

Win Gaming Media, Inc.  
Form 10-K  
April 15, 2011

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NO. 000-51255

WIN GAMING MEDIA, INC.

(Exact Name of Registrant as Specified in Its Charter)

NEVADA	98-0374121
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

55 Igal Alon Street, Tel-Aviv, Israel	67891
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (972)-73-755-4500

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock, par  
value \$0.001

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the  
Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See 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 Act).

Yes  No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$1,939,142

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

36,069,031 shares of common stock as of April 14, 2011.

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WIN GAMING MEDIA, INC.

FORM 10-K  
(FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010)

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References in this Annual Report on Form 10-K to the “Company”, “we”, “us” or “our” include Win Gaming Media, Inc. and its subsidiaries, unless the context requires otherwise.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this Annual Report on Form 10-K that are not historical facts are “forward-looking statements”. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as “believes,” “intends,” “plan,” “expects,” “may,” “will,” “should,” or “anticipates” or the negative thereof or variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In particular, our statements regarding the potential growth of our markets and business outlook are examples of such forward-looking statements. The forward-looking statements include risks and uncertainties, including, but not limited to, our future growth being dependent upon the success of our new business activity in the field of binary options and other factors, including future financings, and general economic conditions and regulatory developments, not within our control. The factors discussed herein, including those risks described in Item 1A, and expressed from time to time in our filings with the Securities and Exchange Commission (the “SEC”), could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this filing, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstances.

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## PART I

### ITEM 1. BUSINESS.

#### OVERVIEW

We are engaged in the business of offering worldwide online trading of binary options. We entered the binary options business in November 2009, and since March 28, 2010, we have been offering online trading of binary options through our wholly-owned Cypriot and Israeli subsidiaries, WGM Services Ltd. (formerly, Giona Trading Ltd) (“WGM”) and B Option Ltd. (“B Option”), respectively. Worldwide trading is being offered by WGM on [www.globaloption.com](http://www.globaloption.com), while in Israel, the same services are offered by B Option on [www.options.co.il](http://www.options.co.il). Specifically, our online binary options trading business is aimed at investors who seek to realize profits from their investments within a short period of time.

We operate solely through our following wholly owned subsidiaries: (a) Win Gaming Media, Inc., a Delaware company (formerly: Zone 4 Play, Inc.); (b) Win Gaming Media (Israel) Ltd., an Israeli company (formerly, MixTV Ltd.) (“WGMI Israel”); (c) WGM; (d) B Option; and (e) Gaming Ventures PLC, an Isle of Man company (“Gaming”).

Our shares of common stock are currently traded on the Over-the-Counter (“OTC”) Bulletin Board under the symbol WGMI.OB.

#### Former Business of Offering Technology Servicing the Interactive Gaming Industry

On August 6, 2008, our wholly owned subsidiary WGMI Israel, and Playtech, entered into an Intellectual Property and Technology Purchase Agreement under which Playtech agreed to purchase substantially all of the assets of WGMI Israel, including but not limited to WGMI Israel’s intellectual property (“Purchased Assets”), for total consideration of \$1,750,000. As of December 31, 2010, (1) \$1,750,000 of cash had been paid by Playtech to WGMI Israel, (2) all of the employees of WGMI Israel were terminated and 7 of them became employees of Playtech and (3) all of the Purchased Assets were transferred to Playtech. In addition, we and Playtech have entered into a Software License Agreement, under which Playtech granted us a non-exclusive license to use the software products included in the Purchased Assets for the sole purpose of providing support and maintenance services to TWG, a company jointly owned by us and Two-Way Media Ltd. (“TWM”). As a result of the sale, WGMI Israel no longer offers any gaming applications or development work and currently our efforts are devoted toward our new binary options business.

On April 7, 2009, TWG, which was 50% owned by us and 50% owned by TWM (we refer to TWG and TWM as the “Sellers”), entered into an agreement (the “Netplay Transfer Agreement”) with Netplay. The Netplay Transfer Agreement provided for the transfer by the Sellers of certain gaming services, known as Challenge Jackpot, and the transfer of about 16,000 registered players of Challenge Jackpot, an interactive game application provided to Virgin Media Television (“Virgin”), their account balances and the equipment required for running such business. The transaction closed on May 21, 2009, following the approval thereof by Netplay’s shareholders on May 11, 2009, the completion of the agreement between Netplay and Virgin for the assignment of the agreement dated June 2008, between TWG and Virgin and the payment of GBP 200,000 from TWG to Virgin. At the closing, Netplay issued 8,533,333 of its ordinary shares to TWG, which shares were admitted to trading on May 21, 2009 on the London Stock Exchange plc’s market known as AIM. Of these shares, 4,266,666 shares were transferred to us, deposited with Panmure Gordon & Co and then sold by the latter.

