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

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly period ended March 31, 2017

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from to

Commission file number 000-53862

iGambit Inc.
(Exact name of small business issuer as specified in its charter)

Delaware	**11-3363609**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1050 W. Jericho Turnpike, Suite A
Smithtown, New York 11787
(Address of Principal Executive Offices) (Zip Code)

(631) 670-6777
(Issuer's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

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

The Registrant had 117,868,990 shares of its common stock outstanding as of May 22, 2017.

iGambit Inc.
Form 10-Q

PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

IGAMBIT INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2017 (Unaudited)	DECEMBER 31, 2016
ASSETS		
Current assets		
Cash	$ 73,527	$ 10,522
Accounts receivable, net	3,500	--
Prepaid expenses and other current assets	91,449	108,941
Note receivable	--	15,000
Assets from discontinued operations, net	420,751	373,469
Total current assets	589,227	507,932
Property and equipment, net	4,770	1,183
Other assets		
Intangible assets, net	849,945	--
Goodwill	277,176	--
Deposits	1,720	1,720
Total other assets	1,128,841	1,720
	$ 1,722,838	$ 510,835
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued expenses	$ 374,371	$ 356,005

Accrued interest on notes payable	1,801	--
Amounts due to related parties	1,000	508
Notes payable	60,500	--
Convertible debentures, net	69,634	50,000
Derivative liability	83,773	--
Liabilities from discontinued operations	6,086,635	5,973,747
Total liabilities	6,677,714	6,380,260
Stockholders' deficiency		
Preferred stock, $.001 par value; authorized - 100,000,000 shares; issued and outstanding - 0 shares in 2017 and 2016, respectively	--	--
Common stock, $.001 par value; authorized - 200,000,000 shares; issued and outstanding at March 31, 2017- 56,718,990 shares and 39,708,990 shares at December 31, 2016	56,719	39,709
Additional paid-in capital	5,461,110	4,321,497
Accumulated deficit	(10,472,705)	(10,230,631)
Total stockholders' deficiency	(4,954,876)	(5,869,425)
	$ 1,722,838	$ 510,835

See accompanying notes to the condensed consolidated financial statements.

IGAMBIT INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31,

(UNAUDITED)

	2017	2016
Sales	$ 4,350	$ --
Cost of sales	180	--
Gross profit	4,170	--
Operating expenses		
General and administrative expenses	167,380	161,936
Loss from operations	(163,210)	(161,936)
Other income (expenses)		
Interest expense	(11,927)	(601)
Loss from continuing operations	(175,137)	(162,537)
Loss from discontinued operations	(66,937)	(76,333)
Net loss	$ (242,074)	$ (238,870)
Basic and fully diluted income (loss) per common share:		
Continuing operations	$ (.00)	$ (.01)
Discontinued operations	$ (.00)	$ (.00)
Net income (loss) per common share	$ (.00)	$ (.01)
Weighted average common shares outstanding - basic and fully diluted	48,807,434	39,683,990

See accompanying notes to the condensed consolidated financial statements.

IGAMBIT INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31,

(UNAUDITED)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (242,074)	$ (238,870)
Loss from discontinued operations	66,937	76,333
Net earnings from continuing operations	(175,137)	(162,537)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	213	118
Amortization	12,745	--
Non cash interest expense	9,230	--
Stock-based compensation expense	800	--
Increase (Decrease) in cash flows as a result of changes in asset and liability account balances:		
Accounts receivable	(1,250)	--
Prepaid expenses and other current assets	17,492	45,262
Accounts payable and accrued expenses	18,366	104,158
Accrued interest on notes payable	1,801	--
Net cash used in continuing operating activities	(115,740)	(12,999)
Net cash used in discontinued operating activities	(8,975)	(269,436)
NET CASH USED IN OPERATING ACTIVITIES	(124,715)	(282,435)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Preacquisition loans to subsidiary	(50,000)	--
Cash acquired from acquisition of subsidiary	29,584	--
Net cash used in continuing investing activities	(20,416)	--
Net cash provided by discontinued investing activities	31,636	14,946
NET CASH PROVIDED BY INVESTING ACTIVITIES	11,220	14,946

CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of convertible debentures	100,000	--
Proceeds from sale of common stock	100,000	--
Increase in amounts due to related parties	492	2,300
Net cash provided by continuing financing activities	200,492	2,300
Net cash provided by (used in) discontinued financing activities	(23,992)	158,686
NET CASH PROVIDED BY FINANCING ACTIVITIES	176,500	160,986
NET INCREASE (DECREASE) IN CASH	63,005	(106,503)
CASH - BEGINNING OF PERIOD	10,522	122,291
CASH - END OF PERIOD	$ 73,527	$ 15,788
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 896	$ 601
Non-cash investing and financing activities:		
Debt discount	$ 80,822	$ --

See accompanying notes to the condensed consolidated financial statements.

