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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, 2015

- 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**

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

**11-3363609**

*(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

Smaller  
reporting  
company

(Do not check if a 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 26,583,990 shares of its common stock outstanding as of May 14, 2015.

**iGambit Inc.**  
**Form 10-Q**

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IGAMBIT INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
THREE MONTHS ENDED MARCH 31,

**PART I – FINANCIAL INFORMATION**

**Item 1 – Financial Statements**

IGAMBIT INC.  
CONSOLIDATED BALANCE SHEETS

	<u>MARCH 31,</u> 2015 (Unaudited)	<u>DECEMBER 31,</u> 2014
<u>ASSETS</u>		
Current assets		
Cash	\$ 38,734	\$ 133,436
Accounts receivable, net	111,529	81,671
Prepaid expenses	19,435	45,110
Total current assets	<u>169,698</u>	<u>260,217</u>
Property and equipment, net	12,156	8,436
Other assets		
Deposits	12,133	12,133
	<u>\$ 193,987</u>	<u>\$ 280,786</u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</u>		
Current liabilities		
Accounts payable	\$ 301,197	\$ 285,277
Note payable - stockholder	30,180	--
Total current liabilities	<u>331,377</u>	<u>285,277</u>
Commitments and contingencies		
Stockholders' deficiency		
Preferred stock, \$.001 par value; authorized - 100,000,000 shares; issued and outstanding - 0 shares in 2015 and 2014, respectively	--	--
Common stock, \$.001 par value; authorized - 200,000,000 shares; issued and outstanding - 26,583,990 shares in 2015 and 2014, respectively	26,584	26,584
Additional paid-in capital	2,863,122	2,851,124
Accumulated deficit	(3,027,096)	(2,882,199)
Total stockholders' deficiency	<u>(137,390)</u>	<u>(4,491)</u>
	<u>\$ 193,987</u>	<u>\$ 280,786</u>

IGAMBIT INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31,  
(UNAUDITED)

	2015	2014
Sales	\$ 300,347	\$ 240,213
Cost of sales	135,622	102,912
Gross profit	164,725	137,301
Operating expenses		
General and administrative expenses	307,919	272,267
Loss from operations	(143,194)	(134,966)
Other income (expenses)		
Interest expense	(1,703)	(3,467)
Amortization of debt discount	--	(34,500)
Total other income (expenses)	(1,703)	(37,967)
Loss from continuing operations	(144,897)	(172,933)
Income from discontinued operations	--	11,355
Net loss	\$ (144,897)	\$ (161,578)
Basic and fully diluted earnings (loss) per common share:		
Continuing operations	\$ (.01)	\$ (.01)
Discontinued operations	\$ .00	\$ .00
Net loss per common share	\$ (.01)	\$ (.01)
Weighted average common shares outstanding	26,583,900	25,044,056

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (144,897)	\$ (161,578)
Adjustments to reconcile net loss to net cash provided (used) by operating activities		
Income from discontinued operations	--	(11,355)
Depreciation	1,306	1,191
Debt discount amortization	--	34,500
Stock-based compensation expense	11,998	--
Increase (Decrease) in cash flows as a result of changes in asset and liability account balances:		
Accounts receivable	(29,858)	32,581
Prepaid expenses	25,675	(14,204)
Due from rescission agreement	--	10,000
Accounts payable	<u>15,920</u>	<u>74,240</u>
Net cash used by continuing operating activities	(119,856)	(34,625)
Net cash provided by discontinued operating activities	<u>--</u>	<u>37,500</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(119,856)</u>	<u>2,875</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(5,026)	(2,026)
Increase in deposits	<u>--</u>	<u>(2,712)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(5,026)</u>	<u>(4,738)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES:</b>		
Proceeds from stockholder's loan	<u>30,180</u>	<u>3,600</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(94,702)	1,737
<b>CASH - BEGINNING OF PERIOD</b>	<u>133,436</u>	<u>26,870</u>
<b>CASH - END OF PERIOD</b>	<u>\$ 38,734</u>	<u>\$ 28,607</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for:		
Interest	\$ 1,703	\$ 1,425

## **Note 1 - Organization and Basis of Presentation**

The consolidated financial statements presented are those of iGambit Inc., (the “Company”) and its wholly-owned subsidiary, 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. Gotham is 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, 2014, 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, 2015 are not necessarily indicative of results that may be expected for the year ending December 31, 2015. 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, 2014 included in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on April 15, 2015.