On April 7, 2009, the Sellers and Virgin entered into a Termination and Settlement Agreement (the “Settlement Agreement”) under which, on the completion date of the NetPlay Transfer Agreement and following the receipt by Virgin from Netplay of an initial payment, Virgin agreed to terminate the brand license agreement, the production

agreement and all guarantees with TWG in connection with the operation of the Challenge Jackpot and to irrevocably waive and release all claims that Virgin may have towards TWG, including liability for paying minimum guarantee fees to Virgin. The Settlement Agreement was finalized, and the final waiver received, during December 2009. As a result of these transactions we are no longer committed to support the Challenge Jackpot service through Playtech or operate the Winner Channel and Teletext services through Netplay.

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### Current Business of Offering Worldwide Online Trading of Binary Options

Following the sale of our entire gaming software assets, we now derive most of our income from offering worldwide online trading of binary options and revenue sharing arrangements in the interactive gaming industry, through third parties. Our sources of income are as follows:

- a) Revenue from binary options business
- b) Revenue share from Lodgnet in the United States
- c) Revenue share from Cablevision in the United States
- d) Revenue share from Netplay in the United Kingdom (until the sale of our remaining Netplay shares in the fourth quarter of 2010, as further discussed herein)

We had been seeking to enter into new business activities in the developing and growing market of online financial instruments. Following a market review of the foreign exchange and binary options industry we have elected to engage in the binary options segment because management is of the opinion that this new and growing industry offers an opportunity for us to become established, and become a leading service provider, in this field. In addition, management believes that a successful operation in the binary options business will enhance our value for the benefit of our shareholders. As a result, on November 18, 2009, our wholly owned subsidiary WGM signed an agreement with ParagonEX Limited (“November Agreement”), a British Virgin Islands corporation (“ParagonEX”), under which ParagonEX provided to WGM the right to use its web-based platform (the “Software”) which provides online trading of binary options. The Software enables online traders to invest in a wide range of binary options trading on a variety of financial markets around the world in real local time. The proceeds to WGM, after payment of consideration to ParagonEX, will be at least 88% of the net proceeds WGM receives from end users. On February 24, 2010, our additional wholly owned subsidiary, B Option, and ParagonEX, entered into an Agreement (the “Agreement”, and together with the November Agreement, the “License Agreements”) under which ParagonEX provided to B Option the right to use its Software. The Agreement includes similar terms to the November Agreement. The Agreement relates solely to marketing the Software in the Israeli market, and the user interface is in Hebrew. The right to use is non-exclusive, and the Software would be used on B Option’s website. In addition, ParagonEX undertook to provide B Option services and support in connection with the Software. In principal, the proceeds to B Option, after payment of consideration to ParagonEX, will be at least 88% of the net proceeds B Option receives from end users. There are no required minimum payments to ParagonEX under the Agreement, or a minimum investment in marketing by B Option. Each party to the Agreement may terminate it for convenience upon providing 90 days’ prior notice, but not before the 20th annual anniversary of the date in which B Option launched its website that uses the Software. As a result of the License Agreements, global services of binary options are provided by WGM under the domain [www.globaloption.com](http://www.globaloption.com), and services of binary options for Israelis are provided by B Option under the domain [www.options.co.il](http://www.options.co.il).

On February 24, 2010, B Option, WGM and ParagonEX entered an Addendum to the License Agreements (the “First Addendum”). The First Addendum provides that the fulfillment by WGM of monetary obligations under the November Agreement shall be deemed to be fulfillment of the respective monetary obligations by B Option under the Agreement, and vice versa.

On November 11, 2010, B Option and WGM entered an Addendum to the License Agreements (the “Second Addendum”) with ParagonEX. The Second Addendum, among other things, (i) eliminated WGM’s and B Option’s obligation together to invest in marketing activity of the binary options sites during the first 8 months from the go live date of March 28, 2010 and the related \$50,000 marketing fee owed to ParagonEX jointly by WGM and B Option, (ii) restricted, for a period of 18 months, B Option’s and WGM’s right to enter into services and license agreements with third parties for binary options trading platforms, and (iii) provided for the provision of certain website language integration services by ParagonEX to B Option and WGM for a fixed fee of \$10,000, with \$5,000 of such fee having

already been paid and \$5,000 of such fee due following the launch of the “trading from the graph” feature on B Option’s and WGM’s respective binary options trading websites.