IGAMBIT INC.
Notes to Condensed Consolidated Financial Statements
Three Months Ended March 31, 2017 and 2016
(Unaudited)

Note 1 - Organization and Basis of Presentation

The consolidated financial statements presented are those of iGambit Inc., (the “Company”) and its wholly-owned subsidiaries, HealthDatix, Inc. (“HealthDatix”), Wala, Inc. doing business as Arcmail Technology (“ArcMail”) and Gotham Innovation Lab Inc. (“Gotham”). The Company was incorporated under the laws of the State of Delaware on April 13, 2000. The Company was originally incorporated as Compusations Inc. under the laws of the State of New York on October 2, 1996. The Company changed its name to BigVault.com Inc. upon changing its state of domicile on April 13, 2000. The Company changed its name again to bigVault Storage Technologies Inc. on December 21, 2000 before changing to iGambit Inc. on April 5, 2006. Gotham was incorporated under the laws of the state of New York on September 23, 2009. The Company is a holding company which seeks out acquisitions of operating companies in technology markets. HealthDatix, Inc. is engaged in the business of streamlining the process of managing information in the document-intensive medical field for customers throughout the United States. ArcMail provides email archive solutions to domestic and international businesses through hardware and software sales, support, and maintenance. Gotham was in the business of providing media technology services to real estate agents and brokers in the New York metropolitan area.

Interim Financial Statements

The following (a) condensed consolidated balance sheet as of December 31, 2016, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2017 are not necessarily indicative of results that may be expected for the year ending December 31, 2017. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2016 included in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on April 17, 2017.

Business Acquisition

On February 14, 2017, the Company acquired Healthdatix, Inc., formally known as HubCentrix, Inc. in accordance with a stock purchase agreement. Previously, the Company was focused on the technology markets. The Company has tailored its strategy to focus on pursuing specific medical technology strategies and objectives. The acquisition of HealthDatix, provides the Company with its first medical technology, WellDatix, a proprietary platform that enables physicians to identify patients eligible for Annual Wellness Visits which is reimbursed by Medicare. This technology positions the Company to participate in the anticipated accelerated market needs of the physician community throughout the country. Pursuant to the stock purchase agreement, the total consideration paid for the outstanding capital stock of HealthDatix was 15,000,000 shares of iGambit restricted common stock, valued at $.07 per share. The following table presents the preliminary allocation of the value of the common shares issued for HealthDatix to the acquired identifiable assets, liabilities assumed and goodwill:

		Fair Value
Cash	$	29,584
Accounts receivable, net		2,250
Fixed assets		3,800
Workforce		60,919
Software		156,925
Customer contracts		644,846
Notes payable		(60,500)
Loan payable		(65,000)
Goodwill		277,176
Purchase price	$	1,050,000

The results of operations of HealthDatix for the period February 14, 2017 to March 31, 2017 have been included in the consolidated statements of operations for the three months ended March 31, 2017. The following table presents pro forma results of operations of the Company and HealthDatix as if the acquisition had occurred at January 1, 2016. The pro forma condensed combined financial information is presented for informational purposes only. The unaudited pro forma results of operations are not necessarily indicative of results that would have occurred had the acquisition taken place at the beginning of the earliest period presented, or of future results.

		March 31, 2017		March 31, 2016
Pro forma revenue	$	7,600	$	15,750
Pro forma gross profit	$	7,413	$	9,215
Pro forma loss from operations	$	(187,172)	$	(163,460)
Pro forma net loss	$	(199,099)	$	(164,061)

Note 2 – Discontinued Operations

Sale of Business

Effective October 1, 2016, management decided to dispose of its subsidiary Arcmail and entered into a letter of intent on March 1, 2017 to sell Arcmail in a stock exchange to the CEO of Arcmail.

On November 5, 2015, pursuant to an asset purchase agreement Gotham sold assets consisting of fixed assets, client and supplier lists, trade names, software, social media accounts and websites, and domain names to VHT, Inc., a Delaware corporation for a purchase price of $600,000. Gotham received $400,000 and commencing on January 29, 2016, VHT, Inc. shall pay twelve equal monthly installments of $16,667 on the last business day of each month (the "Installment Payments" and each, an "Installment Payment"), each Installment Payment to consist of (1) an earn-out payment of $10,000 (the "Earn-Out Payments" and each, an "Earn-Out Payment"), and (2) an additional payment of $6,667 (the "Additional Payments" and each, an "Additional Payment"); provided that VHT, Inc. shall only be required to make the Earn-Out Payments for as long as it maintains its relationship with Gotham's major client, unless it is dissatisfied with VHT, Inc. The terms of the installment payments were fulfilled as of December 31, 2016.

The assets and liabilities of the discontinued operations are presented in the consolidated balance sheets under the captions "Assets from discontinued operations" and "Liabilities from discontinued operations", respectively. The underlying assets and liabilities of the discontinued operations as of March 31, 2017 and December 31, 2016 are presented as follows:

	2017	2016
Assets:		
Cash (overdraft)	$ (15,959)	$ 17,323
Accounts receivable, net	387,368	321,033
Inventory	16,640	1,160
Prepaid expenses	16,940	15,300
Property and equipment	15,762	18,653
Total assets	$ 420,751	$ 373,469
Liabilities:		
Accounts payable and accrued expenses	364,681	359,996
Accrued interest on notes payable	622,160	558,183
Amounts due to related party	28,570	64,509
Deferred revenue	1,160,606	1,092,388
Notes payable	3,119,001	3,119,001
Notes payable - other	165,351	153,404
Note payable - related party	626,266	626,266
	$ 6,086,635	$ 5,973,747

The components of loss from discontinued operations presented in the consolidated statements of operations for the three months ended March 31, 2017 and 2016 are presented as follows:

		2017		2016
Sales	$	386,157	$	403,750
Cost of sales		(29,462)		(3,191)
General and administrative expenses		(326,247)		(384,660)
Depreciation and amortization		(4,537)		(6,172)
Interest expense		(92,848)		(86,060)
Loss from discontinued operations	$	(66,937)	$	(76,333)

Note 3 – Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, HealthDatix, Inc., Wala, Inc. and Gotham Innovation Lab, Inc. All intercompany accounts and transactions have been eliminated.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Fair Value Measurements

The Company adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures,* which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The derivative liability in connection with the conversion feature of the convertible debt, classified as a Level 3 liability, is the only financial liability measure at fair value on a recurring basis.

