

Upstream Worldwide, Inc.
Form S-1/A
June 24, 2010

As filed with the Securities and Exchange Commission on June 24, 2010

Registration No. 333-166896

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

Amendment No. 1
To
FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

UPSTREAM WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7200
(Primary Standard Industrial
Classification Code Number)

98-0412432
(I.R.S. Employer
Identification No.)

200 E. Broward Boulevard, Suite 1200
Fort Lauderdale, Florida 33301
(954) 915-1550

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Daniel Brauser
200 E. Broward Boulevard, Suite 1200
Fort Lauderdale, Florida 33301
(954) 915-1550

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Michael D. Harris, Esq.
Brian S. Bernstein, Esq.
Harris Cramer LLP
1555 Palm Beach Lakes Boulevard, Suite 310
West Palm Beach, Florida 33401
(561) 478-7077

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective

Edgar Filing: Upstream Worldwide, Inc. - Form S-1/A

registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. ..

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 definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer "
Non-accelerated filer "

Accelerated filer "
Smaller reporting company x

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee(3)
Common stock, \$0.0001 par value per share	14,241,995	\$ 0.11	\$ 1,584,422	\$ 113.00

(1) Under Rule 416 of the Securities Act of 1933, the shares being registered include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered in this registration statement as a result of any stock splits, stock dividends.

(2) The proposed maximum offering price per share and the proposed maximum aggregate offering price have been estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rules 457(c) under the Securities Act of 1933 on the basis of the average of the bid and asked price of our common stock on the OTC Bulletin Board on June 21, 2010, a date within five trading days prior to the date of the filing of this registration statement.

(3) A fee of \$90.33 was paid on the date of filing the Form S-1.

The registrant hereby amends this registration statement on such date or date(s) as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission of which this prospectus is a part becomes effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated June 24, 2010

UPSTREAM WORLDWIDE, INC.

PROSPECTUS

14,241,995 Shares of Common Stock

This prospectus relates to the sale of up to 14,241,995 shares of our common stock which may be offered by the selling shareholders identified in this prospectus.

We will not receive any proceeds from the sales of shares of our common stock by the selling shareholders named on page ____.

Our common stock trades on the Over-the-Counter Bulletin Board under the symbol "MFGD". As of the last trading day before the date of this prospectus, the closing price of our common stock was \$____ per share.

The common stock offered in this prospectus involves a high degree of risk. See "Risk Factors" beginning on page ____ of this prospectus to read about factors you should consider before buying shares of our common stock.

The selling shareholders are offering these shares of common stock. The selling shareholders may sell all or a portion of these shares from time to time in market transactions through any market on which our common stock is then traded, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the then prevailing market price or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The selling shareholders will receive all proceeds from the sale of the common stock. For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2010

TABLE OF CONTENTS

	Page
PROSPECTUS SUMMARY	1
THE OFFERING	2
SUMMARY FINANCIAL DATA	3
RISK FACTORS	5
FORWARD-LOOKING STATEMENTS	13
DILUTION	14
PRIVATE PLACEMENT	14
USE OF PROCEEDS	14
CAPITALIZATION	15
MARKET FOR COMMON STOCK	15
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	17
BUSINESS	35
MANAGEMENT	39
PRINCIPAL SHAREHOLDERS	52
RELATED PERSON TRANSACTIONS	56
SELLING SHAREHOLDERS	56
DESCRIPTION OF SECURITIES	58
PLAN OF DISTRIBUTION	59
LEGAL MATTERS	61
EXPERTS	62
ADDITIONAL INFORMATION	62

You should rely only on information contained in this prospectus. We have not authorized anyone to provide you with information that is different from that contained in this prospectus. The selling shareholders are not offering to sell or seeking offers to buy shares of common stock in jurisdictions where offers and sales are not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully including the section entitled “Risk Factors” before making an investment decision. On June 11, 2010, a Certificate of Amendment was filed with the Secretary of State of Delaware changing our name from Money4Gold Holdings, Inc. to Upstream Worldwide, Inc. Upstream Worldwide, Inc. is referred to throughout this prospectus as “Upstream,” “we,” “our” or “us.” In reviewing this prospectus and the financial statements found elsewhere herein, investors should note that any reference to Money4Gold Holdings, Inc. is referring to Upstream Worldwide, Inc.