## **Note 2 –Discontinued Operations**

### **Sale of Business**

On February 28, 2006, the Company entered into an asset purchase agreement with Digi-Data Corporation (“Digi-Data”), whereby Digi-Data acquired the Company’s assets and its online digital vaulting business operations in exchange for \$1,500,000, which was deposited into an escrow account for payment of the Company’s outstanding liabilities. In addition, as part of the sales agreement, the Company received payments from Digi-Data based on 10% of the net vaulting revenue payable quarterly over five years. The Company was also entitled to an additional 5% of the increase in net vaulting revenue over the prior year’s revenue.

### **Accounts Receivable**

Assets from discontinued operations, net includes accounts receivable which represents 50% of contingency payments earned for the previous quarters. The reserve for bad debts of \$250,000 charged to operations in 2010 was reversed in connection with the Summary Judgment and Forbearance Agreement described in Note 11. Also included is accrued interest receivable of \$85,156 recorded for interest granted on the balance due from Digi-data through May 2014. The entire balance including accrued interest totaling \$655,746 was repaid to the Company by Digi-data in the year ended December 31, 2014

### **Note 3 – Summary of Significant Accounting Policies**

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 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 of Financial Instruments**

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and amounts due to related parties, the carrying amounts approximate fair value due to their short maturities. Additionally, there are no assets or liabilities for which fair value is remeasured on a recurring basis.

#### **Revenue Recognition**

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

#### **Advertising Costs**

The Company expenses advertising costs as incurred. Advertising costs for the three months ended March 31, 2015 and 2014 were \$1,325 and \$843, 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 \$17,865 at March 31, 2015 and December 31, 2014, respectively. There was no bad debt expense charged to operations for the three months ended March 31, 2015 and 2014, respectively.

### **Property and equipment and depreciation**

Property and equipment are stated at cost. 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. Computer equipment is depreciated over 5 years and furniture and fixtures are depreciated over 7 years. 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 expense of \$1,306 and \$1,191 was charged to operations for the three months ended March 31, 2015 and 2014, 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.

### **Recent Accounting Pronouncements**

*FASB ASC 606 ASU 2014-09 - Revenue from contracts with customers:*

In May 2014, the FASB issued amended guidance on contracts with customers to transfer goods or services or contracts for the transfer of nonfinancial assets, unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). The guidance requires an entity to recognize revenue on contracts with customers to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires that an entity depict the consideration by applying the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. This amendment is to be either retrospectively adopted to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this ASU recognized at the date of initial application. Adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

*FASB ASC 718 ASU 2014-12 – Compensation – Stock Compensation:*

In June 2014, the FASB issued ASU No. 2014-12, "Compensation - Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide that a Performance Target Could be Achieved after the Requisite Service Period," ("ASU 2014-12"). The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in ASC Topic No. 718, "Compensation - Stock Compensation" as it relates to awards with performance conditions that affect vesting to account for such awards. The amendments in ASU 2014-12 are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in ASU 2014-12 either: (a) prospectively to all awards granted or modified after the effective date; or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The Company does not anticipate that the adoption of ASU 2014-12 will have a material impact on its consolidated financial statements.

#### Note 4 - Earnings 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 earnings (loss) per share for all periods as the result would be anti-dilutive.

