

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, 2013

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 *(I.R.S. Employer*
incorporation or organization) *Identification No.)*

1050 W. Jericho Turnpike, Suite A
Smithtown, New York 11787

(Address of Principal Executive Offices)(Zip Code)
(631) 670-6777

(Issuer's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

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

The Registrant had 25,044,056 shares of its common stock outstanding as of August 15, 2013.

iGambit Inc.
Form 10-Q

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PART I — FINANCIAL INFORMATION

Item 1 — *Financial Statements*

IGAMBIT INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	JUNE 30, 2013 (Unaudited)	DECEMBER 31, 2012
<u>ASSETS</u>		
Current assets		
Cash	\$ 102,020	\$ 104,721
Accounts receivable, net	207,181	158,441
Prepaid expenses	106,741	133,077
Due from rescission agreement	331,000	--
Assets from discontinued operations, net	320,590	320,590
Total current assets	1,067,532	716,829
Property and equipment, net	14,659	17,870
Other assets		
Deposits	8,370	11,220
	\$ 1,090,561	\$ 745,919
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities		
Accounts payable	\$ 392,364	\$ 433,958
Note payable - related party	6,263	6,263
Total current liabilities	398,627	440,221
Stockholders' equity		
Common stock, \$.001 par value; authorized - 75,000,000 shares; issued and outstanding - 25,044,056 shares, respectively	25,044	25,044
Additional paid-in capital	2,729,000	2,729,000
Accumulated deficit	(2,062,110)	(2,448,346)
Total stockholders' equity	691,934	305,698
	\$ 1,090,561	\$ 745,919

IGAMBIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Sales	\$ 411,719	\$ 429,168	\$ 774,540	\$ 909,516
Cost of sales	<u>149,608</u>	<u>222,573</u>	<u>265,378</u>	<u>477,611</u>
Gross profit	262,111	206,595	509,162	431,905
Operating expenses				
General and administrative expenses	<u>428,261</u>	<u>433,294</u>	<u>877,926</u>	<u>930,235</u>
Loss from operations	<u>(166,150)</u>	<u>(226,699)</u>	<u>(368,764)</u>	<u>(498,330)</u>
Other income				
Income from rescission agreement	755,000	--	755,000	--
Interest income	<u>--</u>	<u>5,881</u>	<u>--</u>	<u>12,721</u>
Total other income	<u>755,000</u>	<u>5,881</u>	<u>755,000</u>	<u>12,721</u>
Income (loss) from operations before income tax	588,850	(220,818)	386,236	(485,609)
Income tax (benefit)	<u>--</u>	<u>(83,217)</u>	<u>--</u>	<u>(184,473)</u>
Net income (loss)	\$ <u><u>588,850</u></u>	\$ <u><u>(137,601)</u></u>	\$ <u><u>386,236</u></u>	\$ <u><u>(301,136)</u></u>
Basic and fully diluted earnings (loss) per common share:	\$ <u><u>.02</u></u>	\$ <u><u>(.01)</u></u>	\$ <u><u>.02</u></u>	\$ <u><u>(.01)</u></u>
Weighted average common shares outstanding	<u><u>25,044,056</u></u>	<u><u>23,954,056</u></u>	<u><u>25,044,056</u></u>	<u><u>23,954,056</u></u>

IGAMBIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,
(UNAUDITED)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 386,236	\$ (301,136)
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities		
Depreciation	3,211	4,249
Deferred income taxes	--	(184,473)
Increase (Decrease) in cash flows as a result of changes in asset and liability account balances:		
Accounts receivable	(48,740)	108,003
Prepaid expenses	26,336	31,694
Due from rescission agreement	(331,000)	--
Accounts payable	(41,594)	117,155
	(5,551)	(224,508)
Net cash used by continuing operating activities	(5,551)	(224,508)
Net cash provided by discontinued operating activities	--	225,000
	(5,551)	492
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	--	(1,147)
Decrease in deposits	2,850	430
Proceeds from repayments of notes receivable	--	434,512
	2,850	433,795
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET CASH USED BY FINANCING ACTIVITIES:		
Repayment of loans from shareholders	--	(5,625)
	(2,701)	428,662
NET (DECREASE) INCREASE IN CASH		