Our Company

Upstream Worldwide, Inc. (formerly, Money4Gold Holdings, Inc.) is an emerging global leader in direct-from-consumer, reverse logistics, currently specializing in the procurement and aggregation of precious metals to be recycled. We utilize consumer oriented advertising efforts to solicit individuals interested in liquidating unwanted items. Through our global platform, we facilitate an end-to-end consumer solution, from acquisition through liquidation. We have a low cost, highly scalable and flexible business model that allows us to quickly and efficiently adapt to entry into new markets, changes in economic conditions, supply and demand levels and other similar factors.

Our focus has been on providing a fast, secure and convenient service that enables the public to discretely sell their precious metals from the comfort and security of their home or office. Our relationship with Republic Metals Corporation, or the Refinery, allows us to secure current market prices for all of the precious metals we purchase on a daily basis. We are exploring several alternatives to diversify our business beyond precious metals by evaluating reverse logistics services for small consumer electronics and similar related components. In connection with these plans, on May 7, 2010, we entered into a letter of intent to acquire all of the stock of Office Products Recycling Associates, Inc., or OPRA, a recycler of cell phones, smart phones, inkjet printer cartridges and toners within the business-to-business and direct-from-consumer markets.

Corporate Information

We are based in Florida and operate in the United States, Canada, the United Kingdom and Germany, through our wholly owned subsidiaries. Our corporate headquarters is located at 200 E. Broward Boulevard, Suite 1200, Fort Lauderdale, Florida 33301. Our phone number is (954) 915-1550 and our website can be found at www.money4gold.com. The information on our website is not incorporated into this prospectus.

THE OFFERING

Common stock outstanding prior to the offering:	196,345,002 shares
Common stock offered by the selling shareholders:	14,241,995 shares, which were outstanding prior to the offering. This does not include any shares owned by our Chief Executive Officer, Mr. Douglas Feirstein. Mr. Feirstein invested in our private placement, which is described elsewhere in this prospectus, and received registration rights with respect to the 333,334 shares of common stock purchased. Mr. Feirstein has no intention of selling these shares and is not a selling shareholder.
Common stock outstanding immediately following the offering:	196,345,002 shares
Use of proceeds:	We will not receive any proceeds from the sale of the shares of common stock.
Risk Factors:	See “Risk Factors” beginning on page __ of this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock to be outstanding prior to and after this offering excludes:

- a total of 17,575,597 shares of common stock issuable upon the exercise of outstanding stock options;
- a total of 20,402,394 shares of common stock reserved for future issuance under our 2008 Equity Incentive Plan;
 - a total of 17,633,336 shares of common stock issuable upon the exercise of warrants; and
 - a total of 400,000 shares of common stock issuable upon the conversion of Series A Preferred Stock.

SUMMARY FINANCIAL DATA

The following summary of our financial data should be read in conjunction with, and is qualified in its entirety by reference to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements, appearing elsewhere in this prospectus. The data for the year ended December 31, 2009 and the period ended December 31, 2008 has been taken from our audited financial statements.

Statements of Operations Data

	Year Ended December 31, 2009	For the Period From February 14, 2008 (Inception) to December 31, 2008	Quarter Ended March 31 2010 (Unaudited)	Quarter Ended March 31 2009
Revenue	\$ 28,998,982	\$ 1,561,444	\$ 17,272,133	\$ 1,195,638
Gross profit	\$ 18,440,784	\$ 698,862	\$ 10,936,473	\$ 645,748
Net loss	\$ (4,055,129)	\$ (3,209,608)	\$ (2,479,923)	\$ (1,355,692)
Net loss per share – basic and diluted	\$ (0.03)	\$ (0.06)	\$ (0.01)	\$ (0.02)
Weighted average common shares (basic and diluted)	136,640,303	50,978,524	185,502,671	79,116,959

Balance Sheet Data

	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Cash	\$ 204,820	\$ 297,426
Working capital (deficit)	\$ (2,118,724)	\$ (204,004)
Total assets	\$ 14,055,470	\$ 15,087,437
Total current liabilities	\$ 4,080,161	\$ 3,295,912
Accumulated deficit	\$ (9,751,996)	\$ (7,272,073)
Total shareholders' equity	\$ 9,975,309	\$ 11,791,525

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors before deciding whether to invest in Upstream. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations or our financial condition. If any of the events discussed in the risk factors below occur, our business, consolidated financial condition, results of operations or prospects could be materially and adversely affected. In such case, the value and marketability of the common stock could decline.

