UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the Quarterly period ended June 30, 2011

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

For the transition period from to

Commission file number 000-53862

iGambit, Inc.

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

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

1600 Calebs Path Extension, Suite 114
Hauppauge, New York 11788
(Address of Principal Executive Offices)(Zip Code)
(631) 780-7055
(Issuer's Telephone Number, Including Area Code)

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

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

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

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

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

The Registrant had 23,954,056 shares of its common stock outstanding as of August 15, 2011.

iGambit, Inc.
Form 10-Q

PART I — FINANCIAL INFORMATION

Item 1 — *Financial Statements*

IGAMBIT INC.
CONSOLIDATED BALANCE SHEETS

		JUNE 30, 2011		DECEMBER 31, 2010
ASSETS				
Current assets				
Cash	$	468,617	$	465,549
Accounts receivable		278,814		124,651
Prepaid expenses		128,770		326,245
Notes receivable		439,012		472,000
Notes receivable - stockholders		17,000		17,000
Assets from discontinued operations		724,829		812,730
Total current assets		2,057,042		2,218,175
Property and equipment, net		20,944		5,087
Other assets				
Goodwill		111,026		111,026
Deposits		2,500		2,500
Total other assets		113,526		113,526
	$	2,191,512	$	2,336,788
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	$	257,666	$	326,227
Note payable - related party		25,390		25,390
Total current liabilities		283,056		351,617
Stockholders' equity				
Common stock, $.001 par value; authorized - 75,000,000 shares; issued and outstanding - 23,954,056 shares, respectively		23,954		23,954
Additional paid-in capital		2,402,275		2,402,275
Accumulated deficit		(517,773)		(441,058)
Total stockholders' equity		1,908,456		1,985,171
	$	2,191,512	$	2,336,788

<u>GAMBIT INC.</u>
<u>CONSOLIDATED STATEMENTS OF OPERATIONS</u>

	THREE MONTHS ENDED JUNE 30, 2011	THREE MONTHS ENDED JUNE 30, 2010 Restated	SIX MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2010 Restated
Sales	$ 477,441	$ 246,317	$ 889,344	$ 413,659
Cost of sales	221,592	96,453	351,813	144,325
Gross profit	255,849	149,864	537,531	269,334
Operating expenses				
General and administrative expenses	450,662	429,173	903,061	858,740
Loss from operations	(194,813)	(279,309)	(365,530)	(589,406)
Other income				
Interest income	6,935	434	14,170	918
Loss from continuing operations before income tax benefit	(187,878)	(278,875)	(351,360)	(588,488)
Income tax expense (benefit)	(65,643)	(108,259)	(114,860)	(229,065)
Loss from continuing operations	(122,235)	(170,616)	(236,500)	(359,423)
Discontinued operations				
Income from discontinued operations	--	642,130	242,099	1,207,287
Provision for income taxes	--	266,676	82,314	486,840
Income from discontinued operations, net of taxes	--	375,454	159,785	720,447
Net income (loss)	$ (122,235)	$ 204,838	$ (76,715)	$ 361,024
Basic and fully diluted earnings (loss) per common share:				
Continuing operations	$ (.01)	$ (.01)	$ (.01)	$ (.02)
Discontinued operations, net of tax	$ .01	$ .02	$ .01	$ .03
Net earnings per common share	$ .00	$ .01	$ .00	$ .01
Weighted average common shares outstanding	23,954,056	23,954,056	23,954,056	23,954,056

