

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D/A
(Amendment No. 2)**

UNDER THE SECURITIES EXCHANGE ACT OF 1934

China Youth Media, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value per share

(Title of Class of Securities)

169 47Y 107

(CUSIP Number)

**Stephen M. Cohen, Esq.
Fox Rothschild LLP
2000 Market Street, 20th Floor
Philadelphia, Pennsylvania 19103
(215) 299-2744**

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

August 29, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13D to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.240.13d-1 (e), 240.13d-1 (f) or 240.13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d- 7 for other parties to whom copies are to be sent.

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

PERSONS WHO RESPOND TO THE COLLECTION OF INFORMATION CONTAINED IN THIS FORM ARE NOT REQUIRED TO RESPOND UNLESS THE FORM DISPLAYS A CURRENTLY VALID OMB CONTROL NUMBER.

1. Names of Reporting Persons.

Dennis L. Pelino

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

PF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States

Number of Shares

7. Sole Voting Power

Beneficially

35,852,777

Owned by Each

Reporting Person

8. Shared Voting Power

With

9. Sole Dispositive Power

35,852,777

10. Shared Dispositive Power

11. Aggregate Amount Beneficially Owned by Each Reporting Person

35,852,777

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

22.0% (1)

14. Type of Reporting Person (See Instructions)

IN

(1) Based on 159,031,461 shares of Common Stock (as defined below) stated to be outstanding as of May 21, 2010 by the Issuer (as defined below) in the Issuer's Form 10-Q relating to the Issuer's fiscal quarter ending on March 31, 2010 filed with the Securities and Exchange Commission.

1. Names of Reporting Persons.

New China Media LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Florida

Number of Shares Beneficially Owned by Each Reporting Person

7. Sole Voting Power
7,000,000

Reporting Person With

8. Shared Voting Power

9. Sole Dispositive Power
7,000,000

10. Shared Dispositive Power

11. Aggregate Amount Beneficially Owned by Each Reporting Person
7,000,000

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)
4.4% (1)

14. Type of Reporting Person (See Instructions)
OO

(1) Based on 159,031,461 shares of Common Stock (as defined below) stated to be outstanding as of May 21, 2010 by the Issuer (as defined below) in the Issuer's Form 10-Q relating to the Issuer's fiscal quarter ending on March 31, 2010 filed with the Securities and Exchange Commission.

1. Names of Reporting Persons.

Year of the Golden Pig, LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Florida

Number of Shares

7. Sole Voting Power

Beneficially

19,852,777

Owned by Each

Reporting Person

8. Shared Voting Power

With

9. Sole Dispositive Power

19,852,777

10. Shared Dispositive Power

11. Aggregate Amount Beneficially Owned by Each Reporting Person

19,852,777

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

12.2% (1)

14. Type of Reporting Person (See Instructions)

00

(1) Based on 159,031,461 shares of Common Stock (as defined below) stated to be outstanding as of May 21, 2010 by the Issuer (as defined below) in the Issuer's Form 10-Q relating to the Issuer's fiscal quarter ending on March 31, 2010 filed with the Securities and Exchange Commission.

This Amendment No. 2 to Schedule 13D (this "Amendment") is being filed by Dennis L. Pelino pursuant to Rule 13d-2(a) of the Rules and Regulations promulgated under the Securities Exchange Act of 1934, as amended, to amend and supplement the statement on Schedule 13D filed on April 7, 2008, as amended by Amendment No. 1 thereto filed on June 4, 2008 (as so amended, the "Schedule 13D"), with respect to the common stock, \$.001 par value per share (the "Common Stock"), of China Youth Media, Inc., a Delaware corporation (the "Issuer"). Capitalized terms used in this Amendment and not otherwise defined herein have the meanings set forth in the Schedule 13D. The information set forth in response to each separate Item shall be deemed to be a response to all Items where such information is relevant.

ITEM 2. IDENTITY AND BACKGROUND

Item 2 is hereby amended and restated as follows:

This statement is being filed by Dennis L. Pelino, an individual and a United States citizen, Year of the Golden Pig, LLC, a Florida limited liability company ("YGP"), and New China Media, LLC, a Florida limited liability company ("NCM"). Mr. Pelino is the sole member and manager of YGP and NCM. His principal occupation is a private investor. The business address for Mr. Pelino, YGP and NCM is 400 Alton Road, Suite 3107, Miami Beach, Florida 33139.

During the past five years, each of Mr. Pelino, YGP and NCM has not: (i) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction for which he or it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws, or (ii) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 is hereby amended to add the following:

The funds used for the acquisition of the shares of Common Stock, as discussed in Item 4 below, by YGP and NCM came from the working capital of such entities. No borrowed funds were used to purchase the shares of Common Stock, other than any borrowed funds used for working capital purposes in the ordinary course of business.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 is hereby amended by inserting the following paragraphs at the end of the previous disclosures:

On August 29, 2008, YGP acquired from the Issuer 2.5 Units for a purchase price of \$250,000, with each Unit consisting of a \$100,000 Convertible Promissory Note bearing interest at 12% per annum, due three years from the date of issuance, and warrants to purchase an aggregate of up to 350,000 shares of the Issuer's Common Stock. The warrants are exercisable for a period of five years and have an exercise price equal to \$0.09 per share subject to the Issuer's filing of a certificate of amendment to its certificate of incorporation increasing the number of its available shares for issuance. By virtue of such transaction, Mr. Pelino acquired beneficial ownership of 2,777,777 shares issuable upon conversion of the Convertible Promissory Note and 875,000 shares issuable upon the exercise of the warrants.

On December 1, 2008, YGP and NCM converted 16,200 and 3,000 shares of Series A Convertible Preferred Stock, respectively, at a conversion rate of 1-for-1,000, resulting in the acquisition of 16,200,000 and 3,000,000 shares of common stock, respectively, at no additional cost.

On January 8, 2009, NCM received 4,000,000 shares of Common Stock in consideration for extending a Content License Agreement with the Issuer for an additional period of eight (8) years.

On October 15, 2009, Mr. Pelino sold 1,000,000 shares of Common Stock for an aggregate sale price of \$30,000.

The Reporting Person is the sole Managing Member of NCM and YGP and as such has sole voting and dispositive power of the shares of Common Stock held by YGP and NCM. The Reporting Person acquired the shares of Common Stock for investment purposes only. As of the date of this Amendment, except as set forth in the Initial Statement, the Reporting Person does not have any present plan or intention which would result in or relate to any of the actions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Items 5(a) - (b) are hereby amended and restated in their entirety as follows:

(a) Mr. Pelino beneficially owns 35,852,777 shares of Common Stock, representing 22.0% of the outstanding shares of Common Stock (based on 159,031,461 shares of Common Stock stated to be outstanding as of May 21, 2010 by the Issuer in the Issuer's Form 10-Q relating to the Issuer's fiscal quarter ending March 31, 2010 filed with the Securities and Exchange Commission). NCM beneficially owns 7,000,000 shares of Common Stock, representing 4.4% of the outstanding shares of Common Stock, and YGP beneficially owns 19,852,777 shares of Common Stock, representing 12.2% of the outstanding shares of Common Stock.

