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

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 000-53862

IGAMBIT INC.
(Exact name of registrant 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)

(631) 670-6777	
(Registrant's telephone number)	*(Registrant's former telephone number)*

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class: NONE	**Name of Each Exchange on Which Registered:**

Securities registered pursuant to Section 12(g) of the Act: Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

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 website, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of the 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 126-2 of the act): Yes ☐ No ☑

There is not currently a market for the Registrant's common stock.

As of April 15, 2015 there were 26,583,990 shares of the Registrant's $0.001 par value common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None

iGambit Inc.
FORM 10-K — FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

This annual report on Form 10-K is for the year ended December 31, 2014. The Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this annual report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this annual report. In this annual report, "Company," "we," "us" and "our" refer to iGambit Inc. and its subsidiaries.

PART I

This Annual Report on Form 10-K 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. The Company has based these forward-looking statements on the Company's current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us and the Company's subsidiaries that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In many cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Factors that might cause or contribute to a material difference include, but are not limited to, those discussed elsewhere in this Annual Report, including the section entitled "Risk Factors" and the risks discussed in the Company's other Securities and Exchange Commission filings. The following discussion should be read in conjunction with the Company's audited Consolidated Financial Statements and related Notes thereto included elsewhere in this report.

ITEM 1. *BUSINESS*

HISTORY

We were incorporated in the State of Delaware under the name BigVault.com Inc. on April 13, 2000. On April 18, 2000, we merged with BigVault.com, Inc., a New York corporation with which we were affiliated. We survived the merger, and on December 19, 2000 changed our name to bigVAULT Storage Technologies, Inc. At that time we were in the business of providing remote, internet-based storage vaulting services and related ancillary services to end users and resellers (the "Vault Business").

On February 28, 2006 we sold all of our assets to Digi-Data Corporation ("DDC"), an unrelated third party, pursuant to the terms of an Asset Purchase Agreement dated December 21, 2005 (the "APA"), a copy of which is filed herewith as an exhibit. As consideration for our transfer of assets under the APA, DDC paid certain of our liabilities and agreed to make certain quarterly and annual revenue sharing payments to us, as is further described below. Mr. Salerno and Ms. Luqman accepted employment with DDC in senior management positions post closing, and continued to work for DDC until February 2009. As of March 1, 2009 Mr. Salerno and Ms. Luqman returned to their full time management roles with the Company.

On April 5, 2006, we changed our name to iGambit Inc.

On October 1, 2009, we acquired the assets of Jekyll Island Ventures, Inc., a New York corporation doing business as Gotham Photo Company ("Jekyll") through our wholly owned subsidiary Gotham Innovation Lab, Inc., a New York corporation ("Gotham").

On December 28, 2012, we entered into an Asset and Stock Purchase Agreement (the "Purchase Agreement") to acquire substantially all of the assets of IGX Global Inc. a Connecticut corporation ("IGXUS"), and all of the issued and outstanding shares of IGX Global UK Limited a UK Private Limited company ("IGXUK") through our wholly owned subsidiary IGXGLOBAL CORP., a Delaware corporation ("IGXGLOBAL"), and thereby acquired the business operated by IGSUS and IGSUK (the "Acquired Business"). Thomas Duffy is the sole shareholder of both IGXUK and IGXUS (the "Shareholder"). The Purchase Agreement was disclosed on the Company's current report on Form 8-K filed on January 7, 2013.

On April 8, 2013, iGambit Inc. ("iGambit") and its' wholly owned subsidiary, IGXGLOBAL, CORP. ("IGXGLOBAL", and collectively, the "Company"), entered into, and became obligated under, a transaction to rescind the Company's Purchase Agreement dated December 28, 2012 with IGX Global Inc. ("IGXUS"), IGX Global UK Limited ("IGXUK", and collectively, "IGXNJ") and Tomas Duffy ("Duffy") the sole shareholder of both IGXUK and IGXUS (the "Shareholder"). The Rescission Agreement was disclosed on the Company's current report on Form 8-K filed on April 12, 2013.

Under the terms of the Rescission Agreement, the Company, IGXNJ and Shareholder (collectively "IGX"), agreed to unwind the Purchase Agreement in its entirety and to fully restore each to the positions they were respectively in prior to entering the Purchase Agreement, in every respect other than as otherwise expressly contemplated by the Rescission Agreement; and key terms as follows:

(i) IGX to payback or arrange acceptable payoff of the Keltic Financing;
(ii) Cancellation of any future consideration to IGX;
(iii) IGX to pay to iGambit $625,000 in consideration for its expenses and inconvenience; and
(v) IGX to assume and pay certain expenses related to the contemplated Purchase Agreement.

On April 25, 2013 the conditions to closing the Rescission Agreement were completed.

OUR COMPANY

Introduction

We are a company focused on the technology markets. Presently we have one operating subsidiary, Gotham Innovation Lab Inc. ("Gotham"). Gotham is in the business of providing media technology services to the real estate industry. Revenues consist entirely of revenues from the operation of our Gotham subsidiary ($1,068,617 during year ended December 31, 2014). In addition to Gotham's operations, we earned other income, net of other expenses, of $78,493 and income from discontinued operations of $17,531.

Our primary focus is the acquisition of additional technology companies. We believe that the background of our management and of our Board of Directors in the technology markets is a valuable resource that makes us a desirable business partner to the companies that we are seeking to acquire. When we acquire a company, we work to assume an active role in the development and growth of the company, providing both strategic guidance and operational support. We provide strategic guidance to our partner companies relating to, among other things, market positioning, business model and product development, strategic capital expenditures, mergers and acquisitions and exit opportunities. Additionally, we provide operational support to help our partner companies manage day-to-day business and operational issues and implement best practices in the areas of finance, sales and marketing, business development, human resources and legal services. Once a company joins our partner company network, our collective expertise is leveraged to help position that company to produce high-margin, recurring and predictable earnings and generate long-term value for our stockholders.

Our current intention is to fund the purchase price of acquisitions through a combination of the issuance of our common stock at closing and the issuance of common stock purchase or common-stock warrants that would become exercisable only in the event certain earn-out conditions are satisfied by the acquired company. In addition to acquiring entire companies, we would also consider entering into joint ventures and acquiring less than 100 percent of a target company.

Our Strategy to Grow the Company

General

We have an overall corporate business plan as a holding company to seek out and acquire operating companies. Phase one of our strategy is complete. We established new corporate headquarters and a website, expanded our board to include 3 outside independent directors, set up periodic board meetings, engaged a sophisticated full service law firm, engaged a new PCAOB registered auditing firm, engaged an investment banking firm as advisors to assist in the analysis of target acquisitions, and become an SEC reporting company. In addition, we are working on a daily basis towards our strategy, identifying further acquisitions that will expand and or complement our existing subsidiary.

Sources of Target Businesses

We anticipate that target business candidates will be brought to our attention from various sources, including our management team, investment bankers, venture capital funds, private equity funds, leveraged buyout funds, management buyout funds, consulting firms and other members of the financial community who will become aware that we are seeking business partners via public relations and marketing efforts, direct contact by management or other similar efforts, who may present solicited or unsolicited proposals. Any finder or broker would only be paid a fee upon the completion of a business combination. While we do not presently anticipate engaging the services of professional firms that specialize in acquisitions on any formal basis, we may decide to engage such firms in the future or we may be approached on an unsolicited basis. Our officers and directors, as well as their affiliates, may also bring to our attention target business candidates that they become aware of through their business contacts. While our officers and directors make no commitment as to the amount of time they will spend trying to identify or investigate potential target businesses, they believe that the various relationships they have developed over their careers together with their direct inquiry, will generate a number of potential target businesses that will warrant further investigation. In no event will we pay any of our existing officers, directors, special advisors or stockholders or any entity with which they are affiliated any finder's fee or other compensation for services rendered to us prior to or in connection with the completion of a business combination. In addition, none of our officers, directors, special advisors or existing stockholders will receive any finder's fee, consulting fees or any similar fees from any person or entity in connection with any business combination involving us other than any compensation or fees that may be received for any services provided following such business combination.

Selecting Acquisition Targets

Our management has virtually unrestricted flexibility in identifying prospective target business and diligently reviews all of the proposals we receive.