Risks Relating to Our Business

Because we have a limited operating history to evaluate our company, the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delay frequently encountered by a new company.

We commenced our current operations in July 2008. Since we have a limited operating history and completed a significant acquisition in May 2009, we cannot assure you that our business will be profitable. Early stage companies often are unsuccessful and encounter unanticipated expenses and difficulties, investors should consider this risk in determining whether to purchase or sell our common stock.

Because we had a working capital deficit and are growing rapidly, we may encounter significant problems if we do not have sufficient working capital.

We are growing rapidly and our revenue for the quarter ending December 31, 2009 exceeded our revenue for the first nine months of 2009. This growth has been fueled in part by our marketing costs which have increased significantly. If we do not generate more revenue than we spend, we will face working capital limitations. At March 31, 2010, we had a working capital deficit of over \$2.1 million. Our first quarter 2010 revenue was lower than the fourth quarter 2009, as a result of the holiday season in December 2009, during which time our advertising and marketing campaigns are less effective, and ineffective new media, which we stopped using. We incurred a net loss of almost \$2.5 million during the first quarter of 2010 as a result of the lower revenues combined with higher advertising investments and infrastructure costs. Maintaining our level of advertising at a time when revenue does not grow results in pressure on working capital. This working capital pressure may force us to reduce our advertising investments, which, in turn, could result in lower revenue and lower profitability, or even losses from operations, in the future.

If we need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.

We just completed a private placement in which we raised \$1,151,667 of the \$2,907,407 we offered. In connection with the offering, investors purchased an equal number of our shares of common stock at \$0.20 per share and shares from our former Chief Operating Officer at \$0.10 per share.

In order to complete our proposed acquisition and to meet our working capital needs, we need to complete another financing. The severe recession, freezing of the global credit markets and the decline in the stock market may adversely affect our ability to raise capital. If adequate additional financing is not available on reasonable terms or at all, we may not be able to undertake expansion, we may have to reduce our marketing efforts and we will have to modify our business plans accordingly.

Even if we do find a source of additional capital, we may not be able to negotiate terms and conditions for receiving the additional capital that are acceptable to us. Any future capital investments will dilute or otherwise materially and adversely affect the holdings or rights of our existing shareholders. In addition, new equity or debt securities issued by us to obtain financing could have rights, preferences and privileges senior to our common stock. We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us.

If we cannot manage our growth effectively, we may not become profitable.

Businesses which grow rapidly often have difficulty managing their growth. If we continue to grow as rapidly as we anticipate, we will need to expand our management by recruiting and employing experienced executives and key employees capable of providing the necessary support. Moreover, our international expansions with differing laws and cultures present additional management challenges. We cannot assure you that our management will be able to manage our growth effectively or successfully. Our failure to meet these challenges could cause us to lose money, and your investment could be lost.

If we fail to retain our key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future depends, in part, on our ability to attract and retain key personnel and the continued contributions of our executive officers, each of whom may be difficult to replace. In particular, Doug Feirstein, our Chief Executive Officer, Hakan Koyuncu, our President, Daniel Brauser, our Chief Financial Officer, and Michael Brachfeld, our Chief Accounting Officer are important to the management of our business and operations and the development of our strategic direction. The loss of the services of any of these officers and the process to replace any key personnel would involve significant time and expense and may significantly delay or prevent the achievement of our business objectives.

Because the future direction of our business is uncertain, any diversification may not be successful.