(b) For the purposes of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, Mr. Pelino has sole power to vote or to direct the voting of, and sole power to dispose or to direct the disposition of, 35,852,777 shares of Common Stock.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 is hereby amended by inserting the following paragraphs at the end of the previous disclosures:

YGP entered into a subscription agreement with the Issuer in connection with its purchase of units consisting of a 12% convertible promissory note (the "Note") and warrants to purchase Common Stock. The subscription agreement provides YGP with the right to have its shares of Common Stock included in any registration statement that the Issuer files under the Securities Act of 1933, as amended, (excluding registration statements on SEC Forms S-4, S-8 or any successor forms thereto) in order to permit the public resale of such shares.

The Note is in the principal amount of \$250,000 and bears interest at an annual rate equal to 12.00% per annum. The Note matures on August 29, 2011, and is convertible into Common Stock at an initial conversion ratio of \$.09 per share, subject to adjustment for any recapitalizations, stock combinations, stock dividends and stock splits. The Issuer may prepay the Note at any time, subject to the payment of a prepayment premium in an amount equal to (i) the product obtained by multiplying the outstanding principal amount by 12.0%, less (ii) the accrued interest on such outstanding principal amount, calculated as of the date of prepayment.

In connection with the subscription agreement, the Issuer issued warrants to YGP to purchase in the aggregate 875,000 shares (the "Warrant Shares") of Common Stock at an exercise price initially equal to \$0.09 per Warrant Share, subject to adjustment for any recapitalizations, stock combinations, stock dividends and stock splits. The Warrant Shares may be exercised at any time and expire on August 29, 2013.

Other than the foregoing, there are no contracts, arrangements, understandings or other understandings between the Reporting Person on the one hand and any other person with respect to any securities of the Company.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 is hereby amended by adding the following exhibits:

Exhibit

- 99.1 Content License Agreement, dated June 2, 2008, by and among the Issuer and New China Media, LLC, Year of the Golden Pig, LLC, and TWK Holdings, LLC (incorporated by reference to Exhibit 10.2 of the Issuer's current report on Form 8-K filed with the Commission on June 4, 2008).
- 99.2 Supplement to Content License Agreement, dated January 8, 2009, by and among the Issuer and New China Media, LLC, Year of the Golden Pig, LLC, and TWK Holdings, LLC.
- 99.3 Form of Subscription Agreement by and between the Issuer and the purchaser of Units consisting of a convertible promissory note and warrants to purchase Common Stock.
- 99.4 12.0% Convertible Promissory Note, dated August 29, 2008, issued by the Issuer in favor of Year of the Golden Pig, LLC.
- 99.5 Warrant to purchase 875,000 shares of Common Stock, dated August 29, 2008, issued by the Issuer to Year of the Golden Pig, LLC.
- 99.6 Joint Filing Agreement, by and among Dennis Pelino, Year of the Golden Pig, LLC, and New China Media, LLC.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 2, 2010

/s/ Dennis L. Pelino
Dennis L. Pelino

**SUPPLEMENT TO
CONTENT LICENSE AGREEMENT**

THIS AGREEMENT is made as of this ___ day of January, 2009 by and between China Youth Media, Inc., formerly known as Digicorp, Inc., a corporation organized under the laws of the State of Delaware, United States of America with offices at 4143 Glencoe Avenue, Unit B, Marina Del Rey, California 90291, U.S.A. (the “Company”) and New China Media LLC, a Florida limited liability company (a/k/a New China Media Limited) with offices at 400 Alton Road, Penthouse 7, Miami Beach, Florida 33139 (“NCM”) (Company and NCM are hereinafter sometimes collectively referred to as the “Parties”).

WITNESSETH:

WHEREAS, on June 2, 2008, the Company entered into a Content License Agreement (the “Content License Agreement”) with NCM, YGP, LLC (“YGP”) and TWK Holdings, LLC (“TWK”) (NCM, YGP and TWK collectively referred to as “Content Providers”) providing for (i) the assignment by Content Providers and the assumption by the Company of certain rights of Content Providers for the territory of the People’s Republic of China (“PRC”) to use, transmit and publicly display via the internet certain content, which included the Supply Agreement for Content dated May 31, 2008 among Yes Television (Hong Kong) Limited, NCM and Youth Media “HKG” Limited, a wholly-owned subsidiary of the Company (the “Supply Agreement”), as supplemented by a Supplemental Agreement dated October 21, 2008 among the parties thereto which, among other things, extended the term of the Supply Agreement for a further period of eight (8) years commencing April 30, 2010 (the “Supply Agreement Extension Date”);

WHEREAS, the Parties wish to clarify the Term of the Content License Agreement with respect to the Supply Agreement during which the Company may use and exploit same;

NOW, THEREFORE, in consideration of the promises and the mutual covenants of this Agreement, the parties hereto agree as follows:

1. The Parties agree that notwithstanding anything in the Content License Agreement to the contrary, with respect to the Supply Agreement, the Term during which the Company may use and exploit same shall be extended until the Supply Agreement Extension Date, or such later date as the Supply Agreement as amended may otherwise provide.
2. In consideration of the foregoing, and for other good and valuable consideration receipt of which is hereby acknowledged, the Company hereby agrees to issue to NCM 4,000,000 shares (the “Shares”) of the Company’s authorized but previously unissued shares of Common Stock for which NCM will pay the Company the sum of \$0.001 per share or \$4,000 in the aggregate.

3. NCM understands that the Shares being acquired by it hereunder have not been registered under the Securities Act of 1933, as amended (the “Act”), and are being issued under an exemption from registration provided by Section 4(2) of the Act. The Shares are being acquired by NCM solely for its own account, for investment purposes only, and have not been acquired with a view to, or in connection with, any resale, distribution, subdivision or fractionalization thereof. NCM has no agreement or other arrangement, formal or informal, with any person to sell, transfer or pledge any part of the Shares. NCM understands that it must bear the economic risk of the investment for an indefinite period of time because the Shares cannot be resold or otherwise transferred unless they are subsequently registered under the Act or an exemption from such registration is available.

4. Except as herein supplemented by the Parties hereto, all other terms and conditions of the Content License Agreement are hereby ratified and shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have each caused to be affixed hereto his or its hand the day indicated.

