee, its officers, employees, and agents, from and against all claims, suits, losses, damages, costs, fees, and expenses resulting from or arising out of the willful misconduct by Licensor in the performance of this Agreement. If Licensee intends to claim indemnification under this **Section 11.2**, it shall promptly notify Licensor and Licensor shall assume the defense and shall control the defense or disposition of the claim. Licensee shall have the right to retain its own counsel at its own cost and expense. Licensee shall cooperate fully with Licensor and its legal representatives in the investigation and defense of any matter giving rise to a claim for indemnification hereunder.

11.3. Limitation of Liability. Licensor's aggregate liability in connection with this Agreement, regardless of the form or action giving rise to such liability whether in contract, tort or otherwise, shall in no event exceed the License Fee paid by Licensee for the Term during which such liability accrued. Except as otherwise provided in **Sections 2.3**, **2.6** and **8.4**, and to the extent permitted by law, in no event will Licensee or Licensor be liable for any incidental, indirect, special, punitive, exemplary, or consequential damages of any kind, including without limitation economic damage or lost profits, even if the party has been advised or is aware of the possibility of such damages.

SECTION 12 – MISCELLANEOUS PROVISIONS

12.1. Express Covenant of Good Faith. The parties mutually agree to act with the utmost good faith towards each other and to act reasonably and prudently at all times in the execution of this Agreement. Failure of either party to act in accordance with this **Section 12.1**, constitutes a Material Breach of this Agreement.

12.2. No Competition. Licensee acknowledges the sensitive nature of Licensor's proprietary Data and agrees that restrictions regarding competition are reasonably necessary to protect Licensor's business. Licensee further acknowledges that the restrictions contained in this **Section 12.2** are reasonable and not in contravention of public policy.

- (a) During the Term of this Agreement, Licensee will not do anything directly or indirectly to compete with Licensor's business, nor will Licensee plan or organize any competitive business activity.
- (b) Following the termination of this Agreement, Licensee will not do anything directly or indirectly to compete with Licensor's business for a period of five (5) years or the maximum duration permitted by law.
- (c) For purposes of this **Section 12.2**, Licensor's business means the calculation and/or derivation of appraisal information, including any form of a used retail value, relating to any of the Blue Book Product Types.
- (d) For purposes of clarification, the use of depreciation trending reports showing Licensee's Values, but not the Used Retail Values, to any third party, is not a violation of this **Section 12.2**.

12.3. Assignment. This Agreement may be assigned in its entirety by either party upon thirty (30) days written notice to the other party. No partial assignments of this Agreement are permitted. Each party, upon notice to the other party, shall have the right to assign this Agreement to its surviving entity in connection with the sale of substantially all of its assets, or a merger, bankruptcy, consolidation or other corporate reorganization, provided that the receiving party will abide and agree to the terms of this Agreement and shall be liable for all obligations hereunder.

12.4. Audit Rights. Licensee shall maintain accurate written records of its activities under the terms of this Agreement, including, but not limited to, documentation sufficient to verify the numbers of Customers and Sales Transactions and any reporting errors. Licensor may audit such records, during normal business hours, to verify Licensee's compliance with the terms of this Agreement.

12.5. Independent Contractors. Notwithstanding the Stock Compensation, each of the parties shall be independent contractors and the relationship between the parties shall not constitute a partnership, joint venture or agency. No party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior consent of the other party.

12.6. Non-Exclusivity. This is a non-exclusive agreement and no party, by entering into this Agreement, is bound or obligated to acquire similar services solely from, or to provide similar services solely to, the other party.

12.7. Publicity. The parties shall consult with each other before issuing any press release or making any public statement with respect to the relationship of the parties or the terms of this Agreement, and shall not issue any press release or make any public statement regarding the same prior to obtaining the written approval of the other party.

12.15. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous discussions related thereto, whether written or oral. This Agreement may be amended, or any term herein modified, only by a written instrument duly executed by all parties.

12.16. Severability. If any provision of this Agreement is determined to be illegal or unenforceable, such provision shall be severed and shall be inoperative. The remainder of this Agreement shall remain operative and binding on the parties. The parties hereto shall substitute, by mutual consent, valid provisions for any such severed provisions.