Our management is considering a number of changes to our business to reduce our reliance on the price of gold and other precious metals. As we implement this diversification policy, we may not be successful. We may enter into a new business opportunity where we face heavy competition from larger and better capitalized companies. Additionally, we may not have a key advantage in implementing a new business opportunity like the advantage the relationship with Republic Metals Corporation, or the Refinery, has provided us with our current business. Any failure will result in losses, reduction of our working capital and a diversion of our managements' time and attention. If these future diversification efforts are not successful, our future stock price is likely to fall.

If the future price gold is substantially lower than current levels, customers would be less likely to recycle their jewelry which could adversely affect our business.

Our ability to obtain additional and continuing funding and our profitability will be significantly affected by changes in the market price of gold. Gold prices are at or near record highs but historically fluctuate widely and are affected by numerous factors, all of which are beyond our control. Some of these factors include:

- economic conditions including employment and unemployment rates;
- the sale or purchase of gold by central banks and financial institutions;
 - interest rates;
 - currency exchange rates;
 - inflation or deflation;
- fluctuation in the value of the United States dollar and other currencies;
 - speculation;
- global and regional supply and demand, including investment, industrial and jewelry demand; and
- the political and economic conditions of major gold or other mineral-producing countries throughout the world, such as Russia and South Africa.

The price of gold or other minerals have fluctuated widely in recent years, and a decline in the price of gold could cause a significant decrease in the value of our properties, limit our ability to raise money, and limit our profitability. If the future price for gold is substantially lower than today's market price, our business may suffer. Additionally, like any market, there may be a point where consumers have recycled much or most or all of their gold and precious metals. This will result in a reduction of the demand for our services.

If the U.S. and global economies improve, we may experience reduced revenue and our results of operations may be adversely affected.

The price of gold and other precious metals historically rises as economic conditions worsen or if investors fear conditions will deteriorate. Gold and other prices are at or near their historical high prices. We expect that if the current economic recession continues, consumers will seek to recycle their gold, silver and other precious metals in order to raise cash. Once the recession ends, our business may be adversely affected. Additionally, as we diversify our business, other products may be less affected by business cycles. At the same time, as the economy improves consumers may be less likely to recycle used items.

Because our executive offices and our Refinery are located in the South Florida area, in the event of a hurricane our operations could be adversely affected.

Because South Florida is in a hurricane sensitive area, we are susceptible to the risk of damage to the Refinery, which we believe provides us with a competitive advantage over our competitors. If damage caused to the Refinery were to cause it to be inoperable for any amount of time, we may need to enter into an agreement with another refiner. Presumably, any agreement would not contain the favorable terms that we presently have with the Refinery. We are not insured against any losses or expenses that may arise from a disruption to our business or to the business of the Refinery due to hurricanes.

If our customers choose to transact business directly with store-based competitors rather than with us, our profitability will be limited.

Sellers of precious metals may prefer to do business with local store-based competitors where there is a feeling of security and immediacy. This will result in us generating lower revenues. Specific factors that could prevent consumers from transacting business in response to our television or online advertisements include:

- recent adverse publicity concerning our industry;
- concerns about transacting in precious metals items or jewelry without a physical storefront or face-to-face interaction with personnel;
 - the extra shipping time associated with Internet or mail orders;
 - pricing that does not meet consumer expectations

- concerns about loss due to theft and mail, delayed or damaged shipments;
- concerns about the security of online transactions and the privacy of personal information; or
- the inconvenience associated with dealing with a remote purchaser.

Our future growth and profitability will depend in large part upon the effectiveness of our marketing and advertising expenditures.

Our future growth and profitability will depend in large part upon our media performance, including our ability to:

- create greater awareness of our brand and our program;
- identify the most effective and efficient level of spending in each market and specific media vehicle;
- determine the appropriate creative message and media mix for advertising, marketing and promotional expenditures; and
- effectively manage marketing costs (including creative and media).

Our planned marketing expenditures may not result in increased revenue or generate sufficient levels of brand name and program awareness. If our media performance is not effective, our future results of operations and financial condition will be adversely affected.

Because we face intense competition for business, our future results of operations and our future financial condition may be adversely affected.

We operate in an extremely competitive business. The procurement and aggregation of gold and other precious metals is dominated by Cash4Gold in the United States. In addition, we face competition in foreign markets from Cash4Gold, who has recently begun to expand internationally, and multiple local market competitors. Our smaller size, shorter operating history and limited working capital may limit our advertising investment levels, our ability to expand successfully into new markets or effectively compete against these other companies. If we are not able to compete effectively, our future business will be adversely affected and our future results of operations and financial condition will be adversely affected.