New China Media, LLC

China Youth Media, Inc.

By /s/ Dennis Pelino
Name: Dennis Pelino
Title: Chairman

By /s/ Jay Rifkin
Name: Jay Rifkin
Title: CEO

DIGICORP, INC.**SUBSCRIPTION AGREEMENT**

The undersigned (hereinafter “Subscriber”) hereby confirms his/her/its subscription for the purchase of Units (the “Units”) of Digicorp, Inc., a Delaware corporation (the “Company”), with each Unit consisting of a One Hundred Thousand Dollar (\$100,000) Principal Amount of a 12% Convertible Promissory Note (the “Convertible Note”) due three years from its issuance and 350,000 Common Stock Purchase Warrants (the “Warrants”) as described below. The Convertible Note may be converted at the option of the holder into shares of Common Stock, par value \$0.001 per share (the “Common Stock”), of the Company. Each of the Warrants will entitle the holder thereof to purchase at any time from issuance through five years thereafter one share of Common Stock. (The Units, Convertible Note, Warrants and Common Stock underlying the Convertible Note and Warrants are sometimes herein collectively referred to as the “Securities”).

In connection with this subscription, the Subscriber and the Company agree as follows:

1. Sale and Purchase of Securities.

(a) The Company hereby agrees to sell to the Subscriber and the Subscriber hereby agrees to purchase from the Company the number of Units of the Company set forth on the signature page hereof. The Subscriber has hereby delivered and paid concurrently herewith the purchase price (the “Purchase Price”) set forth on the signature page hereof required to purchase the Units subscribed for hereunder which amount has been paid in U.S. Dollars by wire transfer or check, subject to collection.

(b) The Subscriber understands and acknowledges that this subscription is part of a proposed placement (the “Private Placement”) by the Company of up to 6 Units (\$600,000) at a purchase price of \$100,000 per Unit which offering is being made on a “best efforts, no minimum” basis. The Subscriber understands that all funds for accepted subscriptions will be available for the Company’s immediate use.

2. Representations and Warranties of Subscriber. The Subscriber represents and warrants to the Company as follows:

(a) The Subscriber is an “accredited investor” as defined by Rule 501 under the Securities Act of 1933, as amended (the “Act”), and the Subscriber is capable of evaluating the merits and risks of the Subscriber’s investment in the Company and has the capacity to protect the Subscriber’s own interests.

(b) The Subscriber understands that the Securities to be purchased have not been, and will not be, registered under the Act or the securities laws of any state by reason of a specific exemption from the registration provisions of the Act and the applicable state securities laws, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Subscriber’s representations as expressed herein.

(c) Subscriber acknowledges and understands that the Securities are being purchased for investment purposes and not with a view to distribution or resale, nor with the intention of selling, transferring or otherwise disposing of all or any part of the Securities for any particular price, or at any particular time, or upon the happening of any particular event or circumstances, except selling, transferring, or disposing the Securities made in full compliance with all applicable provisions of the Act, the rules and regulations promulgated by the Securities and Exchange Commission (“SEC”) thereunder, and applicable state securities laws; and that the Securities are not liquid investments. The Company has no obligation or intention to register the Securities for resale at this time, nor has the Company made any representations, warranties, or covenants regarding the registration of the Securities or compliance with Regulation A or some other exemption under the Act, except as otherwise set forth herein.

(d) The Subscriber acknowledges that the Securities must be held indefinitely unless subsequently registered under the Act or unless an exemption from such registration is available. The Subscriber is aware of the provisions of Rule 144 promulgated under the Act which permit investors who have satisfied a certain holding period to resell under certain conditions such securities or a portion of such securities purchased in a private placement. The Subscriber acknowledges that the Subscriber is not relying on the Company in any way to satisfy the conditions precedent for resale of securities pursuant to Rule 144 under the Act.

(e) The Subscriber acknowledges that the Subscriber has had the opportunity to ask questions of, and receive answers from the Company or any person acting on its behalf concerning the Company and its business and to obtain any additional information, to the extent possessed by the Company (or to the extent it could have been required by the Company without unreasonable effort or expense) necessary to verify the accuracy of the information received by the Subscriber. In connection therewith, the Subscriber acknowledges that the Subscriber has had the opportunity to discuss the Company’s business, management and financial affairs with the Company’s management or any person acting on its behalf. The Subscriber has received and reviewed a Summary Memorandum dated August 22, 2008 relating to the Private Placement (the “Summary Memorandum”), and all the information, both written and oral, that it desires. Without limiting the generality of the foregoing, the Subscriber has been furnished with or has had the opportunity to acquire, and to review, (i) copies of the Company’s most recent Annual Report on Form 10-KSB filed with the SEC and any Form 10-Q/10-QSB and Form 8-K filed thereafter (the “SEC Filings”), and other publicly available documents, and (ii) all information, both written and oral, that it desires with respect to the Company’s business, management, financial affairs and prospects. In determining whether to make this investment, the Subscriber has relied solely on the Subscriber’s own knowledge and understanding of the Company and its business based upon the Subscriber’s own due diligence investigations and the information furnished pursuant to this paragraph. The Subscriber understands that no person has been authorized to give any information or to make any representations which were not furnished pursuant to this paragraph and the Subscriber has not relied on any other representations or information.

(f) The Subscriber has all requisite legal and other power and authority to execute and deliver this Subscription Agreement and to carry out and perform the Subscriber’s obligations under the terms of this Subscription Agreement. This Subscription Agreement constitutes a valid and legally binding obligation of the Subscriber, enforceable in accordance with its terms, and subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other general principals of equity, whether such enforcement is considered in a proceeding in equity or law.

(g) The Subscriber has not, and will not, incur, directly or indirectly, as a result of any action taken by the Subscriber, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Subscription Agreement.

(h) To the extent the Subscriber deems necessary, the Subscriber has reviewed with the Subscriber's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Subscriber relies solely on such advisors and not on any statements or representations of the Company or any of its agents. The Subscriber understands that the Subscriber (and not the Company) shall be responsible for the Subscriber's own tax liability that may arise as a result of this investment or the transactions contemplated by this Subscription Agreement.

(i) This Subscription Agreement does not contain any untrue statement of a material fact concerning the Subscriber.

(j) There are no actions, suits, proceedings or investigations pending against the Subscriber or the Subscriber's properties before any court or governmental agency (nor, to the Subscriber's knowledge, is there any threat thereof) which would impair in any way the Subscriber's ability to enter into and fully perform the Subscriber's commitments and obligations under this Agreement or the transactions contemplated hereby.