CASH - BEGINNING OF PERIOD	<u>104,721</u>	<u>224,800</u>
CASH - END OF PERIOD	\$ <u>102,020</u>	\$ <u>653,462</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the period for:		
Interest	\$ 1,548	\$ 1,368
Income taxes	--	4,125
Non-cash investing and financing activities:		
Property and equipment purchased through loan from stockholder	\$ --	\$ 5,300

IGAMBIT INC.
Notes to Condensed Consolidated Financial Statements
Six Months Ended June 30, 2013 and 2012

Note 1 - Organization and Basis of Presentation

The consolidated financial statements presented are those of iGambit Inc., (the “Company”) and its wholly-owned subsidiary, Gotham Innovation Lab Inc. (“Gotham”). The Company was incorporated under the laws of the State of Delaware on April 13, 2000. The Company was originally incorporated as Compusations Inc. under the laws of the State of New York on October 2, 1996. The Company changed its name to BigVault.com Inc. upon changing its state of domicile on April 13, 2000. The Company changed its name again to bigVault Storage Technologies Inc. on December 21, 2000 before changing to iGambit Inc. on April 5, 2006. Gotham was incorporated under the laws of the state of New York on September 23, 2009. The Company is a holding company which seeks out acquisitions of operating companies in technology markets. Gotham is in the business of providing media technology services to real estate agents and brokers in the New York metropolitan area.

Interim Financial Statements

The following (a) condensed consolidated balance sheet as of December 31, 2012, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2013 are not necessarily indicative of results that may be expected for the year ending December 31, 2013. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2012 included in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on June 20, 2013.

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 \$320,590 as of June 30, 2013 and December 31, 2012, respectively.

Accounts Receivable

Accounts receivable includes 50% of contingency payments earned for the previous quarters and are stated net of an allowance for bad debts of \$250,000.

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. Revenues are recognized upon delivery of the products or services.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs for the six months ended June 30, 2013 and 2012 were \$3,018 and \$14,767, 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. There was no bad debt expense charged to operations for the six months ended June 30, 2013 and 2012, 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 \$3,211 and \$4,249 was charged to operations for the six months ended June 30, 2013 and 2012, respectively.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business combination, specifically the acquisition of Jekyll by the Company's subsidiary, Gotham. In accordance with ASC Topic No. 350 "Intangibles – Goodwill and Other", goodwill is not amortized, but instead is subject to an annual assessment of impairment by applying a fair-value based test, and is reviewed more frequently if current events and circumstances indicate a possible impairment. 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, 2012, the Company performed its annual impairment study and determined that present and future cash flows

were not expected to be sufficient to recover the carrying amount of goodwill, and the goodwill was written off.

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

The Company has reviewed recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operations, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its consolidated financial statements.

Note 4 - Earnings Per Common Share

The Company calculates net earnings (loss) per common share in accordance with ASC 260 "*Earnings Per Share*" ("ASC 260"). Basic and diluted net earnings (loss) per common share was determined by dividing net earnings (loss) applicable to common

stockholders by the weighted average number of common shares outstanding during the period. The Company's potentially dilutive shares, which include outstanding common stock options and common stock warrants, have not been included in the computation of diluted net earnings (loss) per share for all periods as the result would be anti-dilutive.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Stock options	668,900	2,768,900	668,900	2,768,900
Stock warrants	275,000	275,000	275,000	275,000
Total shares excluded from calculation	943,900	3,043,900	943,900	3,043,900

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 June 30, 2013, 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 six months ended June 30, 2013 and 2012 follows:

	<u>Options Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant-Date Fair Value</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Options outstanding at December 31, 2011	2,768,900	\$ 0.04	\$ 0.10	6.85
No option activity	--	--	--	
Options outstanding at June 30, 2012	<u>2,768,900</u>	<u>\$ 0.04</u>	<u>\$ 0.10</u>	<u>6.35</u>
Options outstanding at December 31, 2012	1,268,900	\$ 0.08	\$ 0.10	6.16
Expired	<u>(600,000)</u>	<u>0.10</u>	--	
Options outstanding at June 30, 2013	<u><u>668,900</u></u>	<u><u>\$ 0.06</u></u>	<u>\$ 0.10</u>	<u>5.19</u>