	Three Months Ended March 31,	
	2015	2014
Stock options	1,718,900	668,900
Stock warrants	275,000	275,000
Total shares excluded from calculation	<u>1,993,900</u>	<u>943,900</u>

#### Note 5—Stock Based Compensation

Stock-based compensation expense for all stock-based award programs, including grants of stock options and warrants, is recorded in accordance with "Compensation—Stock Compensation", Topic 718 of the FASB ASC. Stock-based compensation expense, which is calculated net of estimated forfeitures, is computed using the grant date fair-value and amortized over the requisite service period for all stock awards that are expected to vest. The grant date fair value for stock options and warrants is calculated using the Black-Scholes option pricing model. Determining the fair value of options at the grant date requires judgment, including estimating the expected term that stock options will be outstanding prior to exercise, the associated volatility of the Company's common

stock, expected dividends, and a risk-free interest rate. Stock-based compensation expense is reported under general and administrative expenses in the accompanying consolidated statements of operations.

### 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, 2015, 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, 2015 and 2014 follows:

	<u>Options Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant-Date Fair Value</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Options outstanding at December 31, 2013	668,900	\$ 0.06	\$ 0.10	4.69
No option activity	--	--	--	
Options outstanding at March 31, 2014	<u>668,900</u>	<u>0.06</u>	0.10	4.44
Options outstanding at December 31, 2014	1,518,900	\$ 0.03	\$ 0.10	4.76
Options granted	<u>200,000</u>	<u>0.01</u>	0.40	4.98
March 31, 2015	<u><u>1,718,900</u></u>	<u><u>\$ 0.03</u></u>	\$ 0.13	4.57

Options outstanding at March 31, 2015 consist of:

<u>Date Issued</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
May 1, 2006	100,000	100,000	\$0.01	May 1, 2016
May 1, 2006	100,000	100,000	\$0.01	May 1, 2016
May 1, 2006	50,000	50,000	\$0.01	May 1, 2016
May 1, 2006	46,900	46,900	\$0.01	May 1, 2016
June 9, 2014	213,000	213,000	\$0.03	June 9, 2024
June 9, 2014	159,000	159,000	\$0.03	June 9, 2024
June 9, 2014	600,000	600,000	\$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	<u>1,718,900</u>	<u>1,718,900</u>		

### **Warrants**

In addition to our 2006 Long Term Incentive Plan, we have issued and 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 upon 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, 2015 and 2014 follows:

	<u>Warrants Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant-Date Fair Value</u>	<u>(1)Weighted Average Remaining Contractual Life (Years)</u>
Warrants outstanding at December 31, 2013	275,000	\$ 0.94	\$ 0.10	5.42
No warrant activity	--	--	--	--
Warrants outstanding at March 31, 2014	<u>275,000</u>	<u>\$ 0.94</u>	<u>\$ 0.10</u>	<u>5.17</u>
Warrants outstanding at December 31, 2014	275,000	0.94	0.10	4.42
No warrant activity	--	--	--	--
Warrants outstanding at March 31, 2015	<u>275,000</u>	<u>\$ 0.94</u>	<u>\$ 0.10</u>	<u>4.17</u>

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

Warrants outstanding at December 31, 2014 consist of:

<u>Date Issued</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
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
Total	<u>275,000</u>	<u>275,000</u>		

### **Note 6 – Convertible Note Payable**

On September 16, 2013, the Company issued an 8% convertible note in the aggregate principal amount of \$103,500, convertible into shares of the Company’s common stock. The Note, including accrued interest was due June 18, 2014 and was convertible any time after 180 days at the option of the holder into shares of the Company’s common stock at 55% 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. Interest expense on the convertible note of \$3,242 was recorded for the year ended December 31, 2014.

Initially the Company had anticipated repaying the obligation prior to the effective date of the holder electing to convert. Since the effective date of the election to convert has passed the Company recorded a debt discount related to identified embedded derivatives relating to conversion features and a reset provisions (see Note 7) based fair values as of the inception date of the Note. The calculated debt discount equaled the face of the note and was amortized over the term of the note. During the year ended December 31, 2014, the Company amortized \$63,250 of debt discount. During the year ended December 31, 2014, the noteholder converted \$49,000 of the principal balance to 1,539,934 shares of common stock, and the Company repaid the remaining note balance of \$54,500 and accrued interest of \$5,646 on June 18, 2014.