(k) The execution, delivery and performance of and compliance with this Subscription Agreement, and the issuance of the Securities will not result in any material violation of, or conflict with, or constitute a material default under, any of Subscriber's articles of incorporation or bylaws, if applicable, or any of the Subscriber's material agreements nor result in the creation of any mortgage, pledge, lien, encumbrance or charge against any of the assets or properties of the Subscriber or the Securities.

(l) Subscriber acknowledges that the Securities are speculative and involve a high degree of risk and that the Subscriber can bear the economic risk of the purchase of the Securities, including a total loss of his/her/its investment. Subscriber acknowledges that he/she/it has carefully reviewed and considered the risk factors described under "Risk Factors" in the Company's SEC Filings.

(m) The Subscriber recognizes that no federal, state or foreign agency has recommended or endorsed the purchase of the Securities.

(n) Subscriber is aware that the Securities are and will be, when issued, "restricted securities" as that term is defined in Rule 144 of the general rules and regulations under the Act.

(o) Subscriber understands that any and all certificates representing the Securities and any and all securities issued in replacement thereof or in exchange therefor shall bear the following legend, or one substantially similar thereto, which Subscriber has read and understands:

"The securities represented by this certificate have not been registered under the Securities Act of 1933. The securities have been acquired for investment and may not be sold, transferred or assigned in the absence of an effective registration statement for these securities under the Securities Act of 1933 or an opinion of the Company's counsel that registration is not required under said Act."

(p) In addition, the certificates representing the Securities, and any and all securities issued in replacement thereof or in exchange therefor, shall bear such legend as may be required by the securities laws of the jurisdiction in which the Subscriber resides.

(q) Because of the restrictions imposed on resale, Subscriber understands that the Company shall have the right to note stop-transfer instructions in its stock transfer records, and Subscriber has been informed of the Company's intention to do so. Any sales, transfers, or any other dispositions of the Securities by Subscriber, if any, will be in compliance with the Act.

(r) Subscriber acknowledges that Subscriber has such knowledge and experience in financial and business matters that he/she/it is capable of evaluating the merits and risks of an investment in the Securities and of making an informed investment decision.

(s) Subscriber represents that (i) Subscriber is able to bear the economic risks of an investment in the Securities and to afford the complete loss of the investment; and (ii) (A) Subscriber could be reasonably assumed to have the capacity to protect his/her/its own interests in connection with this subscription; or (B) Subscriber has a pre-existing personal or business relationship with either the Company or any affiliate thereof of such duration and nature as would enable a reasonably prudent purchaser to be aware of the character, business acumen and general business and financial circumstances of the Company or such affiliate and is otherwise personally qualified to evaluate and assess the risks, nature and other aspects of this subscription.

(t) Subscriber further represents that the address set forth below is his/her principal residence (or, if the Subscriber is a corporation, partnership or other entity, the address of its principal place of business); that Subscriber is purchasing the Securities for Subscriber's own account and not, in whole or in part, for the account of any other person; Subscriber is purchasing the Securities for investment and not with a view to public resale or distribution; and that Subscriber has not formed any entity for the purpose of purchasing the Securities.

(u) Subscriber understands that the Company shall have the unconditional right to accept or reject this subscription, in whole or in part, for any reason or without a specific reason, in the sole and absolute discretion of the Company (even after receipt and clearance of Subscriber's funds). This Subscription Agreement is not binding upon the Company until accepted by an authorized officer of the Company (the "Acceptance Date"). In the event that the subscription is rejected, then Subscriber's subscription funds will be returned without interest thereon or deduction therefrom.

(v) The Subscriber represents that Subscriber has not received any general solicitation or general advertising regarding the purchase of the Securities.

(w) The Subscriber represents that he/she/it has accurately completed the Purchaser Questionnaire.

3. **Representations and Warranties of the Company.** The Company represents and warrants to the Subscriber as follows:

(a) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(b) The Company has all such corporate power and authority to enter into, deliver and perform this Subscription Agreement.

(c) At or prior to the Acceptance Date, all necessary corporate action will have been duly and validly taken by the Company to authorize the execution, delivery and performance of this Subscription Agreement by the Company, and the issuance and sale of the Securities to be sold by the Company pursuant to this Subscription Agreement, and this Agreement shall have been duly and validly authorized, executed and delivered by the Company and shall constitute the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

4. **Indemnification.** The Subscriber agrees to indemnify and hold harmless the Company, its officers, directors, employees, shareholders and affiliates, and any person acting on behalf of the Company, from and against any and all damage, loss, liability, cost and expense (including reasonable attorneys' fees) which any of them may incur by reason of the failure by the Subscriber to fulfill any of the terms and conditions of this Subscription Agreement, or by reason of any breach of the representations and warranties made by the Subscriber herein, or in any other document provided by the Subscriber to the Company. All representations, warranties and covenants of each of the Subscriber and the Company contained herein shall survive the acceptance of this subscription.

5. **Incidental Registration.**

(a) If the Company at any time proposes to file on its behalf and/or on behalf of any of its security holders a Registration Statement under the Act on any form (other than a Registration Statement on Form S-4 or S-8 or any successor form thereto) for the general registration of Common Stock to be sold for cash, the Company will give written notice to the Holder (as hereinafter defined) at least thirty (30) days before the initial filing with the SEC of such Registration Statement, which notice shall set forth the intended method of disposition of the securities proposed to be registered by the Company.

(b) Upon the written request of the Holder given within fifteen (15) days after the date of receipt of such notice from the Company, the Company shall thereupon include in such filing the number of shares of Common Stock (underlying the Convertible Note and Warrants) for which registration is so requested by the Holder, subject to subparagraph (c) below, and shall use its best efforts to effect registration under the Act of such shares. Anything contained herein to the contrary notwithstanding, the Company shall have the right to withdraw and discontinue registration of the Holder's shares of Common Stock at any time prior to the effective date of such Registration Statement if such Registration Statement is withdrawn or discontinued.

(c) If the managing underwriter of a proposed public offering shall advise the Company in writing that, in its opinion, the distribution of the Common Stock requested to be included by the Holder in the registration, together with the shares of Common Stock of other persons who have exercised their right to include their shares in the Registration Statement (collectively referred to as the “Aggregate Shares”), concurrently with the other securities being registered by the Company would materially and adversely affect the distribution of such securities by the Company, then the Holder shall be entitled to register a proportion, as determined in subsection (c)(i) below, of such number of Aggregate Shares as the managing underwriter determines may be included without such adverse effects (“Aggregate Underwriter Shares”), subject to the terms, exceptions and conditions of this Section 5.

(i) The proportion of the Aggregate Underwriter Shares which the Holder shall be entitled to register shall be equal to the ratio which the number of shares requested to be registered by the Holder bears to the Aggregate Shares.