The change in the Level 3 financial instrument is as follows:

Balance, January 1, 2017	$	—
· Issued during the Period		75,000
· Converted during the Period		—
· Change in fair value recognized in operations		8,773
Balance, March 31, 2017	$	83,773

Revenue Recognition

iGambit is a holding company and has no sources of revenue.

HealthDatix's revenues are derived primarily from its Software as a Service (SaaS) offerings that are rendered to healthcare providers. HealthDatix recognizes revenues when the products or services have been provided or delivered, the fees charged are fixed or determinable, HealthDatix and its customers understand the specific nature and terms of the agreed upon transactions, and collectability is reasonably assured.

Arcmail recognizes revenue from product sales when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, an equipment order has been placed with the vendor, the selling price is fixed or determinable, and collectability is reasonably assured. Revenues from maintenance contracts covering multiple future periods are recognized during the current periods and deferred revenue is recorded for future periods and classified as current or noncurrent, depending on the terms of the contracts.

Gotham's revenues were derived primarily from the sale of products and services rendered to real estate brokers. Gotham recognized revenues when the services or products have been provided or delivered, the fees charged are fixed or determinable, Gotham and its customers understood the specific nature and terms of the agreed upon transactions, and collectability was reasonably assured.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs for the three months ended March 31, 2017 and 2016 were $299 and $0, respectively.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include checking and money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

Accounts Receivable

The Company analyzes the collectability of accounts receivable from continuing operations each accounting period and adjusts its allowance for doubtful accounts accordingly. A considerable amount of judgment is required in assessing the realization of accounts receivables, including the creditworthiness of each customer, current and historical collection history and the related aging of past due balances. The Company evaluates specific accounts when it becomes aware of information indicating that a customer may not be able to meet its financial obligations due to deterioration of its financial condition, lower credit ratings, bankruptcy or other factors affecting the ability to render payment. Allowance for doubtful accounts was $8,345 at March 31, 2017 and December 31, 2016, respectively. Bad debt expense of $0 and $63 was charged to operations for the three months ended March 31, 2017 and 2016, respectively.

Inventories

Inventories consisting of finished products are stated at the lower of cost or market and are presented in assets from discontinued operations. Cost is determined on an average cost basis.

Property and equipment and depreciation

Property and equipment are stated at cost. Maintenance and repairs are charged to expense when incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is credited or charged to income. Depreciation for both financial reporting and income tax purposes is computed using combinations of the straight line and accelerated methods over the estimated lives of the respective assets as follows:

Office equipment and fixtures	5 - 7 years
Computer hardware	5 years
Computer software	3 years
Development equipment	5 years

Amortization

Intangible assets are amortized using the straight line method over the estimated lives of the respective assets as follows:

Software	5 years
Workforce	10 years
Customer contracts	10 years

Goodwill

Goodwill represents the excess of liabilities assumed over assets acquired of HealthDatix and the fair market value of the common shares issued by the Company for the acquisition of HealthDatix. In accordance with ASC Topic No. 350 "Intangibles – Goodwill and Other"), the goodwill is not being amortized, but instead will be subject to an annual assessment of impairment by applying a fair-value based test, and will be reviewed more frequently if current events and circumstances indicate a possible impairment. An impairment loss is charged to expense in the period identified. If indicators of impairment are present and future cash flows are not expected to be sufficient to recover the asset's carrying amount, an impairment loss is charged to expense in the period identified. No impairment was recorded during the three months ended March 31, 2017.

Long-Lived Assets

The Company assesses the valuation of components of its property and equipment and other long-lived assets whenever events or circumstances dictate that the carrying value might not be recoverable. The Company bases its evaluation on indicators such as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements and other external market conditions or factors that may be present. If such factors indicate that the carrying amount of an asset or asset group may not be recoverable, the Company determines whether an impairment has occurred by analyzing an estimate of undiscounted future cash flows at the lowest level for which identifiable cash flows exist. If the estimate of undiscounted cash flows during the estimated useful life of the asset is less than the carrying value of the asset, the Company recognizes a loss for the difference between the carrying value of the asset and its estimated fair value, generally measured by the present value of the estimated cash flows.

Deferred Revenue

Deposits from customers included in discontinued operations are not recognized as revenues, but as liabilities, until the following conditions are met: revenues are realized when cash or claims to cash (receivable) are received in exchange for goods or services or when assets received in such exchange are readily convertible to cash or claim to cash or when such goods/services are transferred. When such income item is earned, the related revenue item is recognized, and the deferred revenue is reduced. To the extent revenues are generated from the Company's support and maintenance services, the Company recognizes such revenues when services are completed and billed. The Company has received deposits from its various customers that have been recorded as deferred revenue and presented as discontinued liabilities in the amount of $1,160,606 and $1,092,388 as of March 31, 2017 and December 31, 2016, respectively.