The criteria we look for in a potential acquisition include, but are not limited to, the following:

Company Characteristics

- Established Company with proven track record
  - Company with history of strong operating and financial performance, or
  - Company undergoing a turnaround that demonstrates strong prospects for future growth
- Strong Cash Flow Characteristics.
  - Cash flow neutral or positive,
  - Predictable recurring revenue stream,
  - High gross margins and
  - Low working capital and capital expenditure needs
- Strong Competitive Industry Position
  - Leading or niche market position, and/or
  - Strong channel relationships that promote barriers to entry
- Strong Management Team
  - Experienced, proven track record in delivering revenue and ability to execute, or

- A management team that can be complemented with our contacts and team
- Diversified Customer and Supplier base
- Proprietary products or marketing position

<u>Industry Characteristics</u>

- Non-cyclical
- Services Consumer or niche market
- Fragmented with potential for consolidation or growth
- Emerging markets

<u>Industries of Interest</u>

- Real Estate Services
- Managed Security Services Providers (MSSP)
- IT Solutions Providers specializing in security and network technology products, services, and support
- Internet
    - Cloud Computing
    - Security focused applications

<u>Investment Criteria</u>

- Sales Volumes: $500 thousand to $30 million
- Cash Flow: Neutral or positive
- Structure: Controlled ownership. Closely held private company
- Geography: North America Investment size: $1 million to $5 Million
- Involvement: Board oversight
- Controlling Interest: Acquire 100% of controlling interest in target
- Marketing:
    - Target captures a particular segment of the market
    - Target has a focused strategic marketing plan.

These criteria are not intended to be exhaustive. Any evaluation relating to the merits of a particular business combination will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by our management in effecting a business combination consistent with our business objective.

Diligence Process

Upon receipt of a business plan, the procedure is for management to review the business plan and determine if it satisfies the Company's acquisition criteria, and whether the business plan should be rejected or pursued further. If the plan satisfies the requirements, then Management meets with the target's management to determine if there is a synergy that can work and to explore the business plan in greater detail. Generally this occurs over several meetings and can take some time. Depending on the nature of the business, management may enlist certain technical or industry consultants to meet with the target and provide feedback and analysis. Management will also review the target's financials. If the analysis suggests the target should be explored further Management will present the opportunity to the BOD for approval to pursue the opportunity further. One or two outside directors may meet with the target to make an independent assessment. If the opportunity is approved for further exploration management will discuss potential purchase structure with target's management to be sure that a meeting of the minds exists for a potential deal. At this point management will request that our investment banking advisors give their opinion of the industry, the market and potential financing options of the deal. Often, the investment bankers will meet with target's management. The investment banker's feedback is presented to the board and, if positive, the Board analyzes the proposed financing structure, discusses effects of a transaction on the Company as they relate to taxes, capitalization, stock value etc., engaging the necessary outside consultants. If all appears positive a letter of intent is negotiated and executed, additional diligence is conducted, and definitive transaction documents are negotiated and executed.

Evaluation of the Target's Management

We would condition any acquisition on the commitment of management of the target business to remain in place post-closing. Following a business combination, we may seek to recruit additional managers to supplement the incumbent management of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that any such additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management. Although we intend to closely scrutinize the management of a prospective target business when evaluating the desirability of effecting a business combination, we cannot assure you that our assessment of the target business's management will prove to be correct.

Competition

In identifying, evaluating and selecting a target business, we may encounter intense competition from other entities having a business objective similar to ours. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than us and our financial resources will be relatively limited when contrasted with those of many of these competitors, which may limit our ability to compete in acquiring certain target businesses. This inherent competitive limitation gives others an advantage in pursuing the acquisition of a target business.

Companies Currently Under Review

We are constantly in the process of reviewing potential target companies. Currently, we are not under contract to acquire any companies.

Our Partner Company

Gotham Innovation Lab Inc.

Products and Services

Gotham’s business is directed at providing media technology services to the real estate community. The range of media services includes Real Estate Sales location Photography, the exclusive Gotham EXPO Full Screen Experience; Floorplan Measurements, and Redraws and E-Brochures, Virtual Staging, Headshots, and HD Video.

In 2012, Gotham launched its new offering ScreenPLAY. Gotham's ScreenPLAY is a low cost tool that gets real estate agents listings on YouTube, Wellcomemat, and other popular video platforms with enhanced visibility on Google quickly. Gotham has also seen success in its Headshot events for real estate agents, Headshot events offer professional headshots photo sessions on an individual or company wide basis. Gotham also provides website development services, sales office technology and data interchange services for many of the real estate firms in New York City.

When it comes to selling real estate every broker or seller listing has to have pictures. Utilizing the latest technology Gotham’s service offerings provide a full listing experience for real estate agents’ clients. Gotham service offerings allow brokers and sellers to present their listings in the best possible light while giving the viewer control of the show. Gotham’s services integrate images, photos, floor plans, video, virtual staging, agent and key listing details in an engaging format that immerses the viewer.

All systems are built on accessible web platforms that integrate quickly and seamlessly into the agent’s workflow.

In addition to natural expansion into the areas surrounding NYC, Gotham is actively working to expand other geographic locations on the East Coast. Gotham has already established a presence in Florida, covering the Miami to West Palm Beach area.

Competitive Comparison

Gotham competes with others in the industry by focusing on user interaction, technology and delivery. Gotham maintains strict standards of photography and a roster of accomplished photographers who we engage in between their premium assignments such as fashion shoots, architectural projects, etc.

In addition to superior media, in the opinion of management, Gotham's technology tools set us apart from our competition. For example, our expo product offering utilizes the pre-generation of a multitude of media sets to deliver images sized perfectly for the users screen, wasting no bandwidth or file size, thereby enabling us to maintain the speed and efficiency of the product at an optimal level. In the opinion of management, a majority of our competitors either don't seem to employ similar measures in their full screen product offerings or do so, on a more limited basis.

Future Products and Services

Future offerings will include enhanced products that focus on social media interaction, mobile applications and tools for realtors, as well as multi touch augmented reality technologies for presentations, etc. Gotham will continue to expand its media offerings, integrating with and adopting technologies as they become available.

Customers

Gotham currently has approximately 400 client accounts, including accounts ranging from single agent accounts to large "master accounts" with large firms such as Douglas Elliman and Halstead. Taking these and other master accounts into consideration, Gotham does business with over 3,000 New York City real estate agents. The following five customers constituted approximately 75% of the Company's sales in 2014: Douglas Elliman Real Estate, LLC – approximately 70% of sales; Richard Caplan Photography – approximately 2% of sales; EGR International, Inc. – approximately 1% of sales; Brooklyn Ridge Realty – approximately 1% of sales; and Halstead Property Development Marketing LLC – approximately 1% of sales. The loss of Douglas Elliman Real Estate could have a material adverse affect on the Company's financial condition.

Expansion Summary

Gotham's objective is to be a market leader in offering EXPO, Virtual Tours, and Video, type services to the real estate industry. Gotham is currently providing services to a number of realtors and brokers in the New York Metropolitan area including, but not limited to, Douglas Elliman ("DE"), Corcoran, Trump among others. In addition to natural expansion into the areas surrounding NYC such as Long Island, Gotham has recently expanded into Florida, and is actively working to expand by further providing services to large accounts that exist in both Manhattan and targeted secondary markets, and through the selective hiring of one-off service providers who are currently operating in other markets

Employees

We presently have 9 total employees all of which are full-time.

OUR CORPORATE INFORMATION

Our principal offices are located at 1050 W. Jericho Turnpike, Suite A, Smithtown, New York, 11787. Our telephone number is (631) 670-6777 and our fax number is (631) 670-6780. We currently operate two corporate websites that can be found at www.igambit.com, and www.gothamphotocompany.com (the information on the foregoing websites does not form a part of this report).

ITEM 1A. *RISK FACTORS*

Not Required.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

Our corporate executive office is located in Smithtown, New York, where we lease approximately 1000 square feet of office space. Monthly lease payments are approximately $1,590. The lease is for a term of five (5) years commencing on March 1, 2012 and ending on February 28, 2017. The lease contains annual escalations of 2% of the annual rent.

Our Gotham operations are located in New York, New York, where we license office suites with furniture and equipment in a shared global office building. Monthly license payments are approximately $4,025 and the fees are paid on a month to month basis.

Our leased and licensed properties are suitable for their respective uses and are, in general, adequate for our present needs. Our properties are subject to various federal, state, and local statutes and ordinances regulating their operations. Management does not believe that compliance with such statutes and ordinances will materially affect our business, financial condition, or results of operations.

ITEM 3. *LEGAL PROCEEDINGS*

Digi-Data Corporation

On October 1, 2012, we filed a lawsuit in the United States District Court for the District of Maryland, Baltimore Division, asserting claims against DigiData Corp. ("Defendant") for monetary damages arising from the Defendant's breach of contract regarding that certain Asset Purchase Agreement dated February 26, 2006 among the parties, and to enforce payment of outstanding contingency payments due to the Company pursuant to said agreement.

On December 13, 2013 the Court Granted Summary Judgment in iGambit's favor against Digi-Data in the amount of $570,590, plus interest at the Maryland legal rate of 6% per annum from August 31, 2012, and post judgment interest at the Federal statutory Rate. Furthermore, Digi-Data's Counterclaim was dismissed.