(d) It shall be a condition precedent to the obligation of the Company to take any action pursuant to this Section 5 in respect of the securities which are to be registered at the request of any of the Holders (as hereinafter defined) that (i) such Holders shall furnish to the Company such information regarding the securities held by such Holders and the intended method of disposition thereof as the Company shall reasonably request and as shall be required in connection with the action taken by the Company, and (ii) such Holders shall enter into such agreements and undertakings (including indemnity agreements) with the Company and any underwriter of such offering as may be reasonably requested or as may be customary in connection with such an offering. For purposes hereof, the term “Holder” or “Holders” shall mean holders of the Company’s Common Stock who hold fully paid shares acquired in or as a result of the private offering described in the Summary Memorandum and persons who acquired such shares from such holders.

(e) In the event of any registration of any of the Common Stock under the Act pursuant to this Section 5, the Company shall indemnify and hold harmless the Holders of such Common Stock, against any losses, claims, damages or liabilities, joint or several, to which such Holders may become subject under the Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any alleged untrue statement of any material fact contained, on the effective date thereof, in any Registration Statement under which such securities were registered under the Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or (ii) any alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse such Holders for any legal or any other expenses reasonably incurred by such Holders in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any alleged untrue statement or alleged omission made in such Registration Statement, preliminary prospectus, prospectus or amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Holders specifically for use therein. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holders and shall survive the transfer of such securities by such Holders.

(f) Each of the Holders, by acceptance thereof, agrees to indemnify and hold harmless the Company, its directors and officers and each other person, if any, who controls the Company against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or any such person may become subject under the Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon information in writing provided to the Company by such Holder specifically for use in the following documents and contained, on the effective date thereof, in any Registration Statement under which securities were registered under the Act at the request of such Holder, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto.

(g) Notwithstanding the other provisions of Section 5, (i) the Company shall not be obligated to register the Common Stock of any of the Holders if, in the opinion of counsel to the Company, the sale or other disposition of such Holder's Common Stock, in the manner proposed by such Holder, may be effected without registering such Common Stock under the Act; and (ii) the Company shall not be obligated to register the Common Stock of any Holder if the Company has had a registration statement, under which such Holder had a right to have its Common Stock included pursuant hereto, declared effective within six months prior to the date of the request pursuant to this Section.

6. **Miscellaneous.**

(a) The Subscriber agrees not to transfer or assign this Subscription Agreement, or any of the Subscriber's interest herein, and further agrees that the transfer or assignment of the Securities acquired pursuant hereto shall be made only in accordance with all applicable laws.

(b) The Subscriber agrees that the Subscriber cannot cancel, terminate, or revoke this Subscription Agreement or any agreement of the Subscriber made hereunder, and this Subscription Agreement shall survive the death or legal disability of the Subscriber and shall be binding upon the Subscriber's heirs, executors, administrators, successors, and permitted assigns.

(c) The Subscriber has read and has accurately completed this entire Subscription Agreement.

(d) This Subscription Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and may be amended only by a written execution by all parties.

(e) This Subscription Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of California.

(f) Subscriber acknowledges that it has been advised to consult with his/her/its own attorney regarding this subscription and Subscriber has done so to the extent that Subscriber deems appropriate.

(g) This Subscription Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Subscriber has caused this Subscription Agreement to be executed as of the date indicated below.

Individuals:

Number of Units

Purchase Price

Print or Type Name

Print or Type Name

Signature

Signature

Date

Date

Soc. Sec. No. (if applicable)

Soc. Sec. No. (if applicable)

Address

E-mail

Fax

_____ Joint Tenancy

_____ Tenants in Common

Partnerships, Corporations or Other Entities:

Number of Units

Purchase Price

Print or Type Name

Address

E-mail

Fax

Taxpayer I.D. No. (if applicable)

Date

Signature

Print or Type Name and Indicate
Title or Position with Entity

* * * * *

Disposition of Subscription Agreement

IN WITNESS WHEREOF, the Company has caused this Subscription Agreement to be executed, and the foregoing subscription accepted, as of the date indicated below.

DIGICORP, INC.

By:

Name and Title of Authorized Officer

Date:

INTERESTS REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE INTERESTS ARE SUBJECT TO RESTRICTION ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED HEREUNDER AND PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

DIGICORP, INC.

12.0% CONVERTIBLE PROMISSORY NOTE

Marina Del Rey, California
August 29, 2008

No. DIGI-CN-001

THIS CONVERTIBLE PROMISSORY NOTE (the "Note") is one of a duly authorized issue of promissory notes of Digicorp, Inc., a corporation duly organized and existing under the laws of the State of Delaware having its principal address at 4143 Glencoe Avenue, Marina Del Rey, California 90292 (the "Company"), designated as its 12.0% Convertible Promissory Notes in the aggregate principal amount not exceeding Six Hundred Thousand U.S. Dollars (\$600,000) (the "Notes"), issued or to be issued under and pursuant to the terms and provisions of a Subscription Agreement (the "Subscription Agreement") entered into by the Company with the original purchaser therein who is referred to in this Note as the original holder (the "Original Holder"). This Note is subject to all of the terms and provisions of the Subscription Agreement, to which reference is hereby made for the terms and provisions thereof.

FOR VALUE RECEIVED, the Company promises to pay to **Year of the Golden Pig, LLC**, or permitted assigns (the "Holder"), the principal sum of **\$250,000.00** on **August 29, 2011** (the "Maturity Date"), and to pay interest on the principal sum outstanding under this Note (the "Outstanding Principal Amount"), at the rate of 12.0% per annum due and payable on the Maturity Date. Accrual of interest shall commence on the first day to occur after the date hereof and shall continue until payment in full of the Outstanding Principal Amount and all interest hereunder has been made. The principal of and interest on this Note are payable in such coin or currency of the United States of America as of the time of payment is legal tender for payment of public and private debts.

This Note is subject to the following additional provisions:

1. **Payment.** Payment of the full Outstanding Principal Amount of this Note and interest thereon shall be made, against surrender of this Note, within ten (10) days after the Maturity Date to the Holder at the Holder's address as last reported to the Company and shall be deemed made when mailed.

2. **Prepayment.** Except as otherwise set forth below, the Company may, without premium or penalty, at any time, prepay all of the Outstanding Principal Amount of this Note provided that such prepayment is accompanied by accrued interest on the Outstanding Principal Amount, calculated as of the date of prepayment (the "Prepayment Interest"). Notice of prepayment will be mailed at least thirty (30) but not more than sixty (60) days before the prepayment date to each Holder of Notes to be prepaid at such Holder's address as last reported to the Company. On and after the prepayment, interest ceases to accrue on Notes called for prepayment. Notwithstanding anything herein to the contrary, in the event prepayment occurs on or before one year from the date hereof, then such prepayment shall be accompanied (in addition to the Prepayment Interest) by a prepayment penalty in an amount equal to (i) the product obtained by multiplying the Outstanding Principal Amount by 12.0%, less (ii) the Prepayment Interest. There are no partial prepayment privileges of the Outstanding Principal Amount.