Stock-Based Compensation

The Company accounts for its stock-based awards granted under its employee compensation plan in accordance with ASC Topic No. 718-20, *Awards Classified as Equity,* which requires the measurement of compensation expense for all share-based compensation granted to employees and non-employee directors at fair value on the date of grant and recognition of compensation expense over the related service period for awards expected to vest. The Company uses the Black-Scholes option pricing model to estimate the fair value of its stock options and warrants. The Black-Scholes option pricing model requires the input of highly subjective assumptions including the expected stock price volatility of the Company's common stock, the risk free interest rate at the date of grant, the expected vesting term of the grant, expected dividends, and an assumption related to forfeitures of such grants. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options and warrants.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC Topic No. 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

The Company applies the provisions of ASC Topic No. 740 for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the Company's financial statements. In accordance with this provision, tax positions must meet a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position.

Note 4 – Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the process of disposing of its operating subsidiary, Arcmail and has stockholders' deficiency of $4,954,876 at March 31, 2017. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to obtain necessary equity financing and ultimately from generating revenues from its newly acquired subsidiaries to continue operations. The Company expects that working capital requirements will continue to be funded through a combination of its existing funds and further issuances of securities. Working capital requirements are expected to increase in line with the growth of the business. Existing working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund operations over the next twelve months. The Company has no lines of credit or other bank financing arrangements. The Company has financed operations to date through the proceeds of a private placement of equity and debt instruments. In connection with the Company's business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: (i) developmental expenses associated with a start-up business and (ii) marketing expenses. The Company intends to finance these expenses with further issuances of securities, and debt issuances. Thereafter, the Company expects it will need to raise additional capital and generate revenues to meet long-term operating requirements. Additional issuances of equity or convertible debt securities will result in dilution to current stockholders. Further, such securities might have rights, preferences or privileges senior to common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict business operations

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 5 – Property and Equipment

Property and equipment are carried at cost and consist of the following at March 31, 2017 and December 31, 2016:

Continuing operations:	2017	2016
Office equipment and fixtures	$ 10,964	$ 7,164
Less: Accumulated depreciation	6,194	5,981
	$ 4,770	$ 1,183

Discontinued operations:	2017	2016
Office equipment and fixtures	$ 131,842	$ 131,842
Computer hardware	93,846	92,200
Computer software	77,700	77,700
Development equipment	35,318	35,318
	338,706	337,060
Less: Accumulated depreciation	322,944	318,407
	$ 15,762	$ 18,653

Depreciation expense of $213 and $118 was charged to continuing operations for the three months ended March 31, 2017 and 2016, respectively.
Depreciation expense of $4,538 and $6,172 was charged to discontinued operations for the three months ended March 31, 2017 and 2016, respectively.

Note 6 – Intangible Assets

Intangible assets from the acquisition of HealthDatix are carried at cost and consist of the following at March 31, 2017:

			Life
Workforce	$	60,919	10 years
Software		156,925	5 years
Customer contracts		644,846	10 years
		862,690	
Less: Accumulated amortization		12,745	
	$	849,945	

Amortization expense of $12,745 was charged to continuing operations for the three months ended March 31, 2017.

Note 7 - Earnings (Loss) Per Common Share

The Company calculates net earnings (loss) per common share in accordance with ASC 260 "*Earnings Per Share*" ("ASC 260"). Basic and diluted net earnings (loss) per common share was determined by dividing net earnings (loss) applicable to common stockholders by the weighted average number of common shares outstanding during the period. The Company's potentially dilutive shares, which include outstanding common stock options and common stock warrants, have not been included in the computation of diluted net income (loss) per share for all periods as the result would be anti-dilutive.

	Three Months Ended March 31,	
	2017	2016
Stock options	663,000	1,718,900
Stock warrants	400,000	275,000
Total shares excluded from calculation	1,063,000	1,993,900

Note 8 – Stock Based Compensation

Options

In 2006, the Company adopted the 2006 Long-Term Incentive Plan (the "2006 Plan"). Awards granted under the 2006 Plan have a ten-year term and may be incentive stock options, non-qualified stock options or warrants. The awards are granted at an exercise price equal to the fair market value on the date of grant and generally vest over a three or four year period. The Plan expired on December 31, 2009, therefore as of March 31, 2016, there was no unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the 2006 plan.

The 2006 Plan provided for the granting of options to purchase up to 10,000,000 shares of common stock. 8,146,900 options have been issued under the plan to date of which 7,157,038 have been exercised and 692,962 have expired to date. There were 296,900 options outstanding under the 2006 Plan on its expiration date of December 31, 2009. All options issued subsequent to this date were not issued pursuant to any plan.