Options outstanding at June 30, 2013 consist of:

<u>Date Issued</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
May 1, 2006	100,000	100,000	\$0.01	May 1, 2016
May 1, 2006	100,000	100,000	\$0.01	May 1, 2016
May 1, 2006	50,000	50,000	\$0.01	May 1, 2016
May 1, 2006	46,900	46,900	\$0.01	May 1, 2016
July 21, 2010	113,000	113,000	\$0.10	July 21, 2020
July 21, 2010	59,000	59,000	\$0.10	July 21, 2020
July 11, 2011	100,000	100,000	\$0.10	July 11, 2021
July 11, 2011	<u>100,000</u>	<u>100,000</u>	\$0.10	July 11, 2021
Total	<u><u>668,900</u></u>	<u><u>668,900</u></u>		

Warrants

In addition to our 2006 Long Term Incentive Plan, we have issued and outstanding compensatory warrants to two consultants entitling the holders to purchase a total of 275,000 shares of our common stock at an average exercise price of \$0.94 per share. Warrants to purchase 25,000 shares of common stock vest upon 6 months after the Company engages in an IPO, have an exercise price of \$3.00 per share, and expire 2 years after the Company engages in an IPO. Warrants to purchase 250,000 shares of

common stock vest 100,000 shares on issuance (June 1, 2009), and 50,000 shares on each of the following three anniversaries of the date of issuance, have exercise prices ranging from \$0.50 per share to \$1.15 per share, and expire on June 1, 2019. The issuance of the compensatory warrants was not submitted to our shareholders for their approval.

Warrant activity during the six months ended June 30, 2013 and 2012 follows:

	<u>Warrants Outstanding</u>	Weighted Average <u>Exercise Price</u>	Weighted Average <u>Grant-Date Fair Value</u>	(1)Weighted Average Remaining Contractual <u>Life (Years)</u>
Warrants outstanding at December 31, 2011	275,000	\$ 0.94	\$ 0.10	7.42
No warrant activity	--	--	--	
Warrants outstanding at June 30, 2012	<u>275,000</u>	<u>\$ 0.94</u>	\$ 0.10	6.92
Warrants outstanding at December 31, 2012	275,000	\$ 0.94	\$ 0.10	6.42
No warrant activity	--	--	--	
Warrants outstanding at June 30, 2013	<u><u>275,000</u></u>	<u><u>\$ 0.94</u></u>	\$ 0.10	5.92

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

Warrants outstanding at June 30, 2013 consist of:

<u>Date Issued</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
April 1, 2000	25,000	25,000	\$3.00	2 years after IPO
June 1, 2009	100,000	100,000	\$0.50	June 1, 2019
June 1, 2009	50,000	50,000	\$0.65	June 1, 2019
June 1, 2009	50,000	50,000	\$0.85	June 1, 2019
June 1, 2009	<u>50,000</u>	<u>50,000</u>	\$1.15	June 1, 2019
Total	<u><u>275,000</u></u>	<u><u>275,000</u></u>		

Note 6 - Income Taxes

	<u>Six Months Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>
Effective tax rate	0.0 %	38.0 %

The decrease in the effective tax rate for the six months ended June 30, 2013 is due to the establishment of a full valuation allowance against the Company's net deferred tax assets

which was initially recorded in the fourth quarter of 2012. A valuation allowance must be established if it is more likely than not that the deferred tax assets will not be realized. This assessment is based upon consideration of available positive and negative evidence, which includes, among other things, the Company's most recent results of operations and expected future profitability. Based on the Company's cumulative losses in recent years, a full valuation allowance against the Company's deferred tax assets has been established as Management believes that the Company will not realize the benefit of those deferred tax assets.

Note 7 - 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, 2013 and 2012 were \$9,744 and \$5,476, respectively.