3. **Conversion.**

(a) **Manner of Conversion and Conversion Ratio.** The Outstanding Principal Amount of this Note, together with accrued but unpaid interest, may be converted into shares of the Company's common stock, \$0.001 par value per share (the "Common Stock"), at any time and from time to time, in whole or in part, at the option of the Holder. If this Note is called for prepayment, the Holder may convert it at any time before the close of business on the fifth business day prior to the prepayment date. The initial conversion ratio (the "Conversion Price") shall be equal to \$0.09 per share of the Company's Common Stock. To determine the number of shares issuable upon conversion of this Note, divide the Outstanding Principal Amount, together with accrued but unpaid interest, to be converted by the Conversion Price in effect on the conversion date. To convert this Note, the Holder must (1) complete and sign the conversion notice in the form of **Exhibit 1** hereto, (2) surrender this Note to the Company, (3) furnish appropriate endorsements and transfer documents if required by the Company, and (4) pay any transfer or similar tax if required. The Holder may convert a portion of this Note if the portion is \$1,000 or an integral multiple of \$1,000.

(b) **Fractional Shares.** No fractional shares shall be issued upon conversion of this Note. In place of a fractional share, the Company shall pay the holder of this Note an amount in cash equal to the product of such fraction and the Conversion Price.

(c) **Adjustment for Stock Dividends and Stock Splits.** If the Company:

(i) pays a stock dividend or makes a distribution on its outstanding shares of Common Stock in shares of its Common Stock;

(ii) subdivides its outstanding shares of Common Stock into a greater number of shares; or

(iii) combines its outstanding shares of Common Stock into a smaller number of shares;

then the conversion privilege and the Conversion Price in effect immediately prior to such action shall be adjusted so that upon conversion the Holder may receive the number of shares of capital stock of the Company which the Holder would have owned immediately prior to such action. The adjustment shall become effective immediately after the record date in the case of a stock dividend or distribution and immediately after the effective date in the case of a subdivision or combination. If after an adjustment a Holder upon conversion may receive shares of two or more classes of capital stock of the Company, the Company shall determine the allocation of the adjusted Conversion Price between the classes of capital stock. After such allocation, the conversion privilege and the Conversion Price of each class of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock in this subsection.

(d) **When Adjustment May be Deferred.** No adjustment in the Conversion Price need be made unless the adjustment would require an increase or decrease of at least 1% in the Conversion Price. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section shall be made to the nearest cent or to the nearest 1/100th of a share, as the case may be.

(e) **Voluntary Reduction.** The Company from time to time may reduce the Conversion Price by any amount for any period of time if the period is at least 20 days and if the reduction is irrevocable during the period, provided, that in no event may the Conversion Price be less than the par value of a share of Common Stock. Whenever the Conversion Price is reduced, the Company shall mail to Holders a notice of the reduction. The Company shall mail the notice at least 15 days before the date the reduced Conversion Price takes effect. The notice shall state the reduced Conversion Price and the period it will be in effect.

4. **Events of Default.** If one or more of the following events shall occur then, in any such event, the Outstanding Principal Amount of this Note and all interest due thereon shall become immediately due and payable:

(a) a default under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company or any Subsidiary (as hereinafter defined) or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company or any Subsidiary, which default shall constitute a failure to pay any portion of interest or principal when due after any applicable grace period or shall have resulted in such indebtedness becoming or being declared due and payable without such indebtedness having been discharged or such acceleration having been rescinded or annulled, provided, that, the aggregate indebtedness in default under this clause (a) is in excess of \$500,000. For purposes of this Note, "Subsidiary" means any entity of which at least a majority of capital stock (or equivalent) having ordinary voting power in the election of directors or other governing body of such entity is owned by the Company directly or indirectly through one or more subsidiaries;

(b) a final judgment or final judgments for the payment of money are entered by a court of competent jurisdiction against the Company or any Subsidiary which remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) or 30 days after the date on which the right to appeal has expired, provided, that, the aggregate of all such judgments exceeds \$500,000;

(c) (i) the Company or any significant Subsidiary shall file a petition under any bankruptcy, insolvency or similar law, or make an assignment for the benefit of its creditors, or shall consent to or acquiesce in the appointment of a receiver for all or a substantial part of its property; or (ii) a petition under any bankruptcy, insolvency or similar law, or for the appointment of a receiver with respect to all or a substantial part of the Company's or any significant Subsidiary's property, shall be filed against the Company or any significant Subsidiary and remain undismissed for at least 60 days.

5. **Status of Holder.** The Company may treat the Original Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes and shall not be affected by any notice to the contrary unless this Note is transferred in accordance with the terms hereof.

6. **Securities Act Restrictions.** This Note and the Common Stock issuable by the Company upon conversion hereof have not been registered for sale under the Securities Act of 1933, as amended (the "Act"), are deemed to be unregistered or restricted securities, and neither this Note, such Common Stock nor any interest in this Note or those shares may be sold, offered for sale, pledged or otherwise disposed of without compliance with applicable securities laws including, without limitation, an effective registration statement related thereto or delivery of an opinion of counsel reasonably acceptable to the Company that such registration is not required under the Act.

7. **Expenses.** The Company shall pay upon demand any and all reasonable expenses, incurred or paid by the Holder in connection with collecting upon, or enforcing this Note, including, without limitation, the expenses and reasonable fees of legal counsel, court costs and the cost of appellate proceedings.

8. **No Waiver of Rights.** The Holder may, without notice, extend the time of payment of this Note, postpone the enforcement hereof or grant any other indulgence without affecting or diminishing the Holder's right of recourse against the Company, which right is hereby expressly reserved. The failure or delay by the Holder in exercising any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any other instance. The Holder may not waive any of its rights except by an instrument in writing signed by the Holder.

9. **Transfer of Note.** Subject to the provisions of Section 6 hereof, this Note is intended to be a negotiable instrument and may be transferred to any person or entity by the (then) Holder hereof without the prior written consent of the Company or any other person or entity. In the event of any such transfer, upon due presentment for exchange of this Note, the Company will execute and deliver in exchange a new Note or Notes, mutatis mutandis, equal in aggregate principal amount to the then Outstanding Principal Amount. However, no such exchange shall be required to entitle a transferee to enjoy all of the rights and benefits of the Holder hereof. Each Note presented for exchange shall (if so required by the Company) be duly endorsed by, or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and duly executed by the Holder or its attorney duly authorized in writing.