Stock option activity during the three months ended March 31, 2017 and 2016 follows:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Life (Years)
Options outstanding at December 31, 2015	1,718,900	$ 0.03	$ 0.13	3.82
No option activity	--	--	--	
Options outstanding at March 31, 2016	1,718,900	$ 0.03	0.13	3.57
Options outstanding at December 31, 2016	1,422,000	$ 0.03	0.13	5.60
Options cancelled	(759,000)	$ 0.03	--	
Options outstanding at March 31, 2017	663,000	$ 0.03	$ 0.13	4.12

Options outstanding at March 31, 2017 consist of:

Date Issued	Number Outstanding	Number Exercisable	Exercise Price	Expiration Date
June 9, 2014	213,000	213,000	$0.03	June 9, 2024
June 6, 2014	250,000	250,000	$0.05	June 6, 2019
March 24, 2015	200,000	200,000	$0.01	March 24, 2020
Total	663,000	663,000		

Warrants

In addition to our 2006 Long Term Incentive Plan, we have issued and have outstanding compensatory warrants to two consultants entitling the holders to purchase a total of 275,000 shares of our common stock at an average exercise price of $0.94 per share. Warrants to purchase 25,000 shares of common stock vest 6 months after the Company engages in an IPO, have an exercise price of $3.00 per share, and expire 2 years after the Company engages in an IPO. Warrants to purchase 250,000 shares of common stock vest 100,000 shares on issuance (June 1, 2009), and 50,000 shares on each of the following three anniversaries of the date of issuance, have exercise prices ranging from $0.50 per share to $1.15 per share, and expire on June 1, 2019. The issuance of the compensatory warrants was not submitted to our shareholders for their approval.

Warrant activity during the three months ended March 31, 2017 and 2016 follows:

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Grant-Date Fair Value	(1)Weighted Average Remaining Contractual Life (Years)
Warrants outstanding at December 31, 2015	275,000	$ 0.94	$ 0.10	3.42
No warrant activity	--	--	--	
Warrants outstanding at March 31, 2016	275,000	$ 0.94	$ 0.10	3.17
Warrants outstanding at December 31, 2016	275,000	$ 0.94	$ 0.10	2.42
Warrant granted	125,000	0.40	--	
Warrants outstanding at March 31, 2017	400,000	$ 0.62	$ 0.10	4.03

(1) Exclusive of 25,000 warrants expiring 2 years after initial IPO.

Warrants outstanding at March 31, 2017 consist of:

Date Issued	Number Outstanding	Number Exercisable	Exercise Price	Expiration Date
April 1, 2000	25,000	25,000	$3.00	2 years after IPO
June 1, 2009	100,000	100,000	$0.50	June 1, 2019
June 1, 2009	50,000	50,000	$0.65	June 1, 2019
June 1, 2009	50,000	50,000	$0.85	June 1, 2019
June 1, 2009	50,000	50,000	$1.15	June 1, 2019
January 1, 2017	50,000	50,000	$0.25	October 10, 2021
January 1, 2017	50,000	50,000	$0.50	November 7, 2021
January 5, 2017	25,000	25,000	$0.50	January 5, 2022
Total	400,000	400,000		

Note 9 – Deferred Revenue

Deferred revenue included in liabilities from discontinued operations represents sales of maintenance contracts that extend to and will be realized in future periods. Deferred revenue at March 31, 2017 will be realized in the following years ended December 31,

2017	$	651,327
2018		317,274
2019		128,758
2020		58,368
2021		4,779
2022		100
	$	1,160,606

Note 10 – Convertible Debt

Convertible Note Payable

On March 30, 2017, the Company issued an 8% convertible note in the aggregate principal amount of $75,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due January 15, 2018 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. The Company recorded a debt discount related to identified embedded derivatives relating to conversion features and a reset provisions (see Note 11) based fair values as of the inception date of the Note. The calculated debt discount equaled the face of the note and is being amortized over the term of the note.

Convertible Debentures

The Company issued convertible debentures to an individual during the three months ended March 31, 2017 and to two individuals during the year ended December 31, 2016.

The debentures are convertible into 75,000 shares of common stock for up to 5 years, at the holders' option, at an exercise price of $.50 and $.25, respectively. The debentures mature on the earlier of the closing of a subsequent financing event by the Company resulting in gross proceeds of at least $10,000,000 or three years from the date of issuance. The debentures bear interest at a rate of 10%. A beneficial conversion feature was not recorded as the fair market value of the Company's common stock was less than the exercise prices at the dates of issuance and through the end of the period. Interest expense on the convertible debentures of $1,801 was recorded for the three months ended March 31, 2017.

Note 11 – Derivative Liability

Convertible Note

During the three months ended March 31, 2017, the Company issued a convertible note (see Note 10 above).

The note is convertible into common stock, at the holders' option, at a discount to the market price of the Company's common stock. The Company has identified embedded derivatives included in these notes as a result of certain anti-dilutive (reset) provisions, related to certain conversion features. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the convertible note and debt discount amortization to fair value as of each subsequent reporting date. This resulted in a fair value of derivative liability of $83,773 in which to the extent of the face value of convertible note was treated as debt discount with the remainder treated as interest expense.

The fair value of the embedded derivatives at March 31, 2017, in the amount of $83,773, was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 211.00%, (3) weighted average risk-free interest rate of 0.12%, (4) expected life of 0.80 years, and (5) estimated fair value of the Company's common stock of $0.09 per share. The Company recorded interest expense from the excess of the derivative liability over the convertible note of $8,773 during the three months ended March 31, 2017.

Based upon ASC 840-15-25 (EITF Issue 00-19, paragraph 11) the Company has adopted a sequencing approach regarding the application of ASC 815-40 to its outstanding convertible note. Pursuant to the sequencing approach, the Company evaluates its contracts based upon earliest issuance date.