On February 24, 2014 we entered into a Forbearance Agreement with Digi-Data pursuant to which Digi-Data shall pay to iGambit Six Hundred Forty-Six Thousand, Six Hundred Sixty-Eight Dollars and Sixty-Seven Cents ($646,668.67) (the "Settlement Amount") in full satisfaction of the Judgment based upon certain terms, which included the following:

> Digi-Data Sale: In the event of a Digi-Data Sale, iGambit shall be paid the Remaining Balance at closing of any such Digi-Data Sale as provided in paragraph 2, below. iGambit acknowledges that, if the Digi-Data Sale is a sale or sales of the Digi-Data Assets, there may be insufficient proceeds to pay the Remaining Balance in full. If the Digi-Data Sale is a sale or sales of the stock of Digi-Data and there are insufficient proceeds at closing to pay the Remaining Balance in full, iGambit shall continue to receive the Subsequent Monthly Payment until the full Remaining Balance is paid.

On May 12, 2014, Digi-Data paid the full balance due on the judgment plus all accrued interest upon the sale of Digi-Data.

Financial Advisor Contract

Brooks, Houghton & Company, Inc. (BHC)

We entered into a contract with BHC in which BHC would provide financial advisory services in connection with the Company's proposed business combinations and related fund raising transactions. As part of that agreement BHC would be entitled to a "Business Combination Fee" equal to three percent of the amount of the company's total proceeds and other consideration paid or to be paid for the assets acquired, inclusive of equity or any debt issued; however the fee was to be no less than $300,000. As a result of the IGX transaction, BHC initially felt entitled to $300,000. We have taken a position that since the transaction has been rescinded, that the fee is has not been earned and thus not to be paid. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution of any outstanding claim will not have a material adverse effect on the financial position or results of operations of the Company.

ITEM 4. *(REMOVED AND RESERVED)*

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES*

MARKET INFORMATION

Effective March 19, 2011 the Company's common stock is quoted on the Over the Counter Bulletin Board, a service maintained by the Financial Industry Regulatory Authority, under the ticker symbol "IGMB".

HOLDERS

As of April 15, 2015, there are 26,583,990 shares of our common stock outstanding, held of record by 181 persons. We have 275,000 common stock warrants outstanding and 1,518,900 common stock options outstanding.

As of April 15, 2015, approximately all 26,583,990 shares of our common stock are eligible to be sold under Rule 144.

DIVIDENDS

We have never declared or paid any dividends on our common stock. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will be dependent upon our results of operations, financial condition, capital requirements, contractual restrictions and other factors deemed relevant by the Board of Directors. The Board of Directors is not expected to declare dividends or make any other distributions in the foreseeable future, but instead intends to retain earnings, if any, for use in business operations.

EQUITY COMPENSATION PLAN INFORMATION

We currently do not have an equity compensation plan. In 2006, the Company adopted the 2006 Long-Term Incentive Plan (the "2006 Plan"). The Plan expired on December 31, 2009. 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.

In addition to the 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.

The following table describes our equity compensation plans as of December 31, 2014:

Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)**		**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)**	**Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities referenced in column (a)) (c)**
Equity compensation plans approved by our stockholders (1)	296,900	$	0.06	0
Equity compensation plans not approved by our stockholders	1,222,000	$	0.06	0

(1) Equity compensation plans approved by our stockholders consist of our 2006 Long Term Incentive Plan.

RECENT SALES OF UNREGISTERED SECURITIES

During 2014 we did not sell securities in transactions not registered under the Securities Act of 1933, as amended (the "Securities Act").

ITEM 6. *SELECTED FINANCIAL DATA*

Not Required

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

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.

Fair Value of Financial Instruments

For certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and amounts due to/from 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

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 we charge are fixed or determinable, we and our customers understand the specific nature and terms of the agreed upon transactions, and collectability is reasonably assured.

Contingency payment income was recognized quarterly from a percentage of Digi-Data's vaulting service revenue, and is included in discontinued operations.

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 December 31, 2014 and 2013, respectively. Bad debt expense of $4,295 and $0 was charged to operations for the years ended December 31, 2014 and 2013, 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 $4,766 and $6,694 was charged to operations for the years ended December 31, 2014 and 2013, 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 the Company's 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, 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 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.

Derivative Liability

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

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.

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 Capitalization Amendments.

Common Stock Issued

In connection with the convertible note payable the note holder 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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.

Year Ended December 31, 2014 as Compared to Year Ended December 31, 2013

Assets. At December 31, 2014, we had $260,217 in current assets and $280,786 in total assets, compared to $1,050,746 in current assets and $1,071,342 in total assets as of December 31, 2013. The decrease in total assets was primarily due to a decrease in accounts receivable and a decrease in assets from discontinued operations as a result of iGambit collecting all of its receivables in 2014.

Liabilities. At December 31, 2014, we had total liabilities of $285,277 compared to $515,155 at December 31, 2013. Our total liabilities at December 31, 2014 consisted of accounts payable of $285,277, whereas our total liabilities at December 31, 2013 consisted of accounts payable of $316,566, a convertible note payable of $40,250, a derivative liability for certain provisions of the convertible note of $152,076 and a note to a related party of $6,263, The decrease in liabilities was primarily due to a repayment of a convertible note payable and repayment of a note payable to unrelated parties. We do not have any long term liabilities.

Stockholders' Equity (Deficiency). Our Stockholders' Deficiency was $(4,491) at December 31, 2014 compared to Stockholders' Equity of $556,187 at December 31, 2013. This decrease was due to an increase in accumulated deficit from $(2,197,857) at December 31, 2013 to $(2,882,199) at December 31, 2014 resulting from net loss of $(684,342) for the year ended December 31, 2014 compared to net income of $250,489 for the year ended December 31, 2013

Revenue and Net Income. We had revenue of $1,068,617 for the year ended December 31, 2014, compared to revenue of $1,461,183 for the year ended December 31, 2013. The decrease in revenue was due primarily to a decrease in revenue generated by our Gotham subsidiary as result of closing down the Team5 division. We also earned other income of $78,493 for the year ended December 31, 2014 primarily due to the gain on derivative liability, compared to $660,245 in other income from the IGX Rescission Agreement for the year ended December 31, 2013. In addition to Gotham's operations, we had income from discontinued operations of $17,531 and $317,625 for the year ended December 31, 2014 and December 31, 2013, respectively. The decrease in our cost of sales for the year ended December 31, 2014 was due to a decrease in the cost of the outsourced photography vendors utilized by Gotham.

General and Administrative Expenses. General and Administrative Expenses decreased to $1,383,646 for the year ended December 31, 2014 from $1,692,556 for the year ended December 31, 2013. For the year ended December 31, 2014 our General and Administrative Expenses consisted of corporate administrative expenses of $292,096, legal and accounting fees of $111,477, payroll expenses of $731,606, Directors and Officers Insurance of $43,754, employee benefits expenses of $74,975 (medical, dental, retirement plan, and life insurance), $74,664 in stock based compensation expense, and a bad debt write off of $55,074. For the year ended December 31, 2013 our General and Administrative Expenses consisted of corporate administrative expenses of $269,596, legal and accounting fees of $153,113, payroll expenses of $1,082,212, Directors and Officers Insurance of $40,381, employee benefits expenses of $117,079 (medical, dental, retirement plan, and life insurance), and business advisory fees, commissions and expenses primarily associated with the IGX purchase and rescission transaction, of $30,175. Therefore the decreases from the year ended December 31, 2013 to the year ended December 31, 2014 relate primarily to a decrease in payroll and employee benefits expenses. In the event the company effectuates an acquisition in 2015 we anticipate additional professional fees associated with the acquisition.

LIQUIDITY AND CAPITAL RESOURCES

General

As reflected in the accompanying consolidated financial statements, at December 31, 2014, we had $133,436 of cash and stockholders' deficit of $(4,491). At December 31, 2013, we had $26,870 of cash and stockholders' equity of $556,187.

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) post closing 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 provided by operating activities was $165,805 for the year ended December 31, 2014, compared to net cash used by operating activities of $183,151 for the year ended December 31, 2013. Net cash used by continuing operating activities was $489,941 for the year ended December 31, 2014, compared to net cash provided by continuing operating activities of $134,474 for the year ended December 31, 2013. Our primary source of operating cash flows from continuing operating activities for the year ended December 31, 2014 was from our Gotham subsidiary's revenues of $1,068,617 and $1,461,183 for the year ended December 31, 2013. Additional contributing factors to the change were from a decrease in accounts receivable of $53,621, an increase in prepaid expenses of $34,520, a decrease in accounts payable of $37,552 and a decrease in the receivable due from the IGX rescission agreement of $239,779. Net cash provided by discontinued operating activities was $655,746 for the year ended December 31, 2014 and cash used in discontinued operating activities was $317,625 for the year ended December 31, 2013. Cash provided by discontinued operations for the year ended December 31, 2014 consisted of $655,746 in cash payments received from DDC against accounts receivable included in the Assets from Discontinued Operations.