IGAMBIT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,

	2011	2010 Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (76,715)	$ 361,024
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Income from discontinued operations	(159,785)	(720,447)
Depreciation	2,894	180
Increase (Decrease) in cash flows as a result of changes in asset and liability account balances:		
Accounts receivable	(154,163)	(73,511)
Prepaid expenses	197,475	(309,079)
Accounts payable	(68,561)	238,742
Net cash used by continuing operating activities	(258,855)	(503,091)
Net cash used by discontinued operating activities	(82,314)	(487,345)
NET CASH USED BY OPERATING ACTIVITIES	(341,169)	(990,436)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(18,751)	--
Proceeds from repayments of notes receivable	32,988	--
Net cash provided by continuing investing activities	14,237	--
Net cash provided by discontinued investing activities	330,000	1,066,822
NET CASH PROVIDED BY INVESTING ACTIVITIES	344,237	1,066,822
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in loans payable to related party	--	34,058
NET INCREASE IN CASH	3,068	110,444
CASH - BEGINNING OF PERIOD	465,549	857,074
CASH - END OF PERIOD	$ 468,617	$ 967,518
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 1,372	$ 480
Income taxes	13,940	384,934

IGAMBIT INC.
Notes to Consolidated Financial Statements
Six Months Ended June 30, 2011 and 2010

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 22, 2000 before changing to iGambit Inc. on July 18, 2006. Gotham was incorporated under the laws of the state of New York on September 23, 2009.

In the opinion of management, the accompanying interim financial statements reflect all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position and the results of operations and cash flows for the interim periods presented. The results of operations for these interim periods are not necessarily indicative of the results to be expected for the year ending December 31, 2011.

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 receives payments from Digi-Data based on 10% of the net vaulting revenue payable quarterly over five years. The Company is 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 are included in the discontinued operations line of the statements of income.

The assets of the discontinued operations are presented in the balance sheets under the captions "Assets of discontinued operations". The underlying assets of the discontinued operations for the years ended December 31 are as follows:

	2010	2009
ASSETS		
Current:		
Accounts receivable	$ 1,062,730	$ 713,732
Noncurrent:		
Restricted cash	--	150,985
Assets of discontinued operations	$ 1,062,730	$ 864,717

Accounts Receivable

Accounts receivable includes 50% of contingency payments earned for the previous quarter. Reserve for bad debts of $250,000 was charged to operations for the year ended December 31, 2010. No reserve for bad debts was charged to operations for the six months ended June 30, 2011.

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 significant 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 reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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.

Revenue Recognition

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

The Company's revenues from continuing operations consists of revenues primarily from sales of products and services rendered to real estate brokers. Revenues are recognized upon delivery of the products or services.

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 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 current 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. There was no bad debt expense charged to operations for the six months ended June 30, 2011 and 2010, respectively.

Prepaid Expenses

Prepaid expenses consist of the following:

	June 30, 2011	December 31, 2010
Prepaid federal income taxes	$ 103,759	$ 249,558
Prepaid state income taxes	23,677	72,264
Prepaid insurance	1,334	4,423
	$ 128,770	$ 326,245

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. During the six months ended June 30, 2011, the Company purchased computer equipment totaling $18,751. Computer equipment is depreciated over 5 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 $2,894 and $180 was charged to operations for the six months ended June 30, 2011 and 2010, respectively.

Goodwill

Goodwill represents the fair market value of the common shares issued and common stock options granted by the Company for the acquisition of Jekyll by the Company's subsidiary, Gotham. In accordance with ASC Topic No. 350 "Intangibles – Goodwill and Other"), the goodwill is not being amortized, but instead will be subject to an annual assessment of impairment by applying a fair-value based test, and will be reviewed more frequently if current events and circumstances indicate a possible impairment. An impairment loss is charged to expense in the period identified. If indicators of impairment are present and future cash flows are not expected to be sufficient to recover the asset's carrying amount, an impairment loss is charged to expense in the period identified. A lack of projected future operating results from Gotham's operations may cause impairment. At December 31, 2010, the Company performed an impairment study and determined that there is no indication that present and future cash flows are not expected to be sufficient to recover the carrying amount of goodwill. The Company has not performed an impairment study during the six months ended June 30, 2011. Based on the Company's evaluation of goodwill, no impairment was recorded during the six months ended June 30, 2011.

Stock-Based Compensation

The Company accounts for its stock-based 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 valuation model to estimate the fair value of its 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 the Company's stock options and warrants.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC Topic No. 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.
The Company applies the provisions of ASC Topic No. 740 for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the Company's financial statements. In accordance with this provision, tax positions must meet a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position.