Note 12 – Notes Payable

Notes payable from continuing operations at March 31, 2017 consists of loans to HealthDatix from 3 individuals totaling $60,500. The loans do not bear interest and there are no specific terms for repayment.

Notes payable at March 31, 2017 are presented in liabilities from discontinued operations and consist of various notes payable in annual installments totaling $779,750 through September 2019. The notes include interest at 7% and are secured by the assets of ArcMail.

Principal amounts due on notes payable for the years ended December 31, are as follows:

2017	$	779,750
2018		779,750
2019		779,750
2020		779,751
	$	3,119,001

During the three months ended March 31, 2017, Arcmail entered into merchant financing agreements with various lenders for proceeds totaling $182,474 payable in daily amounts based on various percentages of future collections of accounts receivable, which were assigned to the lenders. The obligations will be satisfied upon total payments of $228,120 and will mature in June 2017. The outstanding balance of notes payable - other was $165,351 and is presented in liabilities from discontinued operations at March 31, 2017.

Note 13 – Stock Transactions

Common Stock Issued

In connection with the acquisition of HealthDatix the Company issued 15,000,000 common shares valued at $.07 per share to the shareholders of HealthDatix on February 14, 2017.

The Company sold 2 million shares of common stock to an investor valued at $.05 per share on January 27, 2017.

The Company issued 10,000 common shares for services, valued at $.08 per share on January 5, 2017.

Note 14 - Income Taxes

A full valuation allowance was recorded against the Company's net deferred tax assets. A valuation allowance must be established if it is more likely than not that the deferred tax assets will not be realized. This assessment is based upon consideration of available positive and negative evidence, which includes, among other things, the Company's most recent results of operations and expected future profitability. Based on the Company's cumulative losses in recent years, a full valuation allowance against the Company's deferred tax assets has been established as Management believes that the Company will not realize the benefit of those deferred tax assets.

Note 15 - Retirement Plan

ArcMail has a defined contribution 401(k) plan, which covers substantially all employees. Under the terms of the Plan, Arcmail is currently not required to match employee contributions. The Company did not make any employer contributions to the Plan during the three months ended March 31, 2017.

Note 16 – Concentrations and Credit Risk

Sales and Accounts Receivable

HealthDatix had sales to two customers which accounted for approximately 80% and 11%, respectively of HealthDatix's total sales for the three months ended March 31, 2017. One customer accounted for 100% of accounts receivable at March 31, 2017.

No customer accounted for more than 10% of sales included in discontinued operations for the three months ended March 31, 2017 and 2016, respectively.

Cash

Cash is maintained at a major financial institution. Accounts held at U.S. financial institutions are insured by the FDIC up to $250,000. Cash balances could exceed insured amounts at any given time, however, the Company has not experienced any such losses. The Company did not have any interest-bearing accounts at March 31, 2017 and December 31, 2016, respectively.

Note 17 - Related Party Transactions

Note Payable – Related Party

ArcMail issued a promissory note to the president of ArcMail on June 30, 2015 for funds advanced. The note is payable in annual installments of $155,566 through December 2019 and is presented in liabilities from discontinued operations. The notes include interest at 6% and are subordinated to the notes payable (see Note 12).

Principal amounts due on notes payable for the years ended December 31, are as follows:

2017	$	155,566
2018		155,566
2019		155,567
2020		155,567
	$	626,266

Amounts Due to Related Parties

Amounts due to related parties with balances of $1,000 and $508 at March 31, 2017 and December 31, 2016, respectively, consist of cash advances from an officer/stockholder. These advances do not bear interest and are payable on demand.

Amounts due to related parties with balances of $28,570 and $64,509 at March 31, 2017 and December 31, 2016, respectively, consist of cash advances from the president of Arcmail, and is presented in liabilities from discontinued operations. These advances do not bear interest and are payable on demand.

Note 18 – Commitments and Contingencies

Lease Commitment

The Company is obligated under two operating leases for its premises that expire at various times through February 28, 2019.

Total future minimum annual lease payments under the leases for the years ending December 31 are as follows:

2017	$ 47,429
2018	56,743
2019	3,380
	$107,552

Rent expense of $5,591 and $4,800 was charged to continuing operations for the three months ended March 31, 2017 and 2016, respectively.

Rent expense of $10,807 and $8,635 was charged to discontinued operations for the three months ended March 31, 2017 and 2016, respectively.

Note 19 – Subsequent Events

Business Acquisition

On April 5, 2017, the Company, through its wholly-owned subsidiary HealthDatix, Inc. consummated the acquisition of certain assets of the CyberCare Health Network Division from EncounterCare Solutions Inc. ("ECSL") in accordance with an Asset Purchase Agreement by and among, HealthDatix, Inc., ECSL and the Company. Pursuant to the Agreement, ECSL will sell, convey, transfer and assign to HealthDatix, Inc. certain assets, and HealthDatix, Inc. will purchase and accept from ECSL all rights, title and interest in and to the Assets in exchange for 60,000,000 shares of restricted common stock of the Company.