## OUR CURRENT BUSINESS

### THE BINARY OPTIONS MARKET

A binary option is a type of option where the payoff is straightforward – it pays back either some fixed amount of some asset or nothing at all. The two main types of binary options are the cash-or-nothing binary option and the asset-or-nothing binary option. The cash-or-nothing binary option pays some fixed amount of cash if the option expires in-the-money while the asset-or-nothing pays the value of the underlying security. Thus, the options are binary in nature because there are only two possible outcomes. They are also called all-or-nothing options, digital options and Fixed Return Options (“FROs”) (on the NYSE Amex).

For example, a purchase is made of a binary cash-or-nothing call option on XYZ Corp’s stock struck at \$100 with a binary payoff of \$1000. Then, if at the future maturity date or time, the stock is trading at or above \$100, \$1000 is received. If its stock is trading below \$100, nothing is received.

#### Exchange – traded binary options

Binary option contracts have long been available OTC (i.e., sold directly by the issuer to the buyer). They were generally considered “exotic” instruments and there was no liquid market for trading these instruments between their issuance and expiration. They were often seen embedded in more complex option contracts.

In 2007, the Options Clearing Corporation proposed a rule change to allow binary options, and the SEC approved listing cash-or-nothing binary options in 2008. In May 2008, the NYSE Amex launched exchange-traded European cash-or-nothing binary options, and the Chicago Board Options Exchange (“CBOE”) followed in June 2008. The standardization of binary options allows them to be exchange-traded with continuous quotations.

NYSE Amex offers binary options on some Exchange Traded Funds and a few highly liquid equities such as Citigroup and Google. NYSE Amex calls binary options “Fixed Return Options”; calls are named “Finish High” and puts are named “Finish Low”. To reduce the threat of market manipulation of single stocks, NYSE Amex FROs use a “settlement index” defined as a volume-weighted average of trades on the expiration day.

CBOE offers binary options on the S&P 500 and the CBOE Volatility Index. The tickers for these are BSZ and BVZ, respectively. BSZ strikes are at 5-point intervals and BVZ strikes are at 1-point intervals. The actual underlying prices to BSZ and BVZ are based on the opening prices of index basket members.

#### Binary Options – featured by online providers

Unlike “regular” options that are offered by different exchanges and which are contracts where the investor pays for the right to buy or sell an underlying asset at a given price, an online binary option is a contract where the investor pays for the right to receive a fixed return in case the price of the underlying asset ends up higher or lower than the strike price.

In addition, unlike traditional stock-exchange-offered binary options that pay a fixed amount or nothing only if the option expires in-the-money, online binary options entitle the investor to gain a fixed return, in addition to his investment amount (usually around 65%-71%) if his prediction, either for a higher or lower strike price, has been achieved at the expiration of the underlying asset. If the investor’s prediction is not fulfilled, he or she loses between 85%-90% of their investment. For example, if a purchase is made at 10:15 AM of a binary call option on XYZ Corp.’s stock struck at \$100 with a binary payoff of 70%, then, if at the expiry time of 11:00 AM the stock is trading above \$100, \$170 is received. If its stock is trading below \$100, only \$15 is paid to the investor.

Online binary options usually carry an expiration date, or time, of once every hour, end of business day, end of week or end of month.

#### Online Binary Options Market

Online binary options continue to be a unique and niche product, and thus the number of similar businesses or websites is significantly less than the number of websites competing in other online trading mediums, such as trading in pairs of foreign currencies (FOREX.com).

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Amidst this scarcity, listed below are some web sites that offer trading of binary options:

- [www.etrader.co.il](http://www.etrader.co.il)
- [www.anyoption.com](http://www.anyoption.com)
- [www.eztrader.com](http://www.eztrader.com)
- [www.traderxp.com](http://www.traderxp.com)
- [www.spotoption.com](http://www.spotoption.com)
- [www.bbinary.com](http://www.bbinary.com)

#### Different Types of Binary Options

Binary options are simple put and call options conditioned by just the price and the expiration date. They refer to conditional scenarios that if they come true, either validate or invalidate the option. The trader knows ahead of his or her investment the amount of the desired payout he or she will get if his conditional scenario proves to be right or his loss if his conditional scenario proves to be wrong.

- **One Touch**

When buying a one-touch option, traders set that if the asset he or she elected to trade on trades at a specified rate (trigger), then he/she will receive a profit at a preset amount. The trader thus knows in advance the extent of his or her potential profit (payout) or loss.

- **No Touch**

When buying this type of option, the trader sets that he/she will make a profit (whose amount he/she sets) if and only if a currency rate does not reach the specified trigger before a specified time.