### **Note7 - Derivative Liability**

#### **Convertible Note**

During the year ended December 31, 2013, the Company issued a convertible note (see Note 6 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 \$152,076 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 December 31, 2013, in the amount of \$152,076, was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 243.00%, (3) weighted average risk-free interest rate of 0.09%, (4) expected lives of 0.72 to 0.75 years, and (5) estimated fair value of the Company's common stock of \$0.51 per share. The Company recorded interest expense from the excess of the derivative liability over the convertible note of \$48,576 during the year ended December 31, 2013. A gain on derivative liability of \$152,076 was recorded during the year ended December 31, 2014 for the satisfaction of the convertible note.

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 8—Stock Transactions**

On September 25, 2014, the Board unanimously approved an amendment to the Company's Articles of Incorporation to increase the number of shares of Common Stock which the Company is authorized to issue from seventy five million (75,000,000) to Three Hundred Million (300,000,000) shares of Common Stock, \$0.001 par value per share, and to create a new class of stock entitled "preferred stock" (together, the "Capitalization Amendments"). The Capitalization Amendments create provisions in the Company's Articles of Incorporation, which allows the voting powers, designations, preferences and other special rights, and qualifications, limitations and restrictions of each series of preferred stock to be established from time to time by the Board without approval of the stockholders. No dividend, voting, conversion, liquidation or redemptions rights as well as redemption or sinking fund provisions are yet established with respect to the Company's preferred stock. On October 3, 2014, the Majority Stockholders executed and delivered to the Company a written consent approving the Current Action.

#### **Common Stock Issued**

In connection with the convertible note payable (see Note 6 above) the noteholder converted \$49,000 of the principal balance to 1,539,934 shares of common stock during the year ended December 31, 2014. The stock issued was determined based on the terms of the convertible note.

#### **Note 9 - Income Taxes**

	<u>Quarter Ended March 31,</u>
	<u>2015</u> <u>2014</u>
Effective tax rate	0.0 % 0.0 %

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 10 - Retirement Plan**

Gotham has adopted the Gotham Innovation Lab, Inc. SIMPLE IRA Plan, which covers substantially all employees. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation in accordance with Section 408 (a) of the Internal Revenue Code. The Company matches up to 3% of employee contributions. The Company's contributions to the plan for the three months ended March 31, 2015 and 2014 were \$1,300 and \$2,149, respectively.

#### **Note 11 – Concentrations and Credit Risk**

##### **Sales and Accounts Receivable**

Gotham had sales to one customer which accounted for approximately 57% of Gotham's total sales for the three months ended March 31, 2015. The one customer accounted for approximately 64% of accounts receivable at March 31, 2015.

Gotham had sales to one customer which accounted for approximately 65% of Gotham's total sales for the three months ended March 31, 2014. The one customer accounted for approximately 62% of accounts receivable at March 31, 2014.

##### **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, 2015 and December 31, 2014, respectively.

#### **Note 12 - Fair Value Measurement**

The Company adopted the provisions of Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") on January 1, 2008. ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most



advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes 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 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

All items required to be recorded or measured on a recurring basis consist of derivative liabilities and are based upon level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level is the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

Upon adoption of ASC 825-10, there was no cumulative effect adjustment to beginning retained earnings and no impact on the financial statements.

The carrying value of the Company's cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings (including convertible note payable), and other current assets and liabilities approximate fair value because of their short-term maturity.

As of March 31, 2015 and December 31, 2014, the Company did not have any items that would be classified as level 1 or 2 disclosures.

The Company recognizes its derivative liabilities as level 3 and values its derivatives using the methods discussed in Note 7. While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The primary assumptions that would significantly affect the fair values using the methods discussed in Note 7 are that of volatility and market price of the underlying common stock of the Company.

As of March 31, 2015 and December 31, 2014, the Company did not have any derivative instruments that were designated as hedges.