Cash used by investing activities was $4,739 for the year ended December 31, 2014 and cash provided by investing activities was $1,800 for the year ended December 31, 2013. For the year ended December 31, 2014 the primary use of cash from investing activities was from purchases of property and equipment of $2,026 and an increase in deposits of $2,713. For the year ended December 31, 2013 the primary source of cash provided by investing activities was from a decrease in deposits.

Cash used by financing activities was $(54,500) for the year ended December 31, 2014 compared to cash provided by financing activities of $103,500 for the year ended December 31, 2013. The cash flows used by financing activities for the year ended December 31, 2014 was primarily from repayment of the convertible note payable. The cash flows provided by financing activities for the year ended December 31, 2013 was from the issuance of a Convertible note payable to at an unrelated party.

Supplemental Cash Flow Activity

In the year ended December 31, 2014 the company paid interest of $10,033 compared to interest of $3,524 in the year ended December 31, 2013.

OFF BALANCE SHEET ARRANGEMENTS

We have no off balance-sheet arrangements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Not Required.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

The Financial Statements required by this Item 8 are included in this Report beginning on page F-1, as follows:

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None.

ITEM 9A. *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 December 31, 2014. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2014.

Management's Annual Report on Internal Control over Financial Reporting.

We are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal accounting and financial officer), and effected by our board of directors, management and other personnel, 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. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our internal control system was designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth in the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on management's assessment, we concluded that, as of December 31, 2014, our internal control over financial reporting was effective.

Change in Internal Controls

During the quarter ended December 31, 2014, 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.

ITEM 9B. *OTHER INFORMATION*

None.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

DIRECTORS AND EXECUTIVE OFFICERS

Our board of directors manages our business and affairs. Under our Articles of Incorporation and Bylaws, the Board will consist of not less than one, nor more than seven directors. Currently, our Board consists of five directors.

The names, ages, positions and dates appointed of our current directors and executive officers are set forth below.

Name	Age	Position	Appointed
John Salerno	76	Chief Executive Officer, President, Chairman of the Board, and Director	March 2009 (appointed Chairman and Director in April 2000)
Elisa Luqman	50	Chief Financial Officer, Executive Vice President, General Counsel, and Director	March 2009 (appointed Director in August 2009)
James J. Charles	72	Director	March 2006
George G. Dempster	75	Director	January 2001
John Keefe	72	Director	July 2013

John Salerno, Chief Executive Officer, President, Chairman of the Board, and Director. Mr. Salerno is a seasoned hands-on executive with over 40 years of experience with public and private computer software and service companies. Mr. Salerno built a multi-million dollar business from a start up, servicing the real estate industry. The business was sold in 1984 and Mr. Salerno provided consulting services to a wide range of clients through 1995. In 1996, along with his daughter and a small group of private accredited investors, he co-founded the Company. Mr. Salerno was President and CEO of the Company from April 1, 2000 until February 28, 2006. After signing contracts with Verizon and Cablevision, the Company sold its assets in 2006 to Digi-Data Corporation. From March 1, 2006 thru February 2009 Mr. Salerno served as President of the Vault Services Division of Digi-Data Corporation. Upon the expiration of his 3 year contract the Vault Services Division was at a revenue run rate of $12 million annually. As of March 1, 2009, Mr. Salerno returned to his full time management roll at the Company. Mr. Salerno is an ex — US Marine Corps, Crypto/ Communications Officer and has a BS in Mathematics from Fordham University. Mr. Salerno is Elisa Luqman's father.

Mr. Salerno was nominated as a Director because if his intimate knowledge of the Company and its history as a founder. Additionally, Mr. Salerno's mathematical and technical background as a data center manager early in his professional career and later as a software developer offers the board hand's on technical experience in both operations and software analysis. Mr. Salerno utilized his experience and contacts to secure the major customers driving the sales that generate the Company's payment stream from DDC. Moreover, Mr. Salerno adds value to Gotham through his 40 plus years serving the New York Real Estate industry. He is thoroughly familiar with the unique workings of the New York real estate industry and has many contacts within that community that are a benefit to Gotham.

Elisa Luqman, Chief Financial Officer, Executive Vice President, General Counsel, and Director. Ms. Luqman is a computer literate attorney with over 18 years experience with intellectual property and computer software. Prior to co-founding the Company, Ms. Luqman was president of University Software Corp., a software development company focused on a wide range of student educational and intellectual applications. Ms. Luqman was Chief Operating Officer of the Company, from April 1, 2000 until February 28, 2006. From March 1, 2006 through February 28, 2009 Ms. Luqman was employed as Chief Operating Officer of the Vault Services Division of Digi-Data Corporation, the company that acquired the Company's assets in 2006, and subsequently during her tenure with Digi-Data Corporation she became the in-house general counsel for the entire corporation. In that capacity she was responsible for acquisitions, mergers, patents, and employee contracts, and worked very closely with Digi-Data's outside counsel firms, DLA-Piper, the Law Offices of Sandra T. Carr and the patent firm of Jordan and Hamburg. As of March 1, 2009, Ms. Luqman rejoined the Company in her current capacities. Ms Luqman received a BA degree in Marketing, a JD in Law, and a MBA Degree in Finance from Hofstra University. Ms. Luqman is a member of the bar in New York and New Jersey. Ms. Luqman is John Salerno's daughter.

Ms. Luqman was nominated as a Director because of her intimate knowledge of the Company and its history as a founder. Additionally, as an attorney, Ms. Luqman's legal background enables her to provide counsel to the Company. Her experience as general counsel to the Company provides her with a unique insight into the Company's contracts with customers and vendors, intellectual property assets and issues, financing transactions and shareholder transactions. Moreover, having been through the merger and acquisition process on both sides of the table, Ms. Luqman offers the Company in-house guidance throughout the acquisition process. That combined with Ms. Luqman's MBA in Finance aids in providing the Board with more efficient analysis of input from outside auditors and legal advisors.

James J. Charles, Director. Mr. Charles is a high profile financial executive with a broad base of experience with firms ranging in size from $24MM to $180MM in annual revenue. He worked closely with management and Boards of Directors on matters ranging from mergers and acquisitions to stock restructurings and spin-offs. Mr. Charles has been a self employed Certified Public Accountant from 1999 to present. From 1994 to 1999 Mr. Charles was the chief financial officer of Interpharm Holdings, Inc. Interpharm Holdings, Inc., through its subsidiary, Interpharm, Inc., engaged in the development, manufacture, and marketing of generic prescription strength and over-the-counter pharmaceuticals in the United States. It also focused on the development of products in the areas of female hormone, scheduled narcotic, soft gelatin capsule, oral liquid, products coming off patent, and other products. From 1966 to 1994 Mr. Charles was a Senior Managing Partner with Ernst & Young. Mr. Charles' education includes studies and management programs at Harvard University and Williams College. Mr. Charles received his BBA in Accounting at Manhattan College.

Mr. Charles was nominated as a Director because of his financial expertise. He has been involved in the practice of public accounting for over forty years. During his tenure as a Senior Managing Partner at Ernst & Young he spent considerable years analyzing potential acquisition targets for corporate clients and has particular experience and skills on matter such as mergers and acquisitions, stock restructuring and spin-offs. He has also been a Chief Financial Officer of a public company.

George G. Dempster, Director. Mr. Dempster was Commissioner of Commerce for the State of New York from 1979 to 1983. He served as the Chairman of the Finance Committee for Hofstra University for 25 years from 1976 through 2001, and is currently Chairman Emeritus of the Board of Trustees. Mr. Dempster has been the Chairman of Tran-Leisure Corp. since 1983, and was its CEO from 1983-2002. Tran -Leisure Corp is a diversified holding company with interests ranging from helicopter services to manufacturing. From 1969 to 1973 Mr. Dempster served as the CEO of Cybernetics, a major computer software developer. Mr. Dempster served as a marketing manager for IBM from 1961 to 1968. Mr. Dempster has a BA in business administration from Hofstra University.

Mr. Dempster was nominated as a Director because of his strong administrative, financial and economic background. Having served as Commissioner of Commerce for the State of New York for 4 years and on the Board of Hofstra University for over 25 years, Mr. Dempster provides the Company with extensive experience in commerce and administration in both the private and public sectors. Moreover, during his tenure at Hofstra University Mr. Dempster was intimately involved in several financing transactions to maintain the University in a solvent and profitable manner. Additionally, having been CEO of a diversified holding company, Mr. Dempster is thoroughly familiar with the merger and acquisition process. He offers years of experience analyzing business, their models and economics, and identifying the appropriate financing vehicles.