Note 4 – Restatement to Prior Consolidated Financial Statements

On October 26, 2010, the Company's Audit/Corporate Governance Committee determined that the previously issued audited consolidated financial statements for the year ended December 31, 2009 (contained in the Company's Annual Report on Form 10-K filed June 15, 2010, and subsequently amended by Amendment No. 1 to the Annual Report on Form 10-K filed on September 13, 2010) and the previously issued unaudited consolidated financial statements for the quarters ended March 31, 2010, June 30, 2010 and September 30, 2010 (contained in the Company's Quarterly Reports on Form 10-Q filed, respectively, on June 17, 2010 (Amendment No. 1 to The Quarterly Report for March 31, 2010 on Form 10-Q filed on September 13, 2010) and August 16, 2010, and November 22,

2010) should be revised. The restatements to these consolidated financial statements reflect the appropriate income tax provision, goodwill, compensation from vested warrants, and reclassifications in the statements of cash flows.

For the year ended December 31, 2009, the Company determined that a schedule M-1 deduction for payments of deferred compensation was not claimed on the 2009 corporate tax return, resulting in an overstated income tax accrual aggregating $107,559. The December 31, 2009 Form 10-K/A properly reflects this item. The net impact on this item increased net income by $107,559. This item also increased prepaid expenses for the overpaid taxes by $107,559 for the three months ended March 31, 2010 and for the six months ended June 30, 2010. The Company also determined that its' reporting of the Gotham acquisition resulted in an overstatement of goodwill and additional paid-in capital of $73,974. The net impact of this item decreased goodwill and additional paid-in capital by $73,974. The March 31, 2010 and June 30, 2010 goodwill and additional paid-in capital balances were restated accordingly.

For the year ended December 31, 2009, the Company determined that compensation expense for 2,250,000 stock warrants granted on May 26, 2009 was overstated as a result of overvaluing the warrants. The December 31, 2009 Form 10-K/A properly reflects this item. The net impact on this item increased net income and decreased additional paid-in capital by $51,970.

The Company determined that payment for unpaid compensation was incorrectly classified as a financing activity. The December 31, 2009 and September 30, 2009 statements of cash flows were restated to reflect the proper classification of the payment for unpaid compensation as an operating activity. The Company determined that part of the cash received from discontinued operations of Digi-Data classified as operating activities should have been classified as investing activities. The December 31, 2009 and 2008 and the September 30, 2010 and 2009 statements of cash flows were restated to reflect the proper classification of cash received from discontinued operations of Digi-Data.

The following table presents the previously reported and the restated amounts included in the restatements:

	Previously Reported as of June 30, 2010	Effect of Restatement	Restated as of June 30, 2010
Changes to Consolidated Balance Sheet			
Goodwill	$ 185,000	$ (73,974)	$ 111,026
Prepaid expenses	$ 210,358	$ 107,559	$ 317,917
Additional paid-in capital	$ 2,522,387	$ (125,944)	$ 2,396,443

Accumulated deficit	$	(397,700)	$	159,529	$	(238,171)

Changes to Consolidated Statement of Cash Flows

Net cash used by discontinued operating activities	$	(140,557)	$	(346,788)	$	(487,345)
Net cash provided by discontinued investing activities	$	720,034	$	346,788	$	1,066,822

Note 5 – Notes Receivable

In connection with a letter of intent the Company entered into with Allied Airbus, Inc. ("Allied") on July 20, 2010 to which both parties were unable to reach a mutually acceptable definitive agreement, the Company provided various loans to Allied totaling $439,012 at June 30, 2011, for which promissory notes were issued. The notes are personally guaranteed by the officers of Allied, bear interest at a rate of 6% and are due in one year.

Accrued interest on the notes was $20,358 for the six months ended June 30, 2011.

Note 6 - 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.