Fluctuations in the Company's stock price are a primary driver for the changes in the derivative valuations during each reporting period. As the stock price decreases for each of the related derivative instruments, the value to the holder of the instrument generally decreases, therefore decreasing the liability on the Company's balance sheet. Additionally, stock price volatility is one of the significant unobservable inputs used in the fair value measurement of each of the Company's derivative instruments. The simulated fair value of these liabilities is sensitive to changes in the Company's expected volatility. A 10% change in pricing inputs and changes in volatilities and correlation factors would currently not result in a material change in value for the level 3 financial liability.

### **Note 13 - Related Party Transactions**

#### **Note Payable – Related Party**

Gotham was provided a loan which was due on December 31, 2013 from an entity that was previously a related party. The balance of \$6,263 has not been paid and is accordingly included in accounts payable at December 31, 2014.

#### **Loan Payable - Stockholder**

A stockholder/officer of the Company made cash advances totaling \$30,180 on behalf of the Company. The loan does not bear interest and will be repaid by December 31, 2015.

### **Note 14 – Commitments and Contingencies**

#### **Lease Commitment**

On February 1, 2012, iGambit entered into a 5 year lease for new executive office space in Smithtown, New York commencing on March 1, 2012 at a monthly rent of \$1,500 with 2% annual increases.

Gotham has a month to month license agreement for office space that commenced on August 2, 2012 at a monthly license fee of \$4,025. The license agreement may be terminated upon 30 days' notice.

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

2015	\$ 14,370
2016	19,440
2017	<u>3,240</u>
	<u>\$ 37,050</u>

Rent expense of \$17,273 and \$17,456 was charged to operations for the three months ended March 31, 2015 and 2014, respectively.

### **Contingencies**

The Company provides accruals for costs associated with the estimated resolution of contingencies at the earliest date at which it is deemed probable that a liability has been incurred and the amount of such liability can be reasonably estimated.

## **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.

### **CRITICAL ACCOUNTING ESTIMATES**

Our management’s discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of

America. The preparation of financial statements may require us to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements. We do not currently have any estimates or assumptions where the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change or the impact of the estimates and assumptions on financial condition or operating performance is material, except as described below.

### ***Revenue Recognition***

Our revenues from continuing operations consist of revenues derived primarily from sales of products and services rendered to real estate brokers. We recognize revenues when the services or products have been provided or delivered, the fees charged are fixed or determinable, we and our customers understand the specific nature and terms of the agreed upon transactions, and collectability is reasonably assured.

### ***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***

We analyze the collectability of accounts receivable from continuing operations each accounting period and adjust our 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. We evaluate specific accounts when we become 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 \$17,865 at March 31, 2015 and December 31, 2014, respectively. There was no bad debt expense charged to operations for three months ended March 31, 2015 and 2014, respectively.

### ***Property and equipment and depreciation***

Property and equipment are stated at cost. 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. Computer equipment is depreciated over 5 years and furniture and fixtures are depreciated over 7 years. 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 expense of \$1,306 and \$1,191 was charged to operations for the three months ended March 31, 2015 and 2014, respectively.

### ***Stock-Based Compensation***

We account for our stock-based awards granted under our 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. We use the Black-Scholes option valuation model to estimate the fair value of our stock options and warrants. The Black-Scholes option valuation model requires the input of highly subjective assumptions including the expected stock price volatility of our common stock. Changes in these subjective input assumptions can materially affect the fair value estimate of our stock options and warrants.

### ***Income Taxes***

We account 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.

We apply 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.

### ***Convertible Note***

On September 16, 2013, we issued an 8% convertible note in the aggregate principal amount of \$103,500, convertible into shares of the Company's common stock. The Note, including accrued interest is due June 18, 2014 and is convertible any time after 180 days at the option of the holder into shares of our common stock at 55% 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. Interest expense on the convertible note of \$3,242 was recorded for the year ended December 31, 2014.

Initially we anticipated repaying the obligation prior to the effective date of the holder electing to convert. Since the effective date of the election to convert has passed we recorded a debt discount related to identified embedded derivatives relating to conversion features and a reset provisions based fair values as of the inception date of the Note. The

calculated debt discount equaled the face of the note and was amortized over the term of the note. During the year ended December 31, 2014, we amortized \$63,250 of debt discount. During the year ended December 31, 2014, the noteholder converted \$49,000 of the principal balance to 1,539,934 shares of common stock, and we repaid the remaining note balance of \$54,500 and accrued interest of \$5,646 on June 18, 2014.