12.17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.18. Nature of Agreement. All parties have participated in the review and negotiation of this Agreement and they direct that no party shall be subject to any rule of law that construes or tends to construe an agreement or the provisions therein against its drafter. Each party has reviewed the terms and conditions hereof and has determined that such provisions are suitable for its business, and each has had an ample opportunity to consider whether to accept this Agreement. Each party has relied on its business judgment in entering into this Agreement and it is the intent of the parties that the contractual allocations of risk and reward as set forth herein shall not be disturbed or overturned by any tribunal based on any extra-contractual considerations. No party shall assert any argument contrary to these provisions in any forum.

**Remainder of this page has been intentionally left blank.
Signature page follows.**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date

USEDPRICE.COM, L.L.C.

By: _____
(Authorized Signature)

Name: _____
(Print or Type Name)

Title: _____

YOUCHANGE, INC.

By: _____
(Authorized Signature)

Name: _____
(Print or Type Name)

Title: _____

YOUCHANGE HOLDINGS CORP

By: _____
(Authorized Signature)

Name: _____
(Print or Type Name)

Title: _____

EXHIBIT A

INVESTOR REPRESENTATION LETTER

This Investor Representation Letter is dated effective this ___ day of July 2010. YouChange Holdings Corp, formerly known as BlueStar Financial Group, Inc., a Nevada corporation (the “**Company**”), and its wholly-owned subsidiary YouChange, Inc., an Arizona corporation, have entered into a Data and Proprietary License Agreement with UsedPrice.com, L.L.C., Inc., an Arizona limited liability company (“**Licensor**”), dated July __, 2010 (the “**Agreement**”) with regard to the licensing of certain proprietary information as set forth in the Agreement. Pursuant to the Agreement, the Company agrees to compensate Licensor for the License, in part, by issuing restricted shares of the Company’s Common Stock, par value \$.001 per share (the “**Shares**”) on the terms and conditions set forth in the Agreement.

As a condition to the Company issuing the Shares to Licensor, Licensor represents and warrants as follows:

(a) Respecting the Company, its business, plans and financial condition, and any other matters relating to issuance of the Shares, Licensor has received all materials that have been requested by Licensor including copies of the most recent report filed by the Company with the Securities and Exchange Commission on Form 10-K for the year ending June 30, 2009 and on Form 10-Q for the interim period ending March 31, 2010; has had a reasonable opportunity to ask questions of the Company and its representatives; and the Company has answered all such questions of Licensor or Licensor’s representatives. The Company undertakes no obligation to update, review or revise any forward-looking statements to reflect any change in the Company’s expectations or any change in events, conditions, circumstances or assumptions on which any such statements are based. Licensor has had access to all additional information necessary to verify the accuracy of the information set forth in the Agreement and any other materials furnished therewith, and has taken all the steps necessary to evaluate the merits and risks of an investment as proposed hereunder.

(b) Licensor is an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the “**Act**”), and Licensor is experienced in evaluating and investing in newly organized technology companies, such as the Company. Licensor has such knowledge and experience in financial and business matters to enable Licensor to evaluate the merits and risks of an investment in the Shares, to make an informed investment decision with respect thereto, and can afford to bear such risks, including, without limitation, the risks of losing its entire investment in the Shares.

(c) Licensor acknowledges, agrees and recognizes that neither the Company nor any of its affiliates or agents or consultants have made any representation or warranty concerning the Company’s financial results, upon which Licensor is relying in accepting the issuance of the Shares. Licensor is subscribing for the Shares based solely upon Licensor’s own independent analysis of the Company’s business and the historical financial information provided.