Note 8 – Concentrations and Credit Risk

Sales and Accounts Receivable

Gotham had sales to two customers which accounted for approximately 44% and 21%, respectively of Gotham's total sales for the six months ended June 30, 2013. The two customers accounted for approximately 46% and 17%, respectively of accounts receivable at June 30, 2013.

Gotham had sales to three customers which accounted for approximately 38%, 14% and 13%, respectively of Gotham's total sales for the six months ended June 30, 2012. The three customers accounted for approximately 39%, 10% and 1% of accounts receivable at June 30, 2012.

Cash

Cash is maintained at a major financial institution and, at times, balances may exceed federally insured limits. The Company has never experienced any losses related to these balances. All of the Company's non-interest bearing cash balances were fully insured at June 30, 2013. As of December 31, 2012, the Company had no amounts of cash or cash equivalents in financial institutions in excess of amounts insured by agencies of the U.S. Government, the limit of which is \$250,000. The Company did not have any interest-bearing accounts at June 30, 2013 and December 31, 2012, respectively.

Note 9 - Related Party Transactions

Note Payable – Related Party

Gotham was provided a loan from an entity that is controlled by the officers of Gotham, such amounts outstanding were \$6,263 at June 30, 2013 and December 31, 2012, respectively. The note bears interest at a rate of 5.5% and is due on December 31, 2013.

Note 10 – Commitments and Contingencies

Lease Commitment

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

Gotham has a month to month license agreement for office space that commenced on August 2, 2012 at a monthly license fee of \$2,400. 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:

2013	\$ 9,180
2014	18,720
2015	19,080
2016	19,440
2017	<u>3,240</u>
	<u>\$ 69,660</u>

Rent expense of \$37,258 and \$49,900 was charged to operations for the six months ended June 30, 2013 and 2012, 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 June 30, 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 "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.

Allied Airbus, Inc.

On November 1, 2011, the Company commenced collection proceedings against Allied Airbus, Inc. ("Allied") for nonpayment of various promissory notes totaling \$434,512 at December 31, 2011 in connection with a letter of intent the Company entered into to acquire the assets and business of Allied, to which a definitive agreement could not be reached. The claim against Allied included accrued interest at the rate of 6% per annum.

As a result of a settlement reached on June 12, 2012, the Company received payment of the total balance, accrued interest and legal fees on June 27, 2012.

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 12, BHC initially felt entitled to \$300,000. The Company has 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.

Note 11 – 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 Tomas 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. The balance due from IGX was \$331,000 at June 30, 2013.

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

FORWARD LOOKING STATEMENTS

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

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

CRITICAL ACCOUNTING ESTIMATES

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

assumptions on financial condition or operating performance is material, except as described below.

Revenue Recognition

Our revenues from continuing operations consist of revenues derived primarily from sales of products and services rendered to real estate brokers. Revenues are recognized upon delivery of the products or services.

Contingency payment income was recognized quarterly from a percentage of Digi-Data's vaulting service revenue until February 28, 2011.

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. There was no bad debt expense charged to operations for six months ended June 30, 2013 and 2012, 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.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business combination, specifically 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 amortized, but instead is subject to an annual assessment of impairment by applying a fair-value based test, and is reviewed more frequently if current events and circumstances indicate a possible impairment. 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, 2012, the Company performed its annual impairment study and determined that present and future cash flows were not expected to be sufficient to recover the carrying amount of goodwill, and the goodwill was written off.

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. Management has determined that the Company has no significant uncertain tax positions requiring recognition and measurement under ASC 740-10.

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.

Assets. At June 30, 2013, we had \$1,090,561 in total assets, compared to \$745,919 at December 31, 2012. The increase in total assets was primarily due to the increase in accounts receivable and the receivable due from the IGX Rescission Agreement.

Liabilities. At June 30, 2013, our total liabilities were \$398,627 compared to \$440,221 at December 31, 2012. Liabilities consist of accounts payable and a note payable to a related party. We do not have any long term liabilities. The decrease in liabilities was primarily due to a decrease in accounts payable.