John Keefe, Director. Mr. Keefe is an investment banker, venture capitalist, founder of three businesses, and a turnaround consultant to businesses in trouble. Since 2011 to Present, Mr. Keefe is the Founder and Chief Development Officer of Security Capital Advisors LLC, located in Jersey City, NJ. Security Capital Advisors LLC is a firm providing indirect financing to local governments in the US. From 2007 to 2011 Mr. Keefe was Managing Director of Nachman Hays Brownstein, located in New York, NY. Nachman Hays Brownstein is a national turnaround management firm, assisting underperforming and troubled companies, maximizing value for owners, investors, creditors and employees. Mr. Keefe was also a founding General Partner of a venture capital firm, a founder and CFO of a computer software company, a Senior Vice President of an investment banking firm, and emergency CFO and Chief Restructuring Officer of several distressed businesses. He is a graduate of Harvard College and Harvard Business School.

Mr. Keefe' was nominated as a Director because of his financial expertise combined with his strong technical background. He started his career as a computer software engineer and designer for IBM, General Electric, and Litton Industries. He evolved into the financial arena serving many years a corporate Chief Financial Officer. He is now involved in the practice of venture capital and investment banking He has particular skills acting as a turnaround consultant to businesses in trouble being a 'Certified Turnaround Professional' by the Turnaround Management Association. He offers years of experience analyzing business, their revenue models, and identifying appropriate financing vehicles.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee and a Compensation Committee. The Board does not currently have a Nominating Committee. The work typically conducted by a Nominating Committee is conducted by the full Board.

Audit Committee

The Audit Committee presently consists of Messrs. Charles, Keefe and Dempster, with Mr. Charles serving as chairman. Our Board has determined that Mr. Charles qualifies as an "audit committee financial expert" as defined under the federal securities laws. The Audit Committee is responsible for monitoring and reviewing our financial statements and internal controls over financial reporting. In addition, they recommend the selection of the independent auditors and consult with management and our independent auditors prior to the presentation of financial statements to stockholders and the filing of our forms 10-Q and 10-K. The Audit Committee has adopted a charter and it is posted on our web site at www.igambit.com.

Compensation Committee

The Compensation Committee presently consists of Messrs. Charles, Keefe and Dempster, with Mr. Keefe serving as chairman. The Compensation Committee is responsible for reviewing and recommending to the Board the compensation and over-all benefits of our executive officers, including administering the Company's 2006 Long Term Incentive Plan. The Compensation Committee may, but is not required to, consult with outside compensation consultants. The Compensation Committee has adopted a charter and the charter is posted on our web site at www.igambit.com.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company under Rule 16a-3(e) under the Exchange Act during its most recent fiscal year and Forms 5 and amendments thereto furnished to the Company with respect to its most recent fiscal year, and any written representation to the Company from the reporting person that no Form 5 is required, no person who, at any time during the fiscal year, was a director, officer, beneficial owner of more than ten percent of the Company's Common Stock, or any other person known to the Company to be subject to section 16 of the Exchange Act with respect to the Company, failed to file on a timely basis, as disclosed in the above Forms, reports required by section 16(a) of the Exchange Act during the most recent fiscal year or prior fiscal years, except as described below:

Name	No. of Late Reports	No. of transactions that were not reported on a timely basis	Failure to file a required Form
John Salerno	**2**	**2**	**0**
Elisa Luqman	**2**	**1**	**0**

CODE OF ETHICS

The Company has adopted a Code of Ethics that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the Code of Ethics is attached as an exhibit to this report. A copy of the Code of Ethics is available on the Company's website at www.igambit.com. Any amendments to, or waivers from, the Code of Ethics will be disclosed on the Company's website at www.igambit.com.

ITEM 11. *EXECUTIVE COMPENSATION*

Summary Compensation Table

The following table sets forth the compensation received by our executive officers, for their service, during the year ended December 31, 2014.

Current Officers Name & Principal Position	Year	Salary ($)	Bonus ($)	Stock ($)	Option Awards ($)	Non-equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
John Salerno	2014	131,250	0	0	0	0	0	13,206(1)	144,456
CEO, President	2013	200,000	0	0	0	0	0	10,237(2)	210,237
Chairman & Director	2012	200,000	0	0	0	0	0	10,237(3)	235,237
Elisa Luqman	2014	143,746	0	0	0	0	0	36,514(4)	180,260
Acting CFO,	2013	200,000	0	0	0	0	0	30,125(5)	230,125
EVP, GC and Director	2012	200,000	0	0	0	0	0	27,7957(6)	227,795

(1) Includes $6,264 in health insurance premiums and $6,942 in life insurance premiums.
(2) Includes $6,168 in health insurance premiums and $4,069 in life insurance premiums.
(3) Includes $6,168 in health insurance premiums and $4,069 in life insurance premiums.
(4) Includes $36,514 in health and dental insurance premiums.
(5) Includes $30,125 in health and dental insurance premiums.
(6) Includes $27,795 in health and dental insurance premiums.

Employment Arrangements with Named Executive Officers

The Company does not currently have any employment agreements with it executive officers.

Compensation of the Board of Directors

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END										
OPTION AWARDS						STOCK AWARDS				
Name (a)	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) (j)
James Charles	59,000	0	0	$0.03	06/09/2024	0	0	0	0
James Charles	100,000	0	0	$0.03	06/09/2024	0	0	0	0
George Dempster	113,000	0	0	$0.03	06/09/202424	0	0	0	0
George Dempster	100,000	0	0	$0.03	06/09/2024	0	0	0	0
John Keefe	600,000	0	0	$0.03	06/09/2024	0	0	0	0

The following table sets forth the compensation received by our directors, for their service as directors, during the year ended December 31, 2014.

Name	Fees earned or paid in cash ($)	Stock awards ($)	Option awards ($)	Non-equity incentive plan compensation ($)	Nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
John Salerno (1)	-	-	-	-	-	-	0
Elisa Luqman (1)	-	-	-	-	-	-	0
James J. Charles	$4,000	-		-	-	-	$4,000
George G. Dempster	$4,000	-		-	-	-	$4,000
John Keefe	$4,000	-		-	-	-	$4,000

(1) These individuals serve as executive officers of the Company, and do not receive any compensation for the services they provide as directors of the Company.

Members of our Board receive $1,000 per quarter for their service to the Company.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information known to us, as of April 15, 2015, relating to the beneficial ownership of shares of common stock by: (i) each person who is known by us to be the beneficial owner of more than 5% of the Company's outstanding common stock; (ii) each director; (iii) each executive officer; and (iv) all executive officers and directors as a group. Under securities laws, a person is considered to be the beneficial owner of securities owned by him (or certain persons whose ownership is attributed to him) or securities that can be acquired by him within 60 days, including upon the exercise of options, warrants or convertible securities. The Company determines a beneficial owner's percentage ownership by assuming that options, warrants and convertible securities that are held by the beneficial owner and which are exercisable within 60 days, have been exercised or converted. The Company believes that all persons named in the table have sole voting and investment power with respect to all shares of common stock shown as being owned by them. Unless otherwise indicated, the address of each beneficial owner in the table set forth below is care of iGambit Inc., 1050 W. Jericho Turnpike, New York, 11787. The percentages in the following table are based upon 25,044,056 shares outstanding as of April 15, 2015.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
John Salerno, C.E.O., President, Chairman of the Board, and Director	5,146,900(1)	%
Elisa Luqman, C.F.O., Executive Vice President, General Counsel and Director	5,685,000,(2)	%
James J. Charles, Director	600,000(3)	%
George G. Dempster, Director	605,000(4)	%
Mehul Mehta	2,450,000	%
Executive Officers and Directors as a Group:	12,539,900 (4)	%

1. Includes: options to purchase 46,900 shares of common stock at $0.01 per share held by John L. Salerno, Mr. Salerno's son; and options to purchase 100,000 shares of common stock at $0.01 per share held by Dean T. Salerno, Mr. Salerno's son.
2. Includes 685,000 shares of common stock held by Muhammad Luqman, Ms. Luqman's husband.
3. Includes options to purchase 159,000 shares of the common stock at $0.03 per share.
4. Includes options to purchase 213,000 shares of the common stock at $0.03 per share.
5. Includes the disclosures in footnotes 1 through 4 above.

ITEM 13. *CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE*

RELATED PARTY TRANSACTIONS
None.

BOARD INDEPENDENCE

The Company has elected to use the independence standards of the NYSE AMEX Equities Exchange in its determination of whether the members of its Board are independent. Based on the foregoing, the Company has concluded that Mr. Charles and Mr. Dempster are independent. The Board has established an Audit Committee and a Compensation Committee. The Board does not currently have a Nominating Committee. The work typically conducted by a Nominating Committee is conducted by the full Board.