(d) Licensors are aware that the Shares have not been registered under the Act, that the Shares will be issued on the basis of the statutory exemption provided by Section 4(2) of the Act or Regulation D promulgated thereunder, or both, relating to transactions by an issuer not involving any public offering and under similar exemptions under certain state securities laws, that this transaction has not been reviewed by, passed on or submitted to any federal or state agency or self-regulatory organization where an exemption is being relied upon, and that the Company's reliance thereon is based in part upon the representations made by Licensors in this Investor Representation Letter. Licensors acknowledge that Licensors have been informed by the Company, or is otherwise familiar with, the nature of the limitations imposed by the Act (and applicable state securities laws) and the rules and regulations thereunder on the transfer of securities. In particular, Licensors agree that no sale, assignment or transfer of any of the Shares shall be valid or effective, and the Company shall not be required to give any effect to such sale, assignment or transfer, unless (i) such sale, assignment or transfer is registered under the Act (and applicable state securities laws), it being understood that the Shares are not currently registered for sale and that the Company has no obligation or intention to so register the Shares, except as contemplated hereunder; or (ii) the Shares are sold, assigned or transferred in accordance with all the requirements and limitations of Rule 144 of the Act (" **Rule 144** "), it being understood that Rule 144 is not available at the present time for the sale of the Shares; or (iii) such sale, assignment or transfer is otherwise exempt from the registration under the Act (and applicable state securities laws). Licensors further understand that an opinion of counsel and other documents may be required to transfer the Shares. Licensors acknowledge that the certificates evidencing the Shares shall bear the following, or a substantially similar legend, and such other legends as may be required by state blue-sky laws:

The securities represented by this certificate have not been registered under the Securities Act of 1933, or any state securities laws and neither such securities nor any interest therein may be offered, sold, pledged, assigned or otherwise transferred unless (1) a registration statement with respect thereto is effective under the Act and any applicable state securities laws, or (2) the Company receives an opinion of counsel to the holder of such securities, which counsel and opinion are reasonably satisfactory to the Company, that such securities may be offered, sold, pledged, assigned or transferred in the manner contemplated without an effective registration statement under the Act or applicable state securities laws.

(e) Licensors are acquiring the Shares for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof or the granting of any participation therein, and has no present intention of distributing or selling to others any of such interest or granting participations therein.

(f) Licensors acknowledge that a limited trading market for the Shares presently exists; it is uncertain that a more active market for the Shares will develop in the future; and that Licensors may find it impossible to liquidate the investment at a time when it may be desirable to do so, or at any other time.

(g) Licensors are not subscribing for the Shares because of or following any advertisement, article, notice or other communication published in any newspaper, magazine or internet site or similar media or broadcast over television or radio, or presented at any seminar or meeting, or any solicitation or a subscription by a person other than a representative of the Company.

(h) Licensors are not relying on the Company with respect to the tax and other economic considerations of an investment in the Shares.

(i) Licensors acknowledge that the representations, warranties and agreements made by Licensors herein shall survive the execution and delivery of this Investor Representation Letter.

(j) All actions (if any) on the part of Licensors necessary for the authorization, execution, delivery and performance by Licensors of this Investor Representation Letter have been taken, and this Agreement constitutes a valid and binding obligation of Licensors, enforceable in accordance with its terms.

(k) There are no registration rights for the Shares.

USEDPRICE.COM, L.L.C.

By:

(Authorized Signature)

Name:

(Print or Type Name)

Title:

**CERTIFICATION OF
JEFFREY I. RASSÁS, CHIEF EXECUTIVE OFFICER**

I, Jeffrey I. Rassás, certify that:

1. I have reviewed this quarterly report on Form 10-Q of YouChange Holdings Corp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jeffrey I. Rassás _____
Jeffrey I. Rassás
Chief Executive Officer

Date: May 5, 2011

**CERTIFICATION OF
RICHARD A. PAPWORTH, EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER
AND PRINCIPAL ACCOUNTING OFFICER**

I, Richard A. Papworth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of YouChange Holdings Corp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard A. Papworth _____
Richard A. Papworth
Chief Financial Officer and
Principal Accounting Officer

Date: May 5, 2011

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of YouChange Holdings Corp (the “Company”) on Form 10-Q for the quarter ended March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Jeffrey I. Rassás, Chief Executive Officer, and Richard A. Papworth, Chief Financial Officer and Principal Accounting Officer certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey I. Rassás
Jeffrey I. Rassás
Chief Executive Officer

/s/ Richard A. Papworth
Richard A. Papworth
Chief Financial Officer and
Principal Accounting Officer

May 5, 2011

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as a part of this report or on a separate disclosure document.