If there is any disturbance in our relationship with the Refinery, it could affect our future operating results.

We rely heavily on our relationship with the Refinery. We believe that our relationship with the Refinery accelerates our cash collections timeframe and permits us to offer competitive pricing. If our relationship with the Refinery is harmed, diminished or interrupted in any way for any significant period of time, our business and results of operations would be substantially harmed. In particular, we may face longer cash collection times, higher expenses and/or a lower level of service. This could lead to us being unable to pay top market rates to consumers, requiring longer leads times to process and value gold and other precious metals, which could have an adverse impact on our business and results of operations.

Since our business is subject to the risk of theft or loss in transit, material theft or loss could hurt our reputation and affect our revenue.

We face the risk of theft from inventory or during shipment to the Refinery. We have taken steps to prevent such theft by implementing comprehensive surveillance and security measures and we maintain insurance to cover losses resulting from theft or loss. However, if security measures fail, losses exceed our insurance coverage or we are not able to maintain insurance at a reasonable cost, we could incur significant losses from theft, which would substantially harm our business and results of operations.

Our business is subject to a variety of U.S. and foreign laws, rules and regulations that could subject us to claims or otherwise harm our business.

Government regulation of the Internet and e-commerce is evolving and unfavorable changes could substantially harm our business and results of operations. We are subject to a variety of laws in the U.S. and abroad that affect advertising, that are costly with which to comply, can result in negative publicity and diversion of management time and effort, and can subject us to claims or other remedies. In some countries like the United Kingdom, regulatory bodies are required to pre-approve advertising spots and to investigate complaints from the public. The failure to obtain approval and/or required revisions as a result of complaints has resulted, and can in the future result, in delays which may reduce our revenue, increase our expenses and adversely affect our profitability. In addition, the laws relating to the liability of providers of online services are currently unsettled both within the U.S. and abroad. Claims can be brought under both U.S. and foreign law for defamation and other tort claims, unlawful activity, copyright and trademark infringement.

The Digital Millennium Copyright Act has provisions that limit, but do not necessarily eliminate, our liability for listing or linking to third-party websites that include materials that infringe copyrights or other rights, so long as we comply with the statutory requirements of this act. The Child Online Protection Act and the Children's Online Privacy Protection Act restrict the distribution of materials considered harmful to children and impose additional restrictions on the ability of online services to collect information from minors. In the area of data protection, the European Union and many states have passed laws requiring notification to users when there is a security breach for personal data, such as California's Information Practices Act. We must comply with the Federal Trade Commission's unfair trade practices rules and state consumer protection laws including "little" unfair trade practice rules. Additionally, Florida regulates secondhand dealers. We have received a certificate of registration authorizing us to conduct business as a secondhand dealer in Florida. Any failure on our part to comply with these laws, rules and regulations may subject us to additional liabilities.

Because we provide our services internationally and are subject to risks frequently associated with international operations, we may sustain large losses if we cannot deal with these risks.

Outside of the United States, we currently operate in Canada and several countries in Europe including but not limited to, the United Kingdom and Germany, and expect further expansion in 2010. If we are able to successfully develop international markets, we would be subject to a number of risks, including:

- Changes in laws, rules or regulations resulting in more burdensome governmental controls, tariffs, restrictions, embargoes or export license requirements;
 - Review of our advertising by regulators;
 - Laws which require that local citizens or residents own a majority of a business;
 - Difficulties in obtaining required export licenses;
 - Volatility in currency exchange rates;
 - Political and economic instability;
 - Payment terms different than those customarily offered in the U.S.;
 - Difficulties in managing representatives outside the U.S.;
 - Compensation limits on our senior executives; and
 - Potentially adverse tax consequences.

If we cannot manage these risks, we may sustain large losses.

Risks Related to Our Common Stock

Because the market for our common stock is limited, persons who purchase our common stock may not be able to resell their shares at or above the purchase price paid for them.