ITEM 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES*

The following table shows what Michael F. Albanese, CPA and Fiondella, Milone & LaSaracina, LLP billed for the audit and other services for the year ended December 31, 2014 and December 31, 2013 respectively.

	Year Ended 12/31/ 2014	**Year Ended 12/31/2013**
Audit Fees	$ 39,725	$ 45,000
Audit-Related Fees	-	---
All Tax Fees	---	—
Other Fees	---	—
Total	$ 39,725	$ 45,000

Audit Fees — This category includes the audit of the Company’s annual financial statements, review of financial statements included in the Company’s Form 10-Q Quarterly Reports and services that are normally provided by the independent auditors in connection with engagements for those years.

Audit-Related Fees — This category includes assurance and related services by the independent auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and that are not reported under the caption “Audit Fees.”

Tax Fees — This category includes services rendered by the independent auditor for tax compliance, tax advice, and tax planning.

All Other Fees — This category includes products and services provided by the independent auditor other than the services reported under the captions "Audit Fees," "Audit-Related Fees," and "Tax Fees."

Overview — The Company's Audit Committee, reviews, and in its sole discretion pre-approves, our independent auditors' annual engagement letter including proposed fees and all audit and non-audit services provided by the independent auditors. Accordingly, all services described under "Audit Fees," "Audit-Related Fees," "Tax Fees," and "All Other Fees" were pre-approved by our Company's Audit Committee. The Audit Committee may not engage the independent auditors to perform the non-audit services proscribed by law or regulation. The Company's Audit Committee may delegate pre-approval authority to a member of the Board of Directors, and authority delegated in such manner must be reported at the next scheduled meeting of the Board of Directors.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Financial Statements

(b) Exhibits

Exhibit No.	**Description**
3.1(i)	Certificate of Incorporation, filed with the Delaware Secretary of State on April 13, 2000 (1)
3.1(ii)	Certificate of Merger, filed with the Delaware Secretary of State on April 18, 2000 (1)
3.1(iii)	Certificate of Amendment Changing Name, filed with the Delaware Secretary of State on December 19, 2000 (1)
3.1(iv)	Certificate of Merger filed with the Delaware Secretary of State on February 17, 2006 (1)
3.1(v)	Certificate of Amendment Changing Name filed with the Delaware Secretary of State on April 5, 2006 (1)
3.1(vi)	Certificate of Amendment Increasing Authorized Common Stock to 75 Million Shares, filed with the Delaware Secretary of State on December 2, 2009 (1)
3.2	Bylaws (1)

4.1	Form of Stock Certificate (2)
4.2	Common Stock Purchase Warrant issued to Roetzel & Andress (3)
10.1	iGambit Inc. 2006 Long Term Incentive Plan, Amended 12/31/2006 (1)
10.2	Employment Agreement between Digi-Data Corporation and Mr. Salerno (2)
10.3	Employment Agreement between Digi-Data Corporation and Mrs. Luqman (2)
14	Code of Ethics (5)
21	Subsidiaries (1)
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 incorporated by reference into any other filing under the Security Act of 1933, as amended, or by the Security Exchange Act of 1934, as amended.)
32.2	Certification of the 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 incorporated by reference into any other filing under the Security Act of 1933, as amended, or by the Security Exchange Act of 1934, as amended.)

(1) Incorporated by reference to Form 10 filed on December 31, 2009.
(2) Incorporated by reference to Amendment No. 1 to Form 10 filed on June 11, 2010.
(3) Filed with initial Form 10-K on June 15, 2010.
(4) We hereby agree to furnish the SEC with any omitted schedule or exhibit upon request.
(5) Filed with Form 10-K/A (Amendment No. 1) on September 13, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hauppauge, New York, on April 15, 2015.

iGambit Inc.

April 15, 2015

By: /s/ John Salerno
John Salerno, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacities indicated:

Signature	Title	Date
/s/ John Salerno John Salerno	Chief Executive Officer and Director	April 15, 2015
/s/ Elisa Luqman Elisa Luqman	Chief Financial Officer, Executive Vice President, General Counsel, Principal Accounting Officer and Director	April 15, 2015
/s/ James J. Charles James J. Charles	Director	April 15, 2015
/s/ George G. Dempster George G. Dempster	Director	April 15, 2015
/s/ John Keefe John Keefe	Director	April 15, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of iGambit Inc.

We have audited the accompanying consolidated balance sheet of iGambit Inc. as of December 31, 2014, and the related consolidated statement of operations, consolidated statement of changes in stockholders' equity (deficiency), and consolidated statement of cash flows for the year ended December 31, 2014. iGambit Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iGambit Inc. as of December 31, 2014 and the results of its operations and its cash flows for the year in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

/s/ Michael F. Albanese
Michael F. Albanese, CPA

Parsippany, New Jersey

April 15, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
iGambit, Inc.
Smithtown, New York

We have audited the accompanying consolidated balance sheet of iGambit, Inc. (the Company) as of December 31, 2013, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the year then ended. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Fiondella, Milone & LaSaracina, LLP
Glastonbury, Connecticut

March 31, 2014

IGAMBIT INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31,

		2014		2013
ASSETS				
Current assets				
Cash	$	133,436	$	26,870
Accounts receivable, net		81,671		135,292
Prepaid expenses		45,110		10,590
Due from rescission agreement		--		239,779
Assets from discontinued operations, net		--		638,215
Total current assets		260,217		1,050,746
Property and equipment, net		8,436		11,176
Other assets				
Deposits		12,133		9,420
	$	280,786	$	1,071,342
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable	$	285,277	$	316,566
Convertible note payable		--		40,250
Derivative liability		--		152,076
Note payable - related party		--		6,263
Total current liabilities		285,277		515,155
Commitments and contingencies				
Stockholders' equity (deficiency)				
Preferred stock, $.001 par value; authorized - 100,000,000 shares; issued and outstanding - 0 shares in 2014 and 2013, respectively		--		--
Common stock, $.001 par value; authorized - 200,000,000 shares; issued and outstanding - 26,583,990 shares in 2014 and 25,044,056 shares in 2013		26,584		25,044
Additional paid-in capital		2,851,124		2,729,000
Accumulated deficit		(2,882,199)		(2,197,857)
Total stockholders' equity (deficiency)		(4,491)		556,187
	$	280,786	$	1,071,342

IGAMBIT INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31,

	2014	2013
Sales	$ 1,068,617	$ 1,461,183
Cost of sales	465,337	496,008
Gross profit	603,280	965,175
Operating expenses		
General and administrative expenses	1,383,646	1,692,556
Loss from operations	(780,366)	(727,381)
Other income (expenses)		
Gain on derivative liability	152,076	--
Interest expense	(10,333)	(54,505)
Amortization of debt discount	(63,250)	(40,250)
Income from rescission agreement	--	755,000
Total other income (expenses)	78,493	660,245
Loss from continuing operations	(701,873)	(67,136)
Income from discontinued operations	17,531	317,625
Net income (loss)	$ (684,342)	$ 250,489
Basic and fully diluted earnings (loss) per common share:		
Continuing operations	$ (.03)	$ .00
Discontinued operations	$ .00	$ .01
Net earnings per common share	$ (.03)	$ .01
Weighted average common shares outstanding - basic	25,947,791	25,044,056
Weighted average common shares outstanding - fully diluted	27,373,471	25,987,956

IGAMBIT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)
YEARS ENDED DECEMBER 31, 2014 AND 2013

	Common stock		Additional Paid-in Capital	Accumulated Deficit	Totals
	Shares	Amount			
Balances, December 31, 2012	25,044,056	$ 25,044	$ 2,729,000	$ (2,448,346)	$ 305,698
Net income				250,489	250,489
Balances, December 31, 2013	25,044,056	25,044	2,729,000	(2,197,857)	556,187
Note payable converted to common stock	1,539,934	1,540	47,460	--	49,000
Compensation for vested stock options	--	--	74,664	--	74,664
Net loss				(684,342)	(684,342)
Balances, December 31, 2014	26,583,990	$ 26,584	$ 2,851,124	$ (2,882,199)	$ (4,491)

IGAMBIT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (684,342)	$ 250,489
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Income from discontinued operations	(17,531)	(317,625)
Depreciation	4,766	6,694
Debt discount interest expense	--	48,576
Debt discount amortization	63,250	40,250
Stock-based compensation expense	74,664	--
Gain on derivative liability	(152,076)	--
Increase (Decrease) in cash flows as a result of changes in asset and liability account balances:		
Accounts receivable	53,621	23,149
Prepaid expenses	(34,520)	122,487
Due from rescission agreement	239,779	(239,779)
Accounts payable	(37,552)	(117,392)
Net cash (used) provided by continuing operating activities	(489,941)	134,474
Net cash provided (used) by discontinued operating activities	655,746	(317,625)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	165,805	(183,151)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2,026)	--
(Increase) decrease in deposits	(2,713)	1,800
Repayments of notes receivable	--	--
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(4,739)	1,800
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from stockholder's loan	3,600	--
Repayments of stockholder's loan	(3,600)	--
Proceeds from convertible note payable	--	103,500
Repayments of convertible note payable	(54,500)	--
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	(54,500)	103,500
NET INCREASE (DECREASE) IN CASH	106,566	(77,851)
CASH - BEGINNING OF YEAR	26,870	104,721
CASH - END OF YEAR	$ 133,436	$ 26,870

IGAMBIT INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2014 and 2013

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.