	Six Months Ended June 30,	
	2011	2010
Stock options	2,468,900	1,046,900
Common stock warrants	3,085,000	835,000
Total shares excluded from calculation	5,553,900	1,881,900

Note 7 – 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 method on a straight-line basis over the requisite service period for all stock awards that vest during the period. The grant date fair value for stock options is calculated using the Black-Scholes option valuation 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 and the expected dividends. Stock-based compensation expense is reported under general and administrative expenses on the accompanying consolidated statements of operations.

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. Effective January 1, 2006, we recognized compensation expense ratably over the vesting period, net of estimated forfeitures. As of June 30, 2011, there was no unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the 2006 plan.
The 2006 Plan provides for the granting of options to purchase up to 5,510,000 shares of common stock. 5,213,100 options have been exercised to date. There are 2,468,900 options outstanding under the 2006 Plan.

Warrant activity during the six months ended June 30, 2011 follows:

	Warrants	Average Exercise Price	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Life (Years)
Warrants outstanding at January 1, 2011	3,085,000	$ 0.83	$ 0.10	
No warrant activity	--	--	--	
Warrants outstanding at June 30, 2011	3,085,000	$ 0.83	$ 0.10	1.80

Stock Option Plan activity during the six months ended June 30, 2011 follows:

	Options	Average Exercise Price	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Life (Years)
Options outstanding at January 1, 2011	2,468,900	$ 0.03	$ 0.10	
No option activity	--	--	--	
Options outstanding at June 30, 2011	2,468,900	$ 0.03	$ 0.10	6.35

The fair value of warrants and options granted is estimated on the date of grant based on the weighted-average assumptions in the table below. The assumption for the expected life is based on evaluations of historical and expected exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. The calculated value method using the historical volatility of the Computer Services industry is used as the basis for the volatility assumption.

	Six months ended June 30, 2011	2010
Weighted average risk-free rate	1.89%	4.87%
Average expected life in years	4.2	6.4
Expected dividends	None	None
Volatility	36%	36%
Forfeiture rate	0%	0%

Note 8 – Common Stock Issued

During the year ended December 31, 2009, the Company issued 500,000 common shares in exchange for the asset acquisition of Jekyll Island Ventures Inc. by its wholly-owned subsidiary, Gotham Innovation Labs Inc. Also, during the year ended December 31, 2009, options were exercised for 735,000 shares of common stock, valued at $.01 per share.

On December 2, 2009, the Company amended its certificate of incorporation to increase the number of authorized common shares to 75,000,000.

Dividends may be paid on outstanding shares as declared by the Board of Directors from time to time. Each share of common stock is entitled to one vote.

Note 9 - Income Taxes

The tax provision at June 30 consists of the following:

	2011	2010
From operations:		
Continuing operations:		
Current tax expense (benefit):		
Federal	$(114,860)	$ (180,932)
State and local	--	(48,133)
	(114,860)	(229,065)
Deferred tax expense (benefit)	--	--
Total from continuing operations	(114,860)	(229,065)
Discontinued operations:		
Current tax expense (benefit)		
Federal	82,314	386,573
State and local	--	100,267
	82,314	486,840
Deferred tax expense (benefit):		
Federal	--	--
State and local	--	--
	--	--
Total from discontinued operations	82,314	486,840
Total	$ (32,546)	$257,775

A reconciliation of the statutory federal income tax rate and the effective tax rate follows:

	Six Months Ended June 30, 2011	2010
Statutory tax rate	34.0%	34.0%
Effect of:		
State income taxes, net of federal income tax benefit	0.0%	5.5%
Tax effect of expenses that are not deductible for income tax purposes	(4.2)%	(0.6)%
Effective tax rate	29.8%	38.9%

The Company recognizes deferred tax assets and liabilities based on the future tax consequences of events that have been included in the financial statements or tax returns. The differences relate primarily to net operating loss carryovers and to deferred compensation. Deferred tax assets and liabilities are calculated based on the difference between the financial reporting and tax bases of assets and liabilities using the currently enacted tax rates in effect during the years 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 Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statement purposes but not for federal income tax purposes.