Our common stock trades on the Over-the-Counter Bulletin Board, or the Bulletin Board, which is not a liquid market. There is currently only a limited public market for our common stock. We cannot assure you that an active public market for our common stock will develop or be sustained in the future. If an active market for our common stock does not develop or is not sustained, the price may continue to decline.

Because we are subject to the “penny stock” rules, brokers cannot generally solicit the purchase of our common stock which adversely affects its liquidity and market price.

The Securities and Exchange Commission, or the SEC, has adopted regulations which generally define “penny stock” to be an equity security that has a market price of less than \$5.00 per share, subject to specific exemptions. The market price of our common stock on the Bulletin Board has been substantially less than \$5.00 per share and therefore we are currently considered a “penny stock” according to SEC rules. This designation requires any broker-dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities.

Due to factors beyond our control, our stock price may be volatile.

Any of the following factors could affect the market price of our common stock:

- Our failure to increase revenue in each succeeding quarter;
- Our failure to achieve and maintain profitability;
- Our failure to meet our revenue and earnings guidance;
- The loss of Republic as a refiner;
- Announcements of our results as we diversify our reverse logistics business;
- The sale of a large amount of common stock by our shareholders;
- Our announcement of a pending or completed acquisition or our failure to complete a proposed acquisition;
- Adverse court ruling or regulatory action;
- Our failure to meet financial analysts’ performance expectations;
- Changes in earnings estimates and recommendations by financial analysts;
- Changes in market valuations of similar companies;
- Short selling activities;

- Our announcement of a change in the direction of our business;
- Our inability to manage our international operations; or
- Announcements by us, or our competitors, of significant contracts, acquisitions, commercial relationships, joint ventures or capital commitments.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert our management's time and attention, which would otherwise be used to benefit our business.

Because we may not be able to attract the attention of major brokerage firms, it could have a material impact upon the price of our common stock.

It is not likely that securities analysts of major brokerage firms will provide research coverage for our common stock since the firm itself cannot recommend the purchase of our common stock under the penny stock rules referenced in an earlier risk factor. The absence of such coverage limits the likelihood that an active market will develop for our common stock. It may also make it more difficult for us to attract new investors at times when we acquire additional capital.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future financial position, liquidity, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions described in "Risk Factors" elsewhere in this prospectus.

Other sections of this prospectus may include additional factors which could adversely affect our business and financial performance. Moreover, our business is competitive and our business model is expected to change. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any risk factor, or combination of risk factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Except as otherwise required by applicable laws, we undertake no obligation to publicly update or revise any forward-looking statements or the risk factors described in this prospectus, whether as a result of new information, future events, changed circumstances or any other reason after the date of this prospectus.

DILUTION

The common stock to be sold by the selling shareholders is issued and outstanding. Accordingly, there will be no dilution to our existing shareholders.

PRIVATE PLACEMENT

From March 31, 2010 until April 14, 2010, we sold 5,758,337 shares of common stock to the selling shareholders for \$1,151,667 in a private placement. Two of the investors are members of our management. Todd Oretsky, our former Chief Operating Officer, sold an equal amount of shares under this offering to the selling shareholders for \$575,833. We are registering all of the shares, including the shares sold by Mr. Oretsky, except for 333,334 shares purchased by our Chief Executive Officer, Mr. Douglas Feirstein. See the section of this prospectus entitled "Selling Shareholders" beginning at page _____. We agreed to file a registration statement registering the shares sold in the private placement within 45 days of closing each sale.

We are using the proceeds from the private placement to support our growth and for general corporate purposes, including working capital.

USE OF PROCEEDS

We will not receive any proceeds upon the sale of shares by the selling shareholders.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2010. The table should be read in conjunction with the financial statements and related notes included elsewhere in this prospectus:

As of
March 31, 2010

Shareholders' equity:	
Convertible Series A preferred stock, \$0.0001 par value; 25,000,000 shares authorized, 400,000 issued and outstanding	\$ 40
Common stock, \$0.0001 par value; 300,000,000 shares authorized, 191,536,339 shares issued and outstanding	\$ 19,154
Subscriptions receivable	(1,001,667)
Additional paid-in capital	20,889,328
Accumulated deficit	