

China Youth Media, Inc.  
Form 10-Q  
November 19, 2008

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

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED: **September 30, 2008**

COMMISSION FILE NUMBER **000-33067**

**CHINA YOUTH MEDIA, INC.**

(Exact name of registrant as specified in its charter)

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

**87-0398271**  
(I.R.S. Employer Identification No.)

**4143 Glencoe Avenue, Unit B, Marina Del Rey, CA 90292**  
(Address of principal executive offices)

Registrant's telephone number, including area code: **(310) 728-1450**

**Digicorp, Inc.**

(Former name, former address and former fiscal year, if changed since last report)

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

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

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

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of October 23, 2008, the issuer had 52,628,439 outstanding shares of Common Stock, \$.001 par value.

**TABLE OF CONTENTS**

**PART I - FINANCIAL INFORMATION**

	<b>Page</b>
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3. Quantitative and Qualitative Disclosures About Market Risk	18
Item 4T. Controls and Procedures	18

**PART II - OTHER INFORMATION**

Item 1. Legal Proceedings	19
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	19
Item 3. Defaults Upon Senior Securities	19
Item 4. Submission of Matters to a Vote of Security Holders	19
Item 5. Other Information	19
Item 6. Exhibits	19

<b>SIGNATURES</b>	<b>20</b>
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**CHINA YOUTH MEDIA, INC.**

**Consolidated Balance Sheet**

	<b>September 30, 2008 (Unaudited)</b>	<b>December 31, 2007 (Audited)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 180,561	\$ 5,600
Accounts receivable, net	281,435	304,841
Inventories		15,436
Other current assets	112,500	19,865
<b>TOTAL CURRENT ASSETS</b>	<b>574,496</b>	<b>345,742</b>
Property and equipment, net	15,069	170,767
Intangible assets, net	8,961,238	394,935
Other Assets	125,731	
<b>TOTAL ASSETS</b>	<b>\$ 9,676,534</b>	<b>\$ 911,444</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 324,981	\$ 342,842
Accrued liabilities	651,895	575,601
Note payable - related party	5,000	1,068,000

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Deferred revenue	69,672	69,672
<b>TOTAL CURRENT LIABILITIES</b>	1,051,548	2,056,115
<b>LONG TERM LIABILITIES</b>		
Convertible notes payable - related party	2,148,543	556,307
Convertible note payable	250,000	
Debt discount - beneficial conversion feature		(116,216)
<b>TOTAL LONG TERM LIABILITIES</b>	2,398,543	440,091
<b>TOTAL LIABILITIES</b>	3,450,091	2,496,206
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock, \$0.001 par value: 1,000,000 shares authorized; Series A Preferred Stock, \$0.001 par value; 500,000 shares authorized; 102,220 shares issued and outstanding at September 30, 2008; Zero shares issued and outstanding at December 31, 2007;	102	
Common stock, \$0.001 par value: 60,000,000 shares authorized; 53,063,228 shares issued and outstanding at September 30, 2008; 39,545,104 shares issued and outstanding at December 31, 2007;	52,628	39,545
Paid-in capital	16,196,423	6,243,079
Accumulated deficit	(10,022,710)	(7,867,386)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	6,226,443	(1,584,762)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	\$ 9,676,534	\$ 911,444

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

Page 1

**CHINA YOUTH MEDIA, INC.**

**Consolidated Statements of Operations (Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
<b>REVENUE</b>				
Sales	\$ 28,144	\$ 143,919	\$ 106,753	\$ 346,534
<b>Total revenue</b>	28,144	143,919	106,753	346,534
<b>OPERATING EXPENSES</b>				
Cost of sales	260	32,298	17,106	105,479
Selling, general and administrative expenses	1,024,632	494,647	1,881,514	2,073,223