### ***Derivative Liability***

During the year ended December 31, 2013, we issued a convertible note.

The note is convertible into common stock, at the holders' option, at a discount to the market price of our common stock. We 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 we 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 \$152,076 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 December 31, 2013, in the amount of \$152,076, was determined using the Binomial Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 243.00%, (3) weighted average risk-free interest rate of 0.09%, (4) expected lives of 0.72 to 0.75 years, and (5) estimated fair value of our common stock of \$0.51 per share. We recorded interest expense from the excess of the derivative liability over the convertible note of \$48,576 during the year ended December 31, 2013. We recorded a gain on derivative liability of \$152,076 during the year ended December 31, 2014 for the satisfaction of the convertible note.

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

## **INTRODUCTION**

iGambit is a company focused on the technology markets. Our sole operating subsidiary, Gotham Innovation Lab, Inc., is in the business of providing media technology services to the real estate industry. We are focused on expanding the operations of Gotham by marketing the company to existing and potential new clients.

**Assets.** At March 31, 2015, we had \$193,987 in total assets, compared to \$280,786 at December 31, 2014. The decrease in total assets was primarily due to the decrease in cash and the decrease in prepaid expenses.

**Liabilities.** At March 31, 2015, our total liabilities were \$331,377 compared to \$285,277 at December 31, 2014. Our total liabilities at March 31, 2015 consisted of accounts payable of \$301,197, and a note payable to a shareholder of \$30,180, whereas our total liabilities as of December 31, 2014 consisted of accounts payable of \$285,277. We do not have any long term liabilities.

**Stockholders' Deficiency.** Our stockholders' deficiency increased to \$137,390 at March 31, 2015 from \$4,491 at December 31, 2014. This increase was primarily due to an increase in accumulated deficit from \$(2,882,199) at December 31, 2014 to \$(3,027,096) at March 31, 2015, resulting from losses from operations of \$(144,897) for the three months ended March 31, 2015.

### **THREE MONTHS ENDED MARCH 31, 2015 AS COMPARED TO THREE MONTHS ENDED MARCH 31, 2014**

**Revenues and Cost of Sales.** We had \$300,347 of revenue during the three months ended March 31, 2015 compared to revenue of \$240,213 during the three months ended March 31, 2014. The increase in revenue was due primarily to an increase in revenue generated by our Gotham subsidiary as result of transitioning out our customer technical services division and focusing more on the real estate photography division. In addition to Gotham's operations, we had income from discontinued operations of \$0 and \$11,355 for the three months ended March 31, 2015 and March 31, 2014, respectively.

**General and Administrative Expenses.** General and Administrative Expenses increased to \$307,919 for the three months ended March 31, 2015 from \$272,267 for the three months ended March 31, 2014. For the three months ended March 31, 2015 our General and Administrative Expenses consisted of corporate administrative expenses of \$85,794, legal and accounting fees of \$40,080, health insurance expenses of \$7,688, directors and officers insurance expenses of \$10,600, payroll expenses of \$141,041, consulting expenses of \$14,498 and exchange filing fees of \$8,218. For the three months ended March 31, 2014 our General and Administrative Expenses consisted of corporate administrative expenses of \$74,221, legal and accounting fees of \$36,336, health insurance expenses of \$19,887, directors and officers insurance expenses of \$10,924 and payroll expenses of 130,899.. The increases from the three months ended March 31, 2014 to the three months ended March 31, 2014 relate primarily to: (i) an increase in payroll expenses; (ii) an increase in consulting expenses; (iii) an increase exchange filing fees; and (iv) an increase in general and administrative costs associated with the operation of our Gotham subsidiary. Costs associated with our officers' salaries and the operation of our Gotham subsidiary should remain level going forward, subject to a material expansion in the business operations of Gotham which would likely increase our corporate administrative expenses.