- **Double One Touch**

With this type of option, traders choose two triggers and set the profit they will make if either one is hit. Usually, double-one-touch options are used when traders expect highly volatile market conditions but don't know what direction the market will take.

- **Double No Touch**

Double no touch options are the opposite of the double one-touch options. Traders buy them when they expect a range-bound market (a market that fluctuates within a relatively narrow range) with a relatively low volatility. In general, this type of option is profitable during the periods of consolidation that usually follow significant market moves.

Traders often combine various option types to build their option trading strategies. By associating different option types, some traders manage to minimize the risk they are taking. Some even claim to have found infallible methods. Others see it as a simple hedging instrument and use it to secure their funds.

#### BINARY OPTIONS WEBSITES

We offer investors from around the world the ability to trade on options through [www.globaloption.com](http://www.globaloption.com) and, for Israelis, through [www.options.co.il](http://www.options.co.il). Specifically, we market our online binary options trading business towards investors who are seeking to realize any profit from their investments within a short period of time. We market to

such investors because, in our opinion, our trading platform features a novel venue and a more simple and straightforward method for the realization of immediate returns on investments in the global financial markets.

Investors use WGM's binary options platform to buy either a PUT option or a CALL option. In either case, if the option expires in-the-money, investors receive a 75% return on their investment or lose 90% of their investment if their option expires out-of-the-money.

In order for investors to start trading, they are required to open an account and provide their exact personal information, a process which is simple and straightforward. Once this phase is complete, investors have an array of methods to make a deposit. They can elect to use their credit card, e-wallet provider or effectuate a bank wire transfer. Credit card and e-wallet deposits are logged immediately as credits in the investors' account and he or she can then proceed to make their investment.

WGM offers an array of underlying assets to invest in. These are:

- Stock Exchange indices, such as NASDAQ or London's FTSE, Germany's DAX or France's CAC.
- Leading stocks, such as: Coca Cola, Microsoft, Nike etc.
- Commodities, such as: Oil, Gold or Silver.
- Currencies pairs, such as: USD/EURO, USD/GBP, USD/YEN etc.

All feeds of the current rates and active assets are provided through THOMPSON/REUTERS in real time from the different trading exchanges. Investors can not pick underlying assets in a certain exchange that is closed. For example, one can not make an investment on Coca Cola if NASDAQ is either closed or is not yet open.

On the trading page, investors have access to all available assets to choose from, as well as their current trading price, and charts and graphs showing current and previous rates. After selecting the desired assets, investors choose either CALL or PUT, select the amount they wish to invest and the expiration time. Purchasing an option on our sites means that a contract is created which gives the investor the right to buy an underlying asset at a fixed price, within a specified time frame. At this stage, expirations take place every hour by the hour. Investors are prevented from making an investment during the last 10 minutes prior to expiration. At expiry time, the assets' expiration price is displayed on the trading page.

In case the option expires in-the-money, an investor's account would be credited with the rate of return as indicated in the original contract. In the same manner, if the option expired out-of-the-money, his or her account would be charged 90% of the investment and the balance would remain in his or her account.

Investors are provided with a sophisticated back-office tool, allowing them to monitor their account activity including, among other things: deposits, withdrawals and historical investments.

#### DEPENDENCE ON THREE MAJOR CUSTOMERS

In 2010, we derived 47% of our revenues from three major customers: Cablevision (33%), Lodgnet (8.5%) and Netplay (5.5%).

#### RESEARCH AND DEVELOPMENT

We did not invest in research and development in 2010 or 2009.

#### GOVERNMENT REGULATION

As a result of the sales of our assets, we are no longer subject to gaming regulation. However, our sources of revenue may be affected by such regulation.

The gaming industry is prohibited or restricted in some countries and highly regulated in others. In a number of countries the legal position is uncertain. Although the regulatory regime for land-based gaming operations is well-established in many countries, the gaming laws in such countries will not necessarily have been amended to take

account of the internet, and the ability to offer gaming services online. Consequently, there is uncertainty as to the legality of online gaming in most countries. In several countries local regulators are willing to license and regulate local and often state-owned operators, but prohibit foreign operators, in some cases possibly to protect the tax and gaming revenues of the relevant government. Authorities in certain jurisdictions have taken indirect steps to restrict online gaming by seeking to prevent or deter banks, payment processors, media providers and other suppliers from transacting with and providing services to online gaming operators. The application or enforcement (or threat of enforcement) of gaming laws or regulations, or a change in sentiment by regulatory authorities on the enactment of new legislation prohibiting or restricting online gaming or services used by online gaming businesses or the taking of such indirect steps, may severely and adversely impact the business and financial position of online gaming companies. The legality of the customers themselves engaging in online gaming is also uncertain in a number of countries.