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. These adjustments to the sales price were included in the discontinued operations line of the statements of operations for the year ended December 31, 2011, the last year of payments.

The assets of the discontinued operations are presented in the balance sheets under the captions "Assets from discontinued operations". The underlying assets of the discontinued operations consist of accounts receivable of $0 and $570,590 as of December 31, 2014 and 2013, respectively, and of accrued interest receivable of $0 and $67,625 as of December 31, 2014 and 2013, respectively.

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 years ended December 31, 2014 and 2013 were $3,543 and $5,786, 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 December 31, 2014 and 2013, respectively. Bad debt expense of $4,295 and $0 was charged to operations for the years ended December 31, 2014 and 2013, 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 $4,766 and $6,694was charged to operations for the years ended December 31, 2014 and 2013, 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.

	Years Ended December 31,	
	2014	2013
Stock options	1,518,900	--
Stock warrants	275,000	--
Total shares excluded from calculation	1,793,900	--

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 December 31, 2014, 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 years ended December 31, 2014 and 2013 follows:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Life (Years)
Options outstanding at December 31, 2012	1,268,900	$ 0.08	$ 0.10	6.16
Expired	(600,000)	0.10	0.06	
Options outstanding at December 31, 2013	668,900	0.06	0.10	4.69
Options granted	850,000	0.04	0.10	
Options outstanding at December 31, 2014	1,518,900	$ 0.03	$ 0.10	4.76

Options outstanding at December 31, 2014 consist of:

Date Issued	Number Outstanding	Number Exercisable	Exercise Price	Expiration Date
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
Total	1,518,900	1,518,900		

Warrants

In addition to the Company's 2006 Long Term Incentive Plan, the Company has issued an 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 six months after the Company engages in an IPO, have an exercise price of $3.00 per share, and expire two 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 the Company's shareholders for their approval.

Warrant activity during the years ended December 31, 2014 and 2013 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, 2012	275,000	$ 0.94	$ 0.10	6.42
No warrant activity	--	--	--	
Warrants outstanding at December 31, 2013	275,000	$ 0.94	$ 0.10	5.42
No warrant activity	--	--	--	
Warrants outstanding at December 31, 2014	275,000	$ 0.94	$ 0.10	4.42

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

Warrants outstanding at December 31, 2014 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
Total	275,000	275,000		

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 three 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 note holder 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.

Note 7 - Derivative Liability

<u>Convertible Note</u>

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, $0.001 par value per share, and to create a new class of stock entitled "preferred stock" (together, the "Capitalization Amendments"). Pursuant to the Capitalization Amendments the total number of shares of stock which the Company shall have authority to issue is three hundred million (300,000,000) shares consisting of two hundred million (200,000,000) shares of Common Stock with a par value of one tenth of one cent ($.001) per share, and one hundred million (100,000,000) shares of Preferred Stock par value of one tenth of one cent ($.001) per share. 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 this action.

<u>Common Stock Issued</u>

In connection with the convertible note payable (see Note 6 above) the note holder 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

The Company follows Accounting Standards Codification subtopic 740, *Income Taxes* ("ASC 740") which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under such method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate.

The difference between income tax expense computed by applying the federal statutory corporate tax rate and actual income tax expense is as follows:

	Years Ended December 31, 2014	2013
Statutory U.S. federal income tax rate	34.0%	34.0%
State income taxes, net of federal income tax benefit	0.1%	0.0%
Tax effect of expenses that are not deductible for income tax purposes	(0.8)%	1.0%
Return to Provision Items	0.0%	11.0%
Other	0.0%	0.6%
Change in Valuation Allowance	(33.3)%	(46.6)%
Effective tax rate	(0.0)%	(0.0)%

At December 31, the significant components of the deferred tax assets (liabilities) are summarized below:

	2014	2013
Deferred Tax Assets:		
Net Operating Losses	$874,716	$612,173
Other	36,744	3,258
Total deferred tax assets	911,460	615,431
Deferred Tax Liabilities:	--	--
Total deferred tax liabilities	--	--
Valuation Allowance	(911,460)	(615,431)
Net deferred tax assets	$ --	$ --

As of December 31, 2014, the Company had federal and state net operating loss carryforwards of approximately $2.0 million and $3.8 million, respectively, which expire at various dates from 2023 through 2034. These net operating loss carry forwards may be used to offset future taxable income and thereby reduce the Company's U.S. federal and state income taxes.

In accordance with ASC 740, 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 as of December 31, 2012 has been established as Management believes that the Company will not realize the benefit of those deferred tax assets.

The Company complies with the provisions of ASC 740-10 in accounting for its uncertain tax positions. ASC 740-10 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740-10, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely that not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management has determined that the Company has no significant uncertain tax positions requiring recognition under ASC 740-10.

The Company is subject to income tax in the U.S., and certain state jurisdictions. The Company has not been audited by the U.S. Internal Revenue Service, or any states in connection with income taxes. The Company's tax years generally remain open to examination for all federal and state income tax matters until its net operating loss carryforwards are utilized and the applicable statutes of limitation have expired. The federal and state tax authorities can generally reduce a net operating loss (but not create taxable income) for a period outside the statute of limitations in order to determine the correct amount of net operating loss which may be allowed as a deduction against income for a period within the statute of limitations.

The Company recognizes interest and penalties related to unrecognized tax benefits, if incurred, as a component of income tax expense.

Note10-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 years ended December 31, 2014 and 2013 were $6,630 and $14,572, respectively.

Note 11 – Concentrations and Credit Risk

<u>Sales and Accounts Receivable</u>

Gotham had sales to one customer which accounted for approximately 70%of Gotham's total sales for the year ended December 31, 2014.The one customer accounted for approximately 60%of accounts receivable at December 31, 2014.

Gotham had sales to two customers which accounted for approximately 45% and 24%, respectively of Gotham's total sales for the year ended December 31, 2013. One customer accounted for approximately 53% of accounts receivable at December 31, 2013.

<u>Cash</u>

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 December 31, 2014 and 2013, 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 December 31, 2014 and 2013, 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 December 31, 2014 and 2013, the Company did not have any derivative instruments that were designated as hedges.

The derivative liability as of December 31, 2013, in the amount of $152,076 has a level 3 classification. Further, there were no changes in fair value of the Company's level 3 financial liabilities during the year ended December 31, 2014.

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

<u>Note Payable – Related Party</u>

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.

Note 14 – Commitments and Contingencies

<u>Lease Commitment</u>

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	$ 19,080
2016	19,440
2017	3,240
	$ 41,760

Rent expense of $68,564 and $74,988 was charged to operations for the years ended December 31, 2014 and 2013, 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.

Litigation

Digi-Data Corporation

In connection with the asset purchase agreement discussed in Note 2, the Company filed a complaint against Digi-Data on October 1, 2012 for unpaid contingency payments owed to the Company totaling $570,590 at December 31, 2013, exclusive of an allowance for bad debts of $250,000. On or about December 3, 2012, Digi-Data filed its Answer, Affirmative Defenses and Counterclaim against the Company. The Counterclaim seeks damages against the Company for breach of the Agreement for the alleged failure to indemnify Digi-Data for expenses related to pending litigation between Verizon Communications, Inc. (one of Digi-Data's customers) and an unrelated third party, Titanide Ventures, LLC, concerning alleged patent violations (hereinafter "Verizon Patent Litigation"). The Verizon Patent Litigation is a result of a "patent troll" whereby Titanide seeks to extract settlement funds from alleged patent infringers without seeking actual adjudication of its purported patent rights. The Company has advised Digi-Data of what it believes is "prior act" related to the subject intellectual property that is at-issue in the Verizon Patent Litigation, a possible defense to the claims by Titanide. A pre-trial order was issued by the Court with detailed deadlines regarding among other items, discovery cut-off and status report deadline date of April 29, 2013 and dispositive motions deadline date of May 28, 2013. The Company propounded its initial discovery upon Digi-Data, responses to which were due on or about March 8, 2013. On April 4, 2013, Digi-Data provided discovery to the Company. No depositions have been scheduled as of the date of this report, nor has the Company received any information from Digi-data regarding any specific quantified "damages" directly resulting from this Order or the settlement agreement between Verizon and the Plaintiff. On April 4, 2013, an Order of Dismissal in the Verizon Patent Litigation was filed. The Dismissal is with prejudice with each party to bear its own costs and fees. On May 24, 2013, the Company filed a Motion for Summary Judgment with the Court asking the Court to move in its favor against DDC for the entire outstanding balance due along with attorney's fees and post and pre-judgment interest as applicable under Maryland Law. On June 11, 2013, Digi-Data filed its Response to the Motion for Summary Judgment and, for the first time, purported to liquidate certain alleged damages for which Digi-Data seeks a set-off against the amounts admittedly owed by Digi-Data to iGambit and alludes the existence of additional although not yet quantified damages. The Response relies entirely upon the Affidavit of a Vice President of Digi-Data for its evidentiary support. Notwithstanding, Digi-Data failed to produce documentary support for its alleged damages and to explain why it failed to disclose such information during the discovery period or thereafter.