10. **Notices.** All notices or other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made if and when delivered personally or by overnight courier to the parties. Notices shall be sent to the Company at its principal place of business and to the Holder at the address set forth at the outset of this Note, or at such other address as the Holder may designate in a notice for that purpose.

11. **Payments Unconditional.** All payments under this Note shall be made without defense, set-off or counterclaim, free and clear of and without deduction for any taxes of any nature now or hereafter imposed. Should any such payment be subject to any tax, the Company shall pay to the Holder such additional amounts as may be necessary to enable the Holder to receive a net amount equal to the full amount payable hereunder. As used in this Section, the term “tax” means any tax, levy, impost, duty, charge, fee, deduction, withholding, turnover tax, stamp tax and any restriction or condition resulting in a charge imposed in any jurisdiction upon the payment or receipt of any amount specified herein, other than taxes on the overall net income of the Holder.

12. **Waiver of Presentment.** The Company hereby waives presentment, demand, dishonor, notice of dishonor, protest and notice of protest and of non-payment.

13. **Usury Laws.** Notwithstanding any other provisions of this Note, interest under this Note shall not exceed the maximum rate permitted by law; and if any amount is paid under this Note as interest in excess of such maximum rate, then the amount so paid will not constitute interest but will constitute a prepayment on account of the Outstanding Principal Amount. The Company will not assert, plead (as a defense or otherwise) or in any manner whatsoever claim (and will actively resist any attempt to compel it to assert, plead or claim) in any action, suit or proceeding that any interest rate under this Note violates present or future usury or other laws relating to the interest payable on any indebtedness hereunder and will not otherwise avail itself (and will actively resist any attempt to compel it to avail itself) of the benefits of any such laws.

14. **Release of Shareholders, Officers and Directors.** This Note is the obligation of the Company only, and no recourse shall be had for the payment thereof or the interest thereon against any shareholder, officer or director of the Company, either directly or through the Company, by virtue of any statute for the enforcement of any assessment or otherwise, all such liability of shareholders, directors and officers as such being released by the Holder hereof by the acceptance of this Note.

15. **Headings.** The headings in this Note are solely for convenience of reference and shall not affect its interpretation.

16. **Assignment.** This Note is binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

17. **Entire Agreement.** Each of the parties hereby covenants that this Note is intended to and does contain and embody herein all of the understandings and agreements, both written and oral, of the parties hereby with respect to the subject matter of this Note, and that there exists no oral agreement or understanding, express or implied liability, whereby the absolute, final and unconditional character and nature of this Note shall be in any way invalidated, empowered or affected.

18. **Laws of the State of Delaware.**

(a) This Note shall be deemed to be made in, governed by and interpreted under and construed in all respects in accordance with the laws of the State of Delaware, regardless of the place of domicile or residence of either party.

(b) For purposes of any proceeding involving this Note or any of the obligations of the Company, the Company hereby submits to the non-exclusive jurisdiction of the courts of the State of California and of the United States having jurisdiction in the State of California, and agrees not to raise and waives any objection to or defense based upon the venue of any such court or based upon *forum non conveniens*. The Company agrees not to bring any action or other proceeding with respect to this Note or with respect to any of its obligations hereunder in any other court unless such courts of the State of California and of the United States determine that they do not have jurisdiction in the matter.

DIGICORP, INC.

By: /s/ Jay Rifkin
Name: Jay Rifkin
Title: Chief Executive Officer

EXHIBIT 1

CONVERSION NOTICE

The undersigned irrevocably exercises the option to convert \$_____ principal amount, together with accrued but unpaid interest, of the 12.0% Convertible Promissory Note Due (the "Note") of Digicorp, Inc. registered in the name of the undersigned into shares of the Company's Common Stock in accordance with the terms of the Note and directs that the shares issuable upon conversion be issued and delivered to the undersigned.

Dated: _____

Print Name of Holder

Signature and title (if applicable)

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS WHICH, IN THE OPINION OF COUNSEL FOR THE COMPANY, IS AVAILABLE.

DIGICORP, INC.
(a Delaware corporation)

**Warrant for the Purchase of 875,000 shares
of Common Stock, par value \$.001 per share**

Void after 11:59 p.m., Pacific Time, on August 29, 2013

DIGICORP, INC., a Delaware corporation (the "Company"), hereby certifies that **YEAR OF THE GOLDEN PIG, LLC** (the "Holder"), for value received, is entitled, subject to the provisions of this Warrant, to purchase from the Company at any time, or from time to time during the period commencing as of the Exercise Date (as hereinafter defined) and expiring at 11:59 p.m., Pacific Time, on August 29, 2013 (the "Expiration Date"), up to **875,000** fully paid and non-assessable shares of Common Stock at a price of **\$0.09** per share (the "Exercise Price").

The term "Exercise Date" means the date of this Warrant subject to the filing after the date hereof of a certificate of amendment to the certificate of incorporation of the Company increasing the number of its available shares for issuance.

The term "Common Stock" means the common stock, par value \$.001 per share, of the Company as constituted on the date hereof (the "Base Date"), together with any other equity securities that may be issued by the Company in respect thereof or in substitution therefor. The number of shares of Common Stock to be received upon the exercise of this Warrant may be adjusted from time to time as hereinafter set forth. The shares of Common Stock deliverable or delivered upon such exercise, as adjusted from time to time, are hereinafter referred to as "Warrant Stock".

Section 1. **Exercise of Warrant.** This Warrant may be exercised, subject to the requirements set forth below, in whole, or in part, at any time during the period commencing as of the Exercise Date and expiring at 11:59 p.m., Pacific Time, on the Expiration Date set forth above, by presentation and surrender of this Warrant certificate to the Company at its principal office, with the Warrant Exercise Form attached hereto duly executed and accompanied by

payment (either in cash or by certified or official bank check, payable to the order of the Company) of the aggregate Exercise Price for the number of shares specified in such form and instruments of transfer, if appropriate, duly executed by the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant certificate for cancellation, execute and deliver a new Warrant certificate evidencing the rights of the Holder thereof to purchase the balance of the shares purchasable hereunder. The Holder shall pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock on exercise of this Warrant. The Company shall promptly thereafter issue certificate(s) evidencing the Common Stock so purchased.

Section 2. **Reservation of Shares.** The Company shall at all times, on and subsequent to the Exercise Date, reserve for issuance and delivery upon exercise of this Warrant all shares of Common Stock or other shares of capital stock of the Company (and other securities) from time to time receivable upon exercise of this Warrant. All such shares (and other securities) shall be duly authorized and, when issued upon exercise, shall be validly issued, fully paid and non-assessable.