Nonetheless, customers in such countries have proved willing to engage in online gaming despite the fact that they may be prohibited by their domestic law from doing so. If online gaming were liberalized, or licensed and regulated, particularly in the United States, online gaming companies would be likely to face increased competition from large land-based operators and internet companies that may not currently offer such services as a result of the regulatory restrictions.

#### U.S. Regulation of Online Binary Options

We are not aware of any clear definitive ruling that finds that online trading of binary options would constitute illegal gambling under U.S. federal gambling laws. Nonetheless, there remains a risk that a contrary result could be reached. To comply with U.S. Commodity Futures Trading Commission regulations, we block U.S. persons from trading commodities and currency-related options, including binary options. As certain of our competitors appear not to have registered their online binary option trading operations with either the SEC, the U.S. Commodities Board of Exchange or any other regulatory agency, we intend to proceed without registering with such regulatory agencies. Accordingly, there remains a risk that such regulatory agencies could determine that our failure to register constitutes a violation of applicable laws, rules and regulations and we would be required to register our activities with some or all such regulatory agencies and/or face penalties or sanctions.

Binary options are defined by the CBOE as “contracts that, at expiration, pay out a pre-determined, fixed amount or nothing at all.” Certain binary options are traded on the CBOE and other regulated commodities exchanges. Additionally, various privately operated websites offer trading in binary options. Representative sites include <http://www.anyoption.com> and <http://www.eztrader.com>. None of these websites appear to be registered with any regulatory body – either in the United States or internationally. Both Anyoption and EZtrader seem to operate out of Cyprus. To our knowledge, none of these companies have been prosecuted under U.S. federal or state gambling laws in connection with the binary options trading services their websites offer.

#### Non-U.S. Regulation of Online Binary Options

Each country in which we operate our online binary options business may have country specific regulations. We will aim to comply with such regulations and rules and will obtain any relevant licenses or regulatory approvals in such countries as are required for the operation of our online binary options business.

#### Israel Regulation of Online Binary Options

Online binary options trading is not regulated in Israel and thus is legal. To our knowledge, this unregulated market is about to change due to a proposed bill which is still at the draft stage and has not yet been brought before any of Israel’s parliament financial committees. Israel is home for a very active and developed Foreign Exchange Market (FOREX) and other related financial derivatives, all of which are operated OTC, that is, outside of the established and regulated Tel Aviv Exchange. In some cases, the volume of trade OTC exceeds, by far, the volume of trade on the regulated Tel Aviv Exchange. This high-volume trade is mainly attributed to the fast development of the internet which provides easy and instantaneous access to online trading. The proposed bill would organize and regulate the OTC arena for the benefit of the traders as well as the operators. We estimate, though, that it would take at least 1 year before the bill becomes enacted as law.

#### COMPETITION

The online binary options industry is young but growing very rapidly. Today, there are still only a small number of websites that feature trading on binary options, some of which have similar product offerings to ours. Our potential competitors are owned by a variety of investors, some which may have greater financial resources than us, which in

return, may facilitate better marketing efforts that may consequently lead to higher revenues and a greater market share. We estimate that as this industry matures in the coming months and years, there exists a possibility that more entities may be entering the industry and increase the rate of competition.

Our strategy for the successful marketing and development of our online binary options business, and for promoting our business amongst the aforementioned competition, includes efficient marketing in both online and off-line media channels, affiliate programs, sponsorships and co-operations with leading consumer manufacturers. In addition, marketing will also include Search Engines Optimization placements of keywords with leading websites such as Google, MSN, Yahoo and the like.

## EMPLOYEES

Our CEO works as a consultant of the Company. We also outsource the services of our CFO and COO. Currently, we employ six full time employees and a varying number of between six to eight part time support employees in sales and customer service.

## ITEM 1A. RISKS FACTORS.

Our business involves a high degree of risk, and our securities are highly speculative. Potential investors should carefully consider the risks and uncertainties described below and the other information in this Annual Report on Form 10-K before deciding whether to invest in shares of our common stock. If any of the following risks actually occur, our business, financial condition, and results of operations could be materially and adversely affected. This could cause the trading price of our common stock to decline, with the loss of part or all of an investment in our common stock.