On July 9, 2013, the Company filed its Reply to Digi-Data's Response and, thereby, advised the Court of Digi-Data's apparent litigation-by-ambush tactic such as withholding allegations of damages until the end of discovery and attempting to use such previously withheld information to defeat summary judgment, and the legal inadequacy of same. Pursuant to the Maryland District Court's Local Rules, Digi-Data is not authorized to file a Surreply without Court order.

On December 13, 2013 the Court Granted Summary Judgment in the Company's favor against Digi-Data in the amount of $570,590, plus interest at the Maryland legal rate of 6% per annum from August 31, 2012, and post judgment interest at the Federal statutory Rate. Furthermore, Digi-Data's Counterclaim was dismissed.

On February 24, 2014 the Company entered into a Forbearance Agreement with Digi-Data pursuant to which Digi-Data shall pay to the Company Six Hundred Forty-Six Thousand, Six Hundred Sixty-Eight Dollars and Sixty-Seven Cents ($646,668.67) (the "Settlement Amount") in full satisfaction of the Judgment.

<u>Initial Payment:</u> Digi-Data shall pay the Settlement Amount by delivering Twenty-Five Thousand Dollars and No Cents ($25,000.00) to the Company upon the execution of this Agreement ("Initial Payment"), and delivering the remaining Six Hundred Twenty-One Thousand, Six Hundred Sixty-Eight Dollars and Sixty-Seven Cents ($621,668.67), plus interest at a rate of 6% per annum (calculated at Actual/360) (the "Remaining Balance") to the Company.

<u>Monthly Payments:</u> Commencing thirty (30) calendar days after the Effective Date, and continuing for the three following months, Digi-Data shall make monthly payments of Twelve Thousand, Five Hundred Dollars and No Cents ($12,500.00) to the Company (each, an "Initial Monthly Payment"). Thirty (30) calendar days after the fourth Initial Monthly Payment is made, Digi-Data shall commence making a monthly payment of Twenty-Five Thousand Dollars and No Cents ($25,000.00) to the Company until the Remaining Balance is paid in full (each, a "Subsequent Monthly Payment"). Such Initial

Monthly Payments and Subsequent Monthly Payments shall be credited to payment of the Settlement Amount and Remaining Balance, with payment being first applied to accrued and/or outstanding interests, then to principal.

Line of Credit Payments: In the event that Digi-Data obtains a new line of credit subsequent to the Effective Date under terms acceptable to Digi-Data in the amount of Three Million Dollars and No Cents ($3,000,000.00) or greater it shall, within fifteen (15) calendar days upon obtaining such funding, pay the full Remaining Balance to the Company (the "LOC Payment"). In the event that Digi-Data obtains a new line of credit subsequent to the Effective Date under terms acceptable to Digi-Data for any amount less than Three Million Dollars and No Cents ($3,000,000.00) that is secured by its receivables it shall, within fifteen (15) calendar days of obtaining such funding, pay Twenty-Five Thousand Dollars and No Cents ($25,000.00) to the Company (the "Receivables Payment"). Such Receivables Payment shall be credited to payment of the Settlement Amount and Remaining Balance, with payment being first applied to accrued and/or outstanding interests, then to principal.

Digi-Data Sale: In the event of a Digi-Data Sale, iGambit shall be paid the Remaining Balance at closing of any such Digi-Data Sale as provided in paragraph 2, below. the Company acknowledges that, if the Digi-Data Sale is a sale or sales of the Digi-Data Assets, there may be insufficient proceeds to pay the Remaining Balance in full. If the Digi-Data Sale is a sale or sales of the stock of Digi-Data and there are insufficient proceeds at closing to pay the Remaining Balance in full, iGambit shall continue to receive the Subsequent Monthly Payment until the full Remaining Balance is paid. On May 12, 2014, Digi-Data paid the full balance due on the judgment plus all accrued interest upon the sale of Digi-Data.

As of December 31,214 the balance has been paid in full.

Financial Advisor Contract

Brooks, Houghton & Company, Inc. (BHC)

The Company had entered into a contract with BHC in which BHC would provide financial advisory services in connection with the Company's proposed business combinations and related fund raising transactions. As part of that agreement BHC would be entitled to a "Business Combination Fee" equal to three percent of the amount of the company's total proceeds and other consideration paid or to be paid for the assets acquired, inclusive of equity or any debt issued; however the fee was to be no less than $300,000. As a result of the IGX transaction, as described in Note 15, BHC initially felt entitled to $300,000. The Company has taken a position that since the transaction has been rescinded, that the fee has not been earned and thus not to be paid. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution of any outstanding claim will not have a material adverse effect on the financial position or results of operations of the Company.

Note 15 – Rescission of Purchase Agreement for Acquisition of IGX Global Inc. and

IGX Global UK Limited

On April 8, 2013, the Company and its wholly owned subsidiary, IGXGLOBAL, CORP. entered into, and became obligated under, a transaction to rescind the Company's purchase agreement dated December 28, 2012 (the "Purchase Agreement") with IGX Global Inc. ("IGXUS"), IGX Global UK Limited ("IGXUK") and Thomas Duffy ("DUFFY") the sole shareholder of both IGXUK and IGXUS.

Under the Purchase Agreement, the Company intended to purchase, as of December 31, 2012, substantially all of the assets of IGXUS and all of the issued and outstanding shares of IGXUK and thereby the acquired business operated by IGXUS and IGXUK (the "Acquired Business"). The original agreement called for a $500,000 payment at closing, a $1,000,000 Promissory Note, assumption of certain liabilities of the IGXUS up to $2,500,000 and 3.75 million shares of iGambit stock to be earned over a three year period based upon certain revenue and earnings targets. The Company had arranged financing at the original effective date of the purchase to pay the $500,000 payment and payoff certain liabilities of IGXUS.

On April 8, 2013, under the terms of a Rescission Agreement, the Company, IGXUS, IGXUK and Duffy (IGX), agreed to unwind the Purchase Agreement in its entirety and to fully restore each to the positions they were respectively prior to entering into the Purchase Agreement. This included IGX obtaining financing to payoff the entire balance of the financing the Company had obtained to fund the upfront payment and certain liabilities at the original closing date; IGX also assumed and paid certain expenses related to the purchase. Also as consideration for iGambit's expenses and inconvenience, the Company received $130,000 prior to the effective date of the rescission from IGX, and upon the effective date of the rescission, an additional payment of $275,000, and will receive an additional $350,000 payable in equal monthly installments over 18 months. The consideration from IGX totaling $755,000 is reported as Other Income in the Statements of Operations for the year ended December 31, 2013. The balance due from IGX of $225,779 was settled for $175,000, which was received on June 16, 2014. The uncollectible balance of $50,779 was charged to operations.

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO SECTION 302

I, John Salerno, certify that:

1. I have reviewed this Annual Report on Form 10-K of iGambit Inc. (the "Registrant");

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 control 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 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 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.

Date: April 15, 2015	/s/ John Salerno
	John Salerno Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION
PURSUANT TO SECTION 302

I, Elisa Luqman, certify that:

1. I have reviewed this Annual Report on Form 10-K of iGambit Inc. (the "Registrant");

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 control 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 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 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.

Date: April 15, 2015

/s/ Elisa Luqman

Elisa Luqman
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of iGambit Inc. (the "Company") on Form 10-K for the twelve months ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Salerno, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fully presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ John Salerno
John Salerno
Principal Executive Officer

April 15, 2015

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of iGambit Inc. (the “Company”) on Form 10-K for the twelve months ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Elisa Luqman, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fully presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Elisa Luqman
Elisa Luqman
Principal Financial Officer

April 15, 2015