In accordance with ASC Topic No. 740, *Income Taxes*, a valuation allowance is established based on the future recoverability of deferred tax assets. 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. Management has determined that no valuation allowance related to deferred tax assets is necessary at June 30, 2011 and December 31, 2010.

Note 10 - Retirement Plan

Gotham has adopted the Gotham Innovation Lab, Inc. SIMPLE IRA Plan, which covers substantially all employees. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation in accordance with Section 408 (a) of the Internal Revenue Code. The Company matches up to 3% of employee contributions. The Company's contributions to the plan for the six months ended June 30, 2011 and 2010 were $5,541 and $6,888, respectively.

Note 11 – Significant Customers

Sales of Gotham to four customers amounted to approximately 70% of Gotham's total sales for the six months ended June 30, 2011 at 31%, 28%, and 11%, respectively.

Note 12 – Risks and Uncertainties

<u>Uninsured Cash Balances</u>

Substantially all amounts of cash accounts held at financial institutions are insured by the FDIC.

Note 13 - Related Party Transactions

<u>Notes Receivable - Stockholders</u>

The Company provided loans to a stockholder totaling $17,000 at June 30, 2011 and December 31, 2010. The loans bear interest at a rate of 6% and are due on December 31, 2011.

Accrued interest on the note was $506 for each of the six months ended June 30, 2011 and 2010.

Note Payable – Related Party

Gotham was provided loans from an entity that is controlled by the officers of Gotham totaling $25,390 at June 30, 2011 and December 31, 2010. The note bears interest at a rate of 5.5% and is due on July 1, 2011.

Interest expense of $295 and $310 was charged to operations for the six months ended June 30, 2011 and 2010, respectively.

Lease Commitment

iGambit Inc. entered into an operating lease for office space for a term of 12 months effective June 1, 2011. Monthly rent under the lease is $2,600.

Gotham has an operating lease for office space renewable annually on October 16 at a monthly rent of $5,500.

Rent expense of $48,600 and $43,100 was charged to operations for the six months ended June 30, 2011 and 2010, respectively.

Note 14 – Commitments and Contingencies

The Company provides accruals for all direct 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.

Note 15 – Recent Accounting Pronouncements

In December 2010, the FASB issued authoritative guidance regarding when to perform step 2 of the goodwill impairment test for reporting units with zero or negative carrying amounts. The guidance modifies Step 1 of the goodwill impairment test so that for those reporting units with zero or negative carrying amounts, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not based on an assessment of qualitative indicators that a goodwill impairment exists. In determining whether it is more likely than not that goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The Company adopted this standard beginning January 1, 2011, and the adoption did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-6, "*Improving Disclosures About Fair Value Measurements*", which provides amendments to ASC 820 *Fair Value Measurements and Disclosures*, including requiring reporting entities to make more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements including information on purchases, sales, issuances, and settlements on a gross basis and (4) the transfers between Levels 1, 2, and 3. The standard is effective for annual reporting periods beginning after December 15, 2009, except for Level 3 reconciliation disclosures, which are effective for annual periods beginning after December 15, 2010. The Company adopted this standard beginning January 1, 2011, and the adoption did not have a material impact on the Company’s consolidated financial statements.

Item 2. *Management’s Discussion and Analysis of Financial Condition and Results of Operations.*

FORWARD LOOKING STATEMENTS

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

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

CRITICAL ACCOUNTING ESTIMATES

Our management’s discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements may require us to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements. We do not currently have any estimates or assumptions where the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change or the impact of the estimates and assumptions on financial condition or operating performance is material, except as described below.

Fair Value of Financial Instruments

For certain of the our 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.

Revenue Recognition

Contingency payment income is recognized quarterly from a percentage of Digi-Data's vaulting service revenue, and is included in discontinued operations. Our revenues from continuing operations consist of revenues primarily from sales of products and services rendered to real estate brokers. Revenues are recognized upon delivery of the products or services.