### WE MAY NEED TO RAISE ADDITIONAL WORKING CAPITAL TO FUND OUR ONGOING OPERATIONS AND GROWTH.

The amount of our future capital requirements depends primarily on the rate at which we increase our revenues and correspondingly decrease our use of cash to fund operations. Cash used for operations will be affected by numerous known and unknown risks and uncertainties including, but not limited to, our ability to successfully market our products and services and the degree to which competitive products and services are introduced to the market. As long as our cash flow from operations remains insufficient to completely fund operations, we will continue depleting our financial resources and seeking additional capital through equity and/or debt financing. If we raise additional capital through the issuance of debt, this will result in increased interest expense. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our company held by existing stockholders will be reduced and those stockholders may experience significant dilution. In addition, new securities may contain rights, preferences or privileges that are senior to those of our common stock.

### IF WE ARE UNABLE TO OBTAIN FINANCING NECESSARY TO SUPPORT OUR OPERATIONS, WE MAY BE UNABLE TO CONTINUE AS A GOING CONCERN.

We have generated revenues since inception but they were not an adequate source of cash to fund future operations. Historically we have relied on private placement issuances of equity. We will need to raise additional working capital to fund our ongoing operations and growth. There can be no assurance that acceptable financing to fund our ongoing operations can be obtained on suitable terms, if at all. If we are unable to obtain the financing necessary to support our operations, we may be unable to continue as a going concern. In that event, we may be forced to cease operations and our stockholders could lose their entire investment in us. Our audited consolidated financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2010 contain additional Note disclosures describing the circumstances that lead to this disclosure.



**OUR NEW LINE OF BUSINESS IN THE BINARY OPTIONS MARKET MAKES OUR FUTURE SUCCESS UNCERTAIN.**

We have entered into a new business in the emerging binary options market. Entering into this new business which is still relatively young and unregulated, makes our success uncertain. In addition, as a result of our switching from developing gaming technologies to offering financial services, it is difficult to accurately forecast our revenues, and we have limited meaningful historical financial data upon which to base planned operating expenses and new business revenue.

**GOVERNMENT REGULATION COULD REQUIRE US TO REGISTER OUR BUSINESS OR OTHERWISE EFFECT OUR OPERATIONS.**

We are not aware of any clear definitive ruling that finds that online trading of binary options would constitute illegal gambling under U.S. or Israeli gambling laws, or the laws of the jurisdictions in which we operate. Nonetheless, there remains a risk that a contrary result could be reached in any such jurisdictions and we could be required to register our activities with some or all such jurisdictions, face penalties or sanctions and/or otherwise have our operations negatively effected. To comply with U.S. Commodity Futures Trading Commission regulations, we block U.S. persons from trading commodities and currency-related options, including binary options. As certain of our competitors appear not to have registered their online binary option trading operations with either the SEC, the U.S. Commodities Board of Exchange or any other regulatory agency, we intend to proceed without registering with such regulatory agencies. Accordingly, there remains a risk that such regulatory agencies could determine that our failure to register constitutes a violation of applicable laws, rules and regulations and we would be required to register our activities with some or all such regulatory agencies, face penalties or sanctions and/or otherwise have our operations negatively effected.

**WE HAVE INCURRED LOSSES SINCE OUR INCEPTION, AND THERE IS NO ASSURANCE THAT PROFITABLE OPERATIONS, IF ACHIEVED, CAN BE SUSTAINED.**

We have not yet realized a profit, and we do not expect to be profitable in the near future. We cannot assure you that we will ever achieve profitability. At December 31, 2010, we had an accumulated deficit of \$17,886,594. We expect to incur substantial costs that may not be offset by increased revenues. These costs include the following: hiring new staff and investing in marketing of our binary options business.

**EVEN IF WE ACHIEVE A SUBSTANTIAL INCREASE IN OPERATING REVENUES, OUR OPERATING RESULTS ARE LIKELY TO BE DIFFICULT TO PREDICT AND ARE LIKELY TO FLUCTUATE SUBSTANTIALLY.**

Our operating results are likely to fluctuate significantly due to a variety of factors, many of which are outside of our control. Factors that may harm our business or cause our operating results to fluctuate include the following:

- o technical difficulties with respect to the use of our binary options platform.
- o adverse regulatory developments in the business of binary options.

**WE HAVE FINANCED OUR OPERATIONS PRIMARILY THROUGH THE ISSUANCE OF CONVERTIBLE DEBT, THE SALE OF EQUITY SECURITIES AND THE SALE OF ASSETS.**

We may need to continue to finance our operations with the sale of equity securities. If we do so, our shareholders will experience dilution to their percentage interest in us, which may be substantial, and the new equity securities may

have rights, preferences or privileges senior to those of existing holders of our shares of common stock. If we are unable to obtain future financing by way of the issuance of convertible debt, the sale of equity securities, sale assets or joint ventures in exchange for revenue share, we may have to substantially curtail or cease operations or find a merger partner on terms which, if available at all, may be unfavorable.