Stockholders' Equity. Our stockholders' equity increased to \$691,934 at June 30, 2013 from \$305,698 at December 31, 2012. This increase was primarily due to a decrease in accumulated deficit from \$(2,448,346) at December 31, 2012 to \$(2,062,110) at June 30, 2013, resulting from income from operations of \$386,236 for the six months ended June 30, 2013.

THREE MONTHS ENDED JUNE 30, 2013 AS COMPARED TO THREE MONTHS ENDED JUNE 30, 2012

Revenues and Cost of Sales. We had \$411,719 of revenue during the three months ended June 30, 2013 compared to revenue of \$429,168 during the three months ended June 30, 2012. The decrease in revenue was due primarily to a decrease in revenue generated by our Gotham subsidiary. We also earned other income of \$755,000 from the IGX Rescission Agreement for the three months ended June 30, 2013 compared to \$0 for the three months ended June 30, 2012. The decrease in our cost of goods sold for the three months ended June 30, 2013 was due to a decrease in the cost of the outsourced photography vendors utilized by our Gotham subsidiary.

General and Administrative Expenses. General and Administrative Expenses decreased to \$428,261 for the three months ended June 30, 2013 from \$433,294 for the three months ended June 30, 2012. For the three months ended June 30, 2013 our General and Administrative Expenses consisted of corporate administrative expenses of \$65,062, rent expense of \$16,689, legal and accounting fees of \$55,420, employee benefits, consisting primarily of health insurance expense of \$24,676, and payroll expenses of \$266,414. For the three months ended June 30, 2012 our General and Administrative Expenses consisted of corporate administrative expenses of \$102,331, rent expense of \$26,500, employee benefits, consisting primarily of health insurance expense of \$19,871, and payroll expenses of \$284,592. The decreases from the three months ended June 30, 2012 to the three months ended June 30, 2013 relate primarily to:

(i) a decrease in payroll expenses; (ii) a decrease in rent; and (iii) a decrease in general and administrative costs associated with the operation of our Gotham subsidiary. Costs associated with our officers' salaries and the operation of our Gotham subsidiary should remain level going forward, subject to a material expansion in the business operations of Gotham which would likely increase our corporate administrative expenses.

Other Income (Expense) and Taxes. There was no interest income for the three months ended June 30, 2013 compared to interest income of \$5,881 for the three months ended June 30, 2012. There was no income tax benefit the three months ended June 30, 2013 compared to \$(83,217) for the three months ended June 30, 2012.

Six Months Ended June 30, 2013 as Compared to Six Months Ended June 30, 2012

Revenues and Net Income. We had \$774,540 of revenue during the six months ended June 30, 2013, as compared to \$909,516 of revenue during the six months ended June 30, 2012. The decrease in revenue was due to decrease in revenue generated by our acquired subsidiary Gotham. In addition, we had other income of \$755,000 for the six months ended June 30, 2013, compared to \$0 for the six months ended June 30, 2012. The decrease in our cost of goods sold for the six months ended June 30, 2013 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 \$877,926 for the six months ended June 30, 2013 from \$930,235 for the six months ended June 30, 2012. For the six months ended June 30, 2013 our General and Administrative Expenses consisted of corporate administrative expenses of \$141,828, rent expense of \$37,258, employee benefits, consisting primarily of health insurance expense of \$49,085, legal and accounting fees of \$82,704, business insurance expenses of \$21,334, and payroll expenses of \$545,717. For the six months ended June 30, 2012 our General and Administrative Expenses consisted of corporate administrative expenses of \$198,284, rent expense of \$49,900, employee benefits, consisting primarily of health insurance expense of \$41,881, legal and accounting fees of \$31,902, business insurance expenses of \$23,898, and payroll expenses of \$584,370. The decreases from the six months ended June 30, 2012 to the six months ended June 30, 2013 relate primarily to a decrease in rent expenses and corporate administrative expenses. Costs associated with our officers' salaries and the operation of our Gotham subsidiary should remain level going forward, subject to a material expansion in the business operations of Gotham which would likely increase our corporate administrative expenses.