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 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 current 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.

As of December 31, 2010, accounts receivable included 50% of contingency payments earned for the previous quarter. Reserve for bad debt of $250,000 was charged to operations for the year ended December 31, 2010. No reserve for bad debts was charged to operations for the six months ended June 30, 2011.

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. During the six months ended June 30, 2011, the Company purchased computer equipment totaling $18,751. Computer equipment is depreciated over 5 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 $2,894 and $180 was charged to operations for the six months ended June 30, 2011 and 2010, respectively.

Goodwill

Goodwill represents the fair market value of the common shares issued and common stock options granted by the Company for the acquisition of Jekyll by the Company's subsidiary, Gotham. In accordance with ASC Topic No. 350 "Intangibles — Goodwill and Other", the goodwill is not being amortized, but instead will be subject to an annual assessment of impairment by applying a fair-value based test, and will be reviewed more frequently if current events and circumstances indicate a possible impairment. An impairment loss is charged to expense in the period identified. If indicators of impairment are present and future cash flows are not expected to be sufficient to recover the asset's carrying amount, an impairment loss is charged to expense in the period identified. A lack of projected future operating results from Gotham's operations may cause impairment.

At December 31, 2010, the Company performed an impairment study and determined that there is no indication that present and future cash flows are not expected to be sufficient to recover the carrying amount of goodwill. The Company has not performed an impairment study during the six months ended June 30, 2011. Based on the Company's evaluation of goodwill, no impairment was recorded during the six months ended June 30, 2011.

Stock-Based Compensation

We account for our stock-based 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.

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. During the year ended December 31, 2010 and during the six months ended June 30, 2011 Gotham produced approximately $850,222 and $889,344 of revenue, respectively. We are focused on expanding the operations of Gotham by marketing the company to existing and potential new clients. Currently Gotham has several proposals outstanding to franchisees of one of its main customers, as well as other potential new clients. . In addition to Gotham's operations, we were receiving Quarterly Revenue Share Payments and Annual Increase Payments from Digi-Data Corporation, which were payable pursuant to the terms of an agreement under which we sold certain assets to DDC in 2006. We earned $1,898,435 and $242,099 of Contingency Payments from DDC in the year ended December 31, 2010, and the six months ended June 30, 2011, respectively. The agreement with DDC ended on February 28, 2011. We expect the balance of the amounts due to be paid during 2011. We are also focused on acquiring or partnering with additional technology companies.

Assets. At June 30, 2011, we had $2,191,512 in total assets, compared to $2,336,788 at December 31, 2010. The decrease in total assets was primarily due to the decrease in prepaid taxes as a result of the receipt of tax refunds.

Liabilities. At June 30, 2011, our total liabilities were $283,056 compared to $351,617 at December 31, 2010. Liabilities consist of accounts payable and a note payable to a related party. We do not have any long term liabilities. The decrease in total liabilities was primarily due to the decrease in the income tax provision.

Stockholders' Equity. Our stockholders' equity decreased to $1,908,456 at June 30, 2011 from $1,985,171 at December 31, 2010. This decrease was primarily due to an increase in accumulated deficit from $(441,058) at December 31, 2010, to $(517,773) at June 30, 2011 resulting from the end of the contingency payments from Digi-Data Corp..

Three Months Ended June 30, 2011 as Compared to Three Months Ended June 30, 2010

Revenues and Net Income. We had $477,441 of revenue during the three months ended June 30, 2011, as compared to $246,317 of revenue during the three months ended

June 30, 2010. The increase in revenue was due to revenue generated by our acquired subsidiary Gotham. In addition, we had no income from discontinued operations for the three months ended June 30, 2011, compared to $642,130 for the three months ended June 30, 2010, and net loss of ($122,235) for the three months ended June 30, 2011, compared to net income of $204,838 for the three months ended June 30, 2010. Our decrease in revenue was due to the Digi-Data agreement ending on February 28, 2011.