OUR INTERNAL CONTROL OVER FINANCIAL REPORTING WAS NOT CONSIDERED EFFECTIVE AS OF DECEMBER 31, 2010 AND MAY CONTINUE TO BE INEFFECTIVE IN THE FUTURE, WHICH COULD RESULT IN OUR FINANCIAL STATEMENTS BEING UNRELIABLE, GOVERNMENT INVESTIGATION OR LOSS OF INVESTOR CONFIDENCE IN OUR FINANCIAL REPORTS.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we are required to furnish an annual report by our management assessing the effectiveness of our internal control over financial reporting. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management. Management's report as of the end of 2010 identified several material weaknesses and concluded that we did not have effective internal control over financial reporting. Ineffective internal controls can result in errors or other problems in our financial statements. Even if material weaknesses identified do not cause our financial statements to be unreliable, if we continue to be unable to assert that our internal controls are effective, our investors could still lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline. Failure to maintain effective internal control over financial reporting could also result in investigation or sanctions by regulatory authorities.

**WE ARE EXPOSED TO FLUCTUATIONS IN CURRENCY EXCHANGE RATES.**

A portion of our business is conducted outside the United States. Although a majority of our revenues are transacted in U.S. Dollars, we are exposed to currency exchange which subjects us to the risks of foreign currency fluctuations.

**THE DOLLAR COST OF OUR OPERATIONS IN ISRAEL WILL INCREASE TO THE EXTENT THAT INCREASES IN THE RATE OF INFLATION IN ISRAEL ARE NOT OFFSET BY A DEVALUATION OF THE NIS IN RELATION TO THE DOLLAR, WHICH WOULD HARM OUR RESULTS OF OPERATIONS.**

Since a portion of our expenses are linked to an extent to the rate of inflation in Israel, the dollar cost of our operations is influenced by the extent to which any increase in the rate of inflation in Israel is or is not offset by the devaluation of the NIS in relation to the dollar. As a result, we are exposed to the risk that the NIS, after adjustment for inflation in Israel, will appreciate in relation to the dollar. In that event, the dollar cost of our operations in Israel will increase and our dollar-measured results of operations will be adversely affected. During 2010 and 2009, the inflation adjusted NIS appreciated against the dollar, which raised the dollar cost of our Israeli operations. We cannot predict whether in the future the NIS will appreciate against the dollar or vice versa. Any increase in the rate of inflation in Israel, unless the increase is offset on a timely basis by a devaluation of the NIS in relation to the dollar, will increase labor and other costs, which will increase the dollar cost of our operations in Israel and harm our results of operations.

**WE MAY NOT BE ABLE TO COMPETE SUCCESSFULLY AGAINST CURRENT AND FUTURE COMPETITORS.**

The binary options industry is new, rapidly evolving and will likely become intensely competitive. Currently, we compete with a small number of operators, some of which have similar product offerings. Some of our competitors may have greater financial, marketing and other resources than us which may enable them to better compete with us. Most of our competitors have longer operating histories and have established customer relationships. There exists a possibility that large and more established entities may be entering into this new industry and increase the rate competition.

Our competitors may be able to offer more favorable terms and may also adopt more aggressive pricing or promotional policies than us, which may hinder our ability to quickly penetrate the market and grow our business.

**IF WE ARE NOT ABLE TO MANAGE GROWTH OF OUR BUSINESS, OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS WILL BE NEGATIVELY AFFECTED.**

We believe that rapid growth and expansion could cause significant strains on our managerial, operational, financial and other resources. Any failure to manage the anticipated growth and expansion of our business could have a material adverse effect on our financial condition.

**OUR OFFICERS, DIRECTORS AND FOUNDING SHAREHOLDERS CONTROL A SIGNIFICANT PORTION OF OUR OUTSTANDING COMMON STOCK. ACCORDINGLY, OUR OUTSIDE SHAREHOLDERS MAY NOT COLLECTIVELY OWN ENOUGH SHARES TO SIGNIFICANTLY INFLUENCE MATTERS THAT ARE VOTED UPON BY OUR SHAREHOLDERS, INCLUDING THE ELECTION OF DIRECTORS.**

Our officers, directors and founding shareholders own approximately 25.1% of our issued and outstanding stock. We do not have cumulative voting in the election of directors. Thus, purchasers of our common stock may not be able to affect the election of any directors to our Board of Directors (our "Board") and any other matters upon which shareholders may vote in the future.



## RISKS RELATED TO OUR COMMON STOCK

THE LIMITED MARKET FOR OUR SHARES WILL MAKE OUR STOCK PRICE MORE VOLATILE. THEREFORE, YOU MAY HAVE DIFFICULTY SELLING YOUR SHARES.