Equity Financing Transaction

On April 3, 2017, the Company entered into a Convertible Promissory Note with an accredited investor pursuant to an exemption under section 4(a)(2) of the securities act of 1933, pursuant to which the investor agreed to lend and the Company agreed to repay the investors the aggregate principal amount of $125,000. The convertible note is due 12 months after issuance and bears interest at a rate of 12%. The Note is convertible into shares of common stock of the Company 180 days following the date of funding and thereafter. The conversion price shall be subject to a discount of 50%. The conversion price shall be determined on the basis of the lowest VWAP (Volume Weighted Average Price) of the Common Stock during the prior twenty (20) trading day period. The Investor will be limited to convert no more than 4.99% of the issued and outstanding Common Stock at the time of conversion at any one time. At any time during the period beginning on the date of the Note and ending on the date which is 180 days thereafter, the Company may repay the Note by paying an amount equal to the then outstanding amount multiplied by 135%.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD LOOKING STATEMENTS

This Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this Form 10-Q which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), finding suitable merger or acquisition candidates, expansion and growth of the Company's business and operations, and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements. Factors that could adversely affect actual results and performance include, among others, potential fluctuations in quarterly operating results and expenses, government regulation, technology change and competition. Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

INTRODUCTION

iGambit is a company focused on the medical technology markets. Our primary focus is the expansion of our newly acquired medical technology business HealthDatix Inc.

HealthDatix is an end to end Software-as-a-Service solution that manages, reports, and analyzes critical data, enabling healthcare organizations to deliver positive patient outcomes. We offer a fully-hosted cloud service for healthcare providers to conduct the Medicare Annual Wellness Visit (AWV) program to their Medicare patients providing the patient with a 5-10 year Personalized Preventive Plan and physician reports that meet all Medicare audit requirements. The AWV is a program that allows a physician to identify those patients that have 2+ chronic conditions that require additional screening and management.

Assets. At March 31, 2017, we had $1,722,838 in total assets, compared to $510,835 at December 31, 2016. The increase in total assets was primarily due to the increase in cash and the increase in intangible assets from the acquisition of our HealthDatix subsidiary.

Liabilities. At March 31, 2017, our total liabilities were $6,677,714 compared to $6,380,260 at December 31, 2016. Our current liabilities at March 31, 2017 consisted of accounts payable and accrued expenses of $374,371, accrued interest on notes payable of $1,801, amounts due to related parties of $1,000, notes payable of $60,500, convertible debentures of $69,634, derivative liability of $83,773 and liabilities from discontinued operations of $6,086,635, whereas our total liabilities at December 31, 2016 consisted of current liabilities including accounts payable and accrued expenses of $356,005, amounts due to related parties of $508, convertible debentures of $50,000 and liabilities from discontinued operations of $5,973,747.

Stockholders' Deficiency. Our Stockholders' Deficiency decreased to $(4,954,876) at March 31, 2017 from $(5,869,425) at December 31, 2016. This decrease was primarily due to an increase in Common Stock and Additional paid-in capital from the HealthDatix acquisition during the three months ended March 31, 2017.

THREE MONTHS ENDED MARCH 31, 2017 AS COMPARED TO THREE MONTHS ENDED MARCH 31, 2017

Revenues and Net Loss. We had $4,350 of revenue from our HealthDatix subsidiary and a net loss of $242,074 during the three months ended March 31, 2017, compared to revenue of $0 and a net loss of $238,870 for the three months ended March 31, 2016. The increase in revenue was due primarily to the revenue generated by our HealthDatix subsidiary acquired in February 2017. In addition to HealthDatix's operations, we had a loss from discontinued operations of $(66,937) compared to $(76,333) for the three months ended March 31, 2017 and March 31, 2016, respectively.

General and Administrative Expenses. General and Administrative Expenses increased to $167,380 for the three months ended March 31, 2017 from $161,936 for the three months ended March 31, 2016. For the three months ended March 31, 2017 our General and Administrative Expenses consisted of corporate administrative expenses of $40,324, legal and accounting fees of $36,600, employee benefits expenses (health and life insurance) of $12,665, marketing expenses of $16,666, payroll expenses of $34,483, consulting expenses of $8,025, commissions and fees expenses of $11,000, and exchange filing fees of $7,617. For the three months ended March 31, 2016 our General and Administrative Expenses consisted of corporate administrative expenses of $34,754, legal and accounting fees of $28,935 employee benefits (health and life insurance) expenses of $5856, directors and officers insurance expenses of $11,136, payroll expenses of $56,258, finders fees and commissions expenses of $17,500 and exchange filing fees of $7,500. The increases from the three months ended March 31, 2016 to the three months ended March 31, 2017 relate primarily due to: (i) an increase in employee benefits expenses; ((ii) an increase in marketing expenses; and (iii) an increase in general and administrative costs associated with the operation of our HealthDatix subsidiary. Costs associated with our officers' salaries and the operation of our HealthDatix subsidiary are expected to increase going forward, as we expand the business operations of HealthDatix which would likely increase our corporate administrative expenses.

Other Income (Expense). We reported interest expense of $11,927 and $601 for the three months ended March 31, 2017 and March 31, 2016, respectively. Amortization of debt discount of $457 for the convertible note payable was reported for the three months ended March 31, 2017.

LIQUIDITY AND CAPITAL RESOURCES
General

As reflected in the accompanying consolidated financial statements, at March 31, 2017, we had $73,527 of cash and stockholders' deficiency of $(4,954,867). At December 31, 2016, we had $10,522 of cash and stockholders' deficiency of $(5,869,425).