General and Administrative Expenses. General and Administrative Expenses increased to $450,662 for the three months ended June 30, 2011 from $429,173 for the three months ended June 30, 2010. For the three months ended June 30, 2011 our General and Administrative Expenses consisted of corporate administrative expenses of $122,118, legal and accounting fees of $29,829 and payroll expenses of $298,715For the three months ended June 30, 2010 our General and Administrative Expenses consisted of corporate administrative expenses of $125,937, legal and accounting fees of $47,855 and payroll expenses of $255,381. The increases from the three months ended June 30, 2010 to the three months ended June 30, 2011 relate primarily to: (i) professional costs associated with the preparation and filing of a registration statement with the SEC; and (ii) costs associated with the operation of our Gotham subsidiary. Costs associated with the operation of our Gotham subsidiary should remain level going forward, subject to a material expansion in the business operations of Gotham which would likely increase our corporate administrative expenses. Further, we anticipated an increase in legal and accounting fees in 2011 as a result of having become a reporting company under the Securities Exchange Act of 1934.

Six Months Ended June 30, 2011 as Compared to Six Months Ended June 30, 2010

Revenues and Net Income. We had $889,344 of revenue during the six months ended June 30, 2011, as compared to $413,659 of revenue during the six months ended June 30, 2010. The increase in revenue was due to revenue generated by our acquired subsidiary Gotham. In addition, we had income from discontinued operations of $242,099 for the six months ended June 30, 2011, compared to $1,207,287 for the six months ended June 30, 2010, and net loss of $(76,715) for the six months ended June 30, 2011, compared to net income of $361,024 for the six months ended June 30, 2010. Our decrease in revenue was due to the Digi-Data agreement ending on February 28, 2011.

General and Administrative Expenses. General and Administrative Expenses increased to $903,061 for the six months ended June 30, 2011 from $858,740 for the six months ended June 30, 2010. For the six months ended June 30, 2011 our General and Administrative Expenses consisted of corporate administrative expenses of $231,439, legal and accounting fees of $92,651, initial public offering expenses of $15,000, and payroll expenses of $563,971. For the six months ended June 30, 2010 our General and Administrative Expenses consisted of corporate administrative expenses of $211,529, legal and accounting fees of $68,730, initial public offering expenses of $49,276, and payroll expenses of $529,205 The increases from the six months ended June 30, 2010 to the six months ended June 30, 2011 relate primarily to: (i) salaries for officers hired by the Company at the end of the 2nd quarter of 2009; (ii) professional costs associated with the preparation and filing of a registration statement with the SEC; and (iii) costs associated with the operation of our Gotham subsidiary. Costs associated with our officers' salaries and the operation of our Gotham subsidiary should remain level going forward, subject to a material expansion in the business operations of Gotham which would likely increase our corporate administrative expenses. Further, whereas the additional professional fees associated with the acquisition of Jekyll Island Ventures, Inc. will not carry over into future periods unless we engage in other acquisitions, we anticipated an increase in legal and accounting fees in 2011 as a result of having become a reporting company under the Securities Exchange Act of 1934.

Liquidity and Capital Resources

As reflected in the accompanying consolidated financial statements, at June 30, 2011, we had $468,617 cash and stockholders' equity of $1,908,456. At June 30, 2011 we had $2,191,512 in total assets, compared to $2,336,788 at December 31, 2010.

Our primary capital requirements in 2011 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