Section 3. **No Fractional Shares.** No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant.

Section 4. **Assignment and Transfer.** This Warrant or the Warrant Stock or any other security issued or issuable upon exercise of this Warrant may not be sold or otherwise disposed of except as follows:

(i) to a person who, in the opinion of counsel for the Company, is a person to whom this Warrant or Warrant Stock may legally be transferred without registration and without the delivery of a current prospectus under the Act with respect thereto and then only against receipt of an agreement of such person to comply with the provisions of this Section 4 with respect to any resale or other disposition of such securities which agreement shall be satisfactory in form and substance to the Company and its counsel; or

(ii) to any person upon delivery of a prospectus then meeting the requirements of the Act relating to such securities and the offering thereof for such sale or disposition.

Section 5. **Loss, Theft, Destruction or Mutilation of Warrant.** Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant certificate, and (in the case of loss, theft or destruction) of satisfactory indemnification, and upon surrender and cancellation of this Warrant certificate, if mutilated, the Company shall execute and deliver a new Warrant certificate of like tenor and date.

Section 6. **Rights of the Holder.** The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, unless and until this Warrant is exercised. The rights of the Holder are limited to those expressed in this Warrant and are not enforceable against the Company except to the extent set forth herein.

Section 7. **Anti-Dilution Provisions.**

7.1 **Stock Splits, Dividends, Etc.**

7.1.1 If the Company shall at any time subdivide its outstanding shares of Common Stock (or other securities at the time receivable upon the exercise of the Warrant) by recapitalization, reclassification or split-up thereof, or if the Company shall declare a stock dividend or distribute shares of Common Stock to its stockholders, the number of shares of Common Stock subject to this Warrant immediately prior to such subdivision shall be proportionately increased, and if the Company shall at any time combine the outstanding shares of Common Stock by recapitalization, reclassification or combination thereof, the number of shares of Common Stock subject to this Warrant immediately prior to such combination shall be proportionately decreased. Any such adjustment and adjustment to the Exercise Price pursuant to this Section shall be effective at the close of business on the effective date of such subdivision or combination or if any adjustment is the result of a stock dividend or distribution then the effective date for such adjustment based thereon shall be the record date therefor.

7.1.2 Whenever the number of shares of Common Stock purchasable upon the exercise of this Warrant is adjusted, as provided in this Section, the Exercise Price shall be adjusted to the nearest cent by multiplying such Exercise Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of shares of Common Stock purchasable upon the exercise immediately prior to such adjustment, and (y) the denominator of which shall be the number of shares of Common Stock so purchasable immediately thereafter.

7.2 **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any reorganization of the Company (or any other company, the securities of which are at the time receivable on the exercise of this Warrant) after the Base Date or in case after such date the Company (or any such other company) shall consolidate with or merge into another Company or convey all or substantially all of its assets to another corporation, then, and in each such case, the Holder of this Warrant upon the exercise as provided in Section 1 at any time after the consummation of such reorganization, consolidation, merger or conveyance, shall be entitled to receive, in lieu of the securities and property receivable upon the exercise of this Warrant prior to such consummation, the securities or property to which such Holder would have been entitled upon such consummation if such Holder had exercised this Warrant immediately prior thereto; in each such case, the terms of this Warrant shall be applicable to the securities or property received upon the exercise of this Warrant after such consummation.

7.3 **Certificate as to Adjustments.** In each case of an adjustment in the number of shares of Common Stock receivable on the exercise of this Warrant, the Company at its expense shall promptly compute such adjustment in accordance with the terms of the Warrant and prepare a certificate executed by an officer of the Company setting forth such adjustment and showing the facts upon which such adjustment is based. The Company shall forthwith mail a copy of each such certificate to the Holder.

Section 8. **Legends and Stop Transfer Orders.** The Warrant Stock to be received upon exercise of this Warrant shall be considered restricted securities and certificates representing such shares shall contain restrictive legends and stop transfer instructions will be placed with the Company's transfer agent regarding such shares of Warrant Stock. The Holder of this Warrant and any transferee hereof or of the Warrant Stock issuable upon the exercise of the Warrant certificate, by their acceptance hereof, hereby understand and agree that the Warrant, and the Shares issuable upon the exercise hereof, have not been registered under either the Act or any applicable state securities laws. The stock certificates of the Company that will evidence the shares of Common Stock with respect to which this Warrant may be exercisable will be imprinted with a conspicuous legend in substantially the following form:

"The securities represented by this certificate have not been registered under the Securities Act of 1933. The securities have been acquired for investment and may not be sold, transferred or assigned in the absence of an effective registration statement for these securities under the Securities Act of 1933 or an opinion of the Company's counsel that registration is not required under said Act."

Section 9. **Miscellaneous.**

9.1 **Modification and Waiver.** This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

9.2 **Notices.** Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be sent by mail, postage prepaid, to the Holder at its address as shown on the books of the Company or to the Company at its principal place of business, or to such other address as may be duly given to the Holder.

9.3 **Governing Law.** This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware.

9.4 **Entire Agreement.** This Warrant is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein.

This Warrant supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, this Warrant has been executed by the Company as of the 29th day of August, 2008.

DIGICORP, INC.

By: /s/ Jay Rifkin
Name: Jay Rifkin
Title: Chief Executive Officer

WARRANT EXERCISE FORM

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ shares of Common Stock of DIGICORP, INC. and hereby makes payment of \$_____ in payment therefor.

[INSTRUCTIONS FOR ISSUANCE OF STOCK]

Name: _____

Address: _____

Soc. Sec. or
Tax Id. No. _____

Date: _____

[Print Name of Holder]

[Signature and Title]

ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned Holder, hereby sells assigns and transfers to:

_____ whose address is

_____ the within Warrant, together with all
rights title and interest therein, and does hereby irrevocably constitute and appoint _____,
attorney, to transfer such Warrant on the books of the within named Company, with full power of substitution.

Date: _____

[Print Name of Holder]

[Signature and Title]

Medallion Guarantee:

SCHEDULE 13D JOINT FILING AGREEMENT

In accordance with the requirements of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, and subject to the limitations set forth therein, the parties set forth below agree to jointly file the Schedule 13D to which this joint filing agreement is attached, and have duly executed this joint filing agreement as of the date set forth below.

Dated: July 2, 2010

YEAR OF THE GOLDEN PIG, LLC

By: /s/ Dennis L. Pelino
Name: Dennis L. Pelino
Title: Sole Member and Manager

NEW CHINA MEDIA, LLC

By: /s/ Dennis L. Pelino
Name: Dennis L. Pelino
Title: Sole Member and Manager

/s/ Dennis L. Pelino
Dennis L. Pelino