Other Income (Expense) and Taxes. There was no interest income for the six months ended June 30, 2013 compared to interest income of \$12,721 for the six months ended June 30, 2012. There was no income tax benefit the six months ended June 30, 2013 compared to \$(184,473) for the six months ended June 30, 2012.

LIQUIDITY AND CAPITAL RESOURCES

General

As reflected in the accompanying consolidated financial statements, at June 30, 2013, we had \$102,020 of cash and stockholders' equity of \$691,934 as compared to \$104,721 and \$305,698 at December 31, 2012. At June 30, 2013 we had \$1,090,561 in total assets, compared to \$745,919 at December 31, 2012.

Our primary capital requirements in 2013 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 used by operating activities was \$5,551 for the six months ended June 30, 2013, compared to net cash provided by operating activities of \$492 for the six months ended June 30, 2012. Our primary source of operating cash flows from continuing operating activities for the six months ended June 30, 2013 was from our Gotham subsidiary's revenues of \$774,540 and \$909,516 for the six months ended June 30, 2012. Additional contributing factors to the change were from an decrease in accounts receivable of \$48,740, an increase in prepaid expenses of \$26,336, a decrease in accounts payable of \$41,594 and income due from the IGX rescission agreement of \$331,000. Net cash provided by discontinued operating activities was \$0 for the six months ended June 30, 2013 and cash provided by discontinued operating activities was \$225,000 for the six months ended June 30, 2012. Cash provided by discontinued operations for the six months ended June 30, 2012 consists of \$225,000 in cash payments received from DDC which was offset by a decrease in accounts receivable included in the Assets from Discontinued Operations.

Cash provided by investing activities was \$2,850 for the six months ended June 30, 2013 compared to \$433,795 for the six months ended June 30, 2012. For the six months ended June 30, 2013 the primary source of cash provided by investing activities was from a decrease in deposits. For the six months ended June 30, 2012 the source of cash

provided by investing activities was \$(1,147) from the purchase of property and equipment, a decrease in deposits of \$430 and the repayment of notes receivable from Allied Airbus Inc. of \$434,512.

Cash used by financing activities was \$0 for the six months ended June 30, 2013 compared to \$(5,625) for the six months ended June 30, 2012. The cash flows used by financing activities for the six months ended June 30, 2012 was a repayment of loans payable to a related party.

Supplemental Cash Flow Activity

In the six months ended June 30, 2013 the company paid income taxes of \$0 and interest of \$1,548 compared to income taxes of \$4,125 and interest of \$1,368 in the six months ended June 30, 2012.

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

Item 4. *Controls and Procedures.*

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, as required by paragraph (b) of Rule 13a-15 and 15d-15 of the Exchange Act under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of June 30, 2012. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2013.

Change in Internal Controls

During the six months ended June 30, 2013, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings.*

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 or about December 3, 2012, Digi-Data filed its Answer, Affirmative Defenses and Counterclaim against iGambit. The Counterclaim seeks damages against iGambit 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) an unrelated third party, Titanide Ventures, LLC, concerning alleged patent violations (hereinafter "Verizon Patent Litigation").

Upon information and belief, the Verizon Patent Litigation is a "patent troll" whereby Titanide seeks to extract settlement funds from alleged patent infringers without seeking actual adjudication of its purported patent rights. iGambit has advised Digi-Data of what iGambit believes is "prior art" 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. iGambit 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 iGambit. To date, no depositions have been scheduled. To date, we have not received any information from DDC 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 we filed a Motion for Summary Judgment with the Court asking the Court to move in our 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 the Maryland District Court’s Local Rules, Digi-Data is not authorized to file a Surreply without Court order.

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, 2013.

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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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, 2013

/s/ John Salerno
Chief Executive Officer

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, 2013

/s/ Elisa Luqman
Chief Financial Officer

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

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Executive Officer of iGambit Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2013, (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 15, 2013

/s/ John Salerno
Chief Executive Officer

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

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Financial Officer of iGambit Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2013, (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 15, 2013

/s/ Elisa Luqman
Chief Financial Officer