Cash used in operating activities was $341,169 for the first six months ending June 30, 2011, compared to cash provided by operating activities of $990,436 for the first six months ending June 30, 2010. Our primary source of operating cash flow for the six months ending June 30, 2011 was from prepaid expenses of $197,475, compared to net income of $361,024 for the six months ending June 30, 2010. The primary source of net income (loss) is income from discontinued operations totaling $159,785 for the six months ending June 30, 2011 (net of taxes of $82,314) compared to income from discontinued operations of $720,447 for the six months ending June 30, 2010 (net of taxes of $486,840). Income from discontinued operations is comprised solely of income from DDC contingency payments, which is classified as cash provided by discontinued investing activities. We receive Quarterly Revenue Share Payments and Annual Increase Payments from Digi-Data Corporation, which are payable pursuant to the terms of an agreement under which we sold certain assets to DDC in 2006. Revenue earned from DDC was $242,099 for the six months ended June 30, 2011. We received $330,000 in cash payments from DDC which was offset by a decrease in accounts receivable included in Assets from Discontinued Operations. Of the $1,207,287 revenue earned from DDC during the six months ended June 30, 2010, $1,008,733 was for the first two quarters Contingency Payments and $198,554 was accrued revenue for the 5% year to year Contingency Payment. $472,384 for the first quarter Contingency Payment was paid in May 2010, and the second quarter Contingency Payment was paid the first and second a quarter of 2011. The DigiData agreement ended on February 28, 2011

In addition to the DCC Contingency Payments, we receive revenue from the operation of our Gotham subsidiary, which operates the business we acquired from Jekyll Island Ventures, Inc. in 2009. We anticipate that Gotham's business and revenues will continue to grow throughout 2011. Gotham generated revenues of $413,659 and a net loss of $(359,423) for the six months ended June 30, 2010 and revenues of $863,829 and a net income of $116,582 for the six months ended June 30, 2011.

Cash provided by continuing and discontinuing investing activities was $14,237 and $330,000 respectively, for the first six months ending June 30, 2011 and cash provided by discontinuing investing activities was $1,066,822 for the six months ending June 30, 2010. The entire source of cash provided by discontinued investing activities is the DDC contingency payments and the cash provided by continuing investing activities is cash flows from our Gotham subsidiary..

Cash provided by financing activities was $0 for the six months ending June 30, 2011 compared to cash used by financing activities of $34,058 for the six months ending June 30, 2010. The cash flow from financing activities in the first six months of fiscal 2010 was an increase in a loan payable to a related party from our subsidiary Gotham.

Supplemental Cash Flow Activity

In the six months ending June 30, 2011 the company paid income taxes of $13,940 compared to $384,934 for the six months ending June 30, 2010. The decrease in taxes was due to tax overpayments in 2010. The Company also paid interest of $1,372 during the first six months of fiscal year 2011 compared to . $480 during the first six months of fiscal year 2010.

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

Not Required.

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

Evaluation of disclosure controls and procedures. Under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2011. Based on their evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective.

Changes in internal controls. There were no changes in our internal controls over financial reporting during the second fiscal quarter of 2011 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings.*

From time-to-time, the Company is involved in various civil actions as part of its normal course of business. The Company is not a party to any litigation that is material to ongoing operations as defined in Item 103 of Regulation S-K as of the period ended June 30, 2011.

Item 1A. *Risk Factors.*

Not required

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

None

Item 3. *Defaults upon Senior Securities.*

None

Item 4. *Removed and Reserved.*

Item 5. *Other Information.*

None

Item 6. Exhibits

Exhibit No.	Description

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

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

32.1 Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)

32.2 Certification of the Interim Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on August 15, 2011.

iGambit, Inc.

/s/ John Salerno
John Salerno
Chief Executive Officer

/s/ Elisa Luqman
Elisa Luqman
Chief Financial Officer

Exhibit Index

Exhibit No.	Description
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Exhibit 31.1

I, John Salerno, certify that:

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

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

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

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

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

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

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

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

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

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

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

August 15, 2011

/s/ John Salerno
Chief Executive Officer

Exhibit 31.2

I, Elisa Luqman, certify that:

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

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

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

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

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

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

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

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

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

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

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

August 15, 2011

/s/ Elisa Luqman
Chief Financial Officer

Exhibit 32.1

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

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Executive Officer of iGambit, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2011, (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 15, 2011

/s/ John Salerno
Chief Executive Officer

Exhibit 32.2

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

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Financial Officer of iGambit, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2011, (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 15, 2011

/s/ Elisa Luqman
Chief Financial Officer