Our primary capital requirements in 2017 are likely to arise from the expansion of our HealthDatix operations. It is not possible to quantify those costs at this point in time, in that they depend on HealthDatix's business opportunities and the state of the overall economy. We anticipate raising capital in the private markets to cover any such costs, though there can be no guaranty we will be able to do so on terms we deem to be acceptable. We do not have any plans at this point in time to obtain a line of credit or other loan facility from a commercial bank.

While we believe in the viability of our strategy to improve HealthDatix's sales volume, and in our ability to raise additional funds, there can be no assurances that we will be able to fully effectuate our business plan.

We believe we will continue to increase our cash position and liquidity for the foreseeable future. We believe we have enough capital to fund our present operations.

Cash Flow Activity

Net cash used in operating activities was $174,715, for the three months ended March 31, 2017, compared to $282,435 for the three months ended March 31, 2016. Net cash used in continuing operating activities was $115,740 for the three months ended March 31, 2017, compared to $12,999 for the three months ended March 31, 2017. Our primary use of operating cash flows from continuing operating activities was from net losses of $242,074 and $238,870 for the three months ended March 31, 2017 and 2016, respectively. Additional contributing factors to the change were from an increase in accounts receivable of $1,250, decrease in prepaid expenses of $17,492, an increase in accounts payable and accrued expenses of $18,366, and an increase in accrued interest on notes payable of $1,801. Net cash used in discontinued operating activities was $8,975 for the three months ended March 31, 2017 and $269,436 for the three months ended March 31, 2016. Cash used in discontinued operations was primarily from net losses of $66,937 and $76,333 from our ArcMail subsidiary for the three months ended March 31, 2017 and 2016, respectively.

Net cash provided by continuing investing activities was $20,416 for the three months ended March 31, 2017 and $0 for the three months ended March 31, 2016. For the three months ended March 31, 2017 the primary source of cash flows from investing activities was from cash received from the acquisition of our HealthDatix subsidiary. Net cash provided by discontinued investing activities was $31,636 for the three months ended March 31, 2017 and $14,946 for the three months ended March 31, 2016.

Net Cash provided by financing activities was $176,500 for the three months ended March 31, 2017 compared to $160,986 for the three months ended March 31, 2016. The cash flows provided by continuing financing activities for the three months ended March 31, 2017 was primarily from $100,000 in proceeds from the sale of stock, $100,000 in proceeds from convertible debentures and $492 in advances from related parties. The cash flows provided by continuing financing activities for the three months ended March 31, 2016 consisted of amounts due to related parties of $2,300. The cash flows used in discontinued financing activities for the three months ended March 31, 2017 was $23,992 compared to $158,686 in cash flows provided by discontinued financing activities for the three months ended March 31, 2016.

Plan of Operation and Funding

We expect that working capital requirements will continue to be funded through a combination of our existing funds and further issuances of securities. Our working capital requirements are expected to increase in line with the growth of our business. Existing working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund our operations over the next twelve months. We have no lines of credit or other bank financing arrangements. Generally, we have financed operations to date through the proceeds of the private placement of equity and debt instruments. In connection with our business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: (i) developmental expenses associated with a start-up business and (ii) marketing expenses. We intend to finance these expenses with further issuances of securities, and debt issuances. Thereafter, we expect we will need to raise additional capital and generate revenues to meet long-term operating requirements. Additional issuances of equity or convertible debt securities will result in dilution to our current shareholders. Further, such securities might have rights, preferences or privileges senior to our common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict our business operations.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk.***
Not Required.

Item 4. ***Controls and Procedures.***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q.

Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of March 31, 2017, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II — OTHER INFORMATION

Item 1. ***Legal Proceedings.***

From time-to-time, the Company is involved in various civil actions as part of its normal course of business. The Company is not a party to any litigation that is material to ongoing operations as defined in Item 103 of Regulation S-K as of the period ended March 31, 2017.

Item 1A. ***Risk Factors.***

Not required

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

None

Item 3. ***Defaults upon Senior Securities.***
None

Item 4. ***Removed and Reserved.***

Item 5. ***Other Information.***
None

Item 6. Exhibits

Exhibit No.	Description
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)
32.2	Certification of the Interim Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 22, 2017.

iGambit Inc.

/s/ John Salerno
John Salerno
Chief Executive Officer

/s/ Elisa Luqman
Elisa Luqman
Chief Financial Officer and
Principal Accounting Officer

Exhibit Index

Exhibit No.	Description
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Interim Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)
32.2	Certification of the Interim Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)

Exhibit 31.1

Chief Executive Officer Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John Salerno, certify that:

1. I have reviewed this quarterly report on Form 10-Q of iGambit Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 22, 2017

/s/ John Salerno
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Chief Financial Officer Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Elisa Luqman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of iGambit Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 22, 2017

/s/ Elisa Luqman
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER
Pursuant to 18 U.S.C. Section 1350
As adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Executive Officer of iGambit Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017, (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 22, 2017

/s/ John Salerno
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER
Pursuant to 18 U.S.C. Section 1350
As adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Financial Officer of iGambit Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017, (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 22, 2017

/s/ Elisa Luqman
Chief Financial Officer
(Principal Financial Officer)