**Other Income (Expense).** There was interest expense of \$1,703 and \$3,467 for the three months ended March 31, 2015 and March 31, 2014, respectively. There was \$34,500 in amortization of debt discount for the three months ending March 31, 2014.

## **LIQUIDITY AND CAPITAL RESOURCES**

### ***General***

As reflected in the accompanying consolidated financial statements, at March 31, 2015, we had \$38,734 of cash and a stockholders' deficiency of \$137,390 as compared to \$133,436 and \$4,491 at December 31, 2014. At March 31, 2015 we had \$193,987 in total assets, compared to \$280,786 at December 31, 2014.

Our primary capital requirements in 2015 are likely to arise from the expansion of our Gotham operations, and, in the event we effectuate an acquisition, from: (i) the amount of the purchase price payable in cash at closing, if any; (ii) professional fees associated with the negotiation, structuring, and closing of the transaction; and (iii) postclosing costs. It is not possible to quantify those costs at this point in time, in that they depend on Gotham's business opportunities, the state of the overall economy, the relative size of any target company we identify and the complexity of the related acquisition transaction(s). 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 Gotham's sales volume and to acquire companies, 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 by operating activities was \$119,856 for the three months ended March 31, 2015, compared to net cash provided by operating activities of \$2,875 for the three months ended March 31, 2014. Our primary source of operating cash flows from continuing operating activities for the three months ended March 31, 2015 was from our Gotham subsidiary's revenues of \$300,347 and \$240,213 for the three months ended March 31, 2014. Additional contributing factors to the change were from an increase in accounts receivable of \$29,858, a decrease in prepaid expenses of \$25,675 and an increase in accounts payable of \$15,920. Net cash provided by discontinued operating activities was \$0 for the three months ended March 31, 2015 and cash provided by discontinued operating activities was \$37,500 for the three months ended March 31, 2014. The \$37,500 cash provided by discontinued operations for the three months ended March 31, 2014, represents cash payments received from DDC which was offset by a decrease in accounts receivable included in the Assets from Discontinued Operations.



Cash used in investing activities was \$5,026 for the three months ended March 31, 2015 and \$4,738 for the three months ended March 31, 2014. For the three months ended March 31, 2015 the use of cash from investing activities was from the purchase of property and equipment of \$5,026. For the three months ended March 31, 2014 the use of cash from investing activities was \$2,026 from the purchase of property and equipment and from an increase in deposits of \$2,712.

Cash provided by financing activities was \$30,180 for the three months ended March 31, 2015 compared to \$3,600 for the three months ended March 31, 2014. The cash provided by financing activities for the three months ended March 31, 2015 and March 31, 2014 was loans from shareholders of \$30,180 and \$3,600, respectively.

### ***Supplemental Cash Flow Activity***

In the three months ended March 31, 2015 the company paid interest of \$1,703 compared to interest of \$1,425 in the three months ended March 31, 2014.

### ***Item 3. Quantitative and Qualitative Disclosures about Market Risk.***

Not Required.

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

### **Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

We carried out an evaluation, as required by paragraph (b) of Rule 13a-15 and 15d-15 of the Exchange Act under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2015. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2015.

### **Change in Internal Controls**

During the quarter ended March 31, 2015, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **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, 2015.

**Item 1A.**  
Not required

***Risk Factors.***

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

In connection with the convertible note payable the noteholder converted \$49,000 of the principal balance to 1,539,934 shares of common stock during the year ended December 31, 2014. The stock issued was determined based on the terms of the convertible note.

**Item 3. *Defaults upon Senior Securities.***

None

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

**Item 5. *Other Information.***

None

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
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 14, 2015.

iGambit Inc.

/s/ John Salerno

John Salerno  
Chief Executive Officer

/s/ Elisa Luqman

Elisa Luqman  
Chief Financial Officer and  
Principal Accounting Officer

## Exhibit Index

<b>Exhibit No.</b>	<b>Description</b>
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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.)

**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 14, 2015

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

**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 14, 2015

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

**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, 2013, (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 14, 2015

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

**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, 2015, (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 14, 2015

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