The market for our common stock is limited and we cannot assure you that a larger market will ever be developed or maintained. Currently, our common stock is traded on the OTC Bulletin Board. Securities traded on the OTC Bulletin Board typically have low trading volumes. Market fluctuations and volatility, as well as general economic, market and political conditions, could reduce our market price. As a result, this may make it difficult or impossible for our shareholders to sell our common stock. In addition, unlike NASDAQ and the various international stock exchanges, there are few corporate governance requirements imposed on OTC Bulletin Board-traded companies.

OUR COMMON STOCK IS SUBJECT TO THE “PENNY STOCK” RULES OF THE SEC, AND THE TRADING MARKET IN OUR COMMON STOCK IS LIMITED. THIS MAKES TRANSACTIONS IN OUR COMMON STOCK CUMBERSOME AND MAY REDUCE THE VALUE OF YOUR SHARES.

The SEC has adopted Rule 3a51-1 which establishes the definition of a “penny stock,” for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15g-9 requires:

- o that a broker or dealer approve a person’s account for transactions in penny stocks; and
- o the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person’s account for transactions in penny stocks, the broker or dealer must:

- o obtain financial information and investment experience objectives of the person; and
- o make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- o sets forth the basis on which the broker or dealer made the suitability determination; and
- o that the broker or dealer received a signed, written statement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the “penny stock” rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in its market value.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.



## RISKS RELATED TO OUR LOCATION IN ISRAEL

OUR PRINCIPAL OFFICES AND OPERATIONS ARE LOCATED IN ISRAEL AND THE UNSTABLE MILITARY AND POLITICAL CONDITIONS OF ISRAEL MAY CAUSE INTERRUPTION OR SUSPENSION OF BUSINESS OPERATIONS WITHOUT WARNING.

Our principal offices and operations facilities are located in Israel. As a result, we are directly influenced by the political, economic and military conditions affecting Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors. Acts of random terrorism periodically occur which could affect our operations or personnel. In addition, Israeli-based companies and companies doing business with Israel, have been the subject of an economic boycott by members of the Arab League and certain other predominantly Muslim countries since Israel's establishment. Although Israel has entered into various agreements with certain Arab countries and the Palestinian Authority, and various declarations have been signed in connection with efforts to resolve some of the economic and political problems in the Middle East, we cannot predict whether or in what manner these problems will be resolved. Wars and acts of terrorism have resulted in significant damage to the Israeli economy, including reducing the level of foreign and local investment.

Furthermore, certain of our officers and employees may be obligated to perform annual reserve duty in the Israel Defense Forces and are subject to being called up for active military duty at any time. All Israeli male citizens who have served in the army are subject to an obligation to perform reserve duty until they are between 40 and 49 years old, depending upon the nature of their military service.

UNDER CURRENT ISRAELI LAW, WE MAY NOT BE ABLE TO ENFORCE COVENANTS NOT TO COMPETE AND THEREFORE MAY BE UNABLE TO PREVENT OUR COMPETITORS FROM BENEFITING FROM THE EXPERTISE OF SOME OF OUR FORMER EMPLOYEES.

Israeli courts have required employers seeking to enforce non-compete undertakings against former employees to demonstrate that the former employee breached an obligation to the employer and thereby caused harm to one of a limited number of legitimate interests of the employer recognized by the courts such as, the confidentiality of certain commercial information or a company's intellectual property. The provisions of such clauses prohibit our employees, if they cease working for us, from directly competing with us or working for our competitors. In the event that any of our employees chooses to work for one of our competitors, we may be unable to prevent our competitors from benefiting from the expertise of our former employees obtained from us, if we cannot demonstrate to the court that a former employee breached a legitimate interest recognized by a court and that we suffered damage thereby.

IT COULD BE DIFFICULT TO ENFORCE A U.S. JUDGMENT AGAINST OUR OFFICERS, OUR DIRECTORS AND US.

All of our executive officers and directors are non-residents of the United States, and virtually all of our assets and the assets of these persons are located outside the United States. Therefore, it could be difficult to enforce a judgment obtained in the United States against us or any of these persons.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

We lease premises located at 55 Igal Alon Street in Tel-Aviv, Israel. This location consists of approximately 250 square meters of office space and the rent is approximately \$3,600 per month. The term of this lease was initially for one year, beginning on February 1, 2010, with an additional 4 years of annual extensions. In December 2010, we executed our option to extend this lease for an additional year, ending January 31, 2012. We do not own or lease any real property elsewhere.

We believe that our office space is adequate for our future needs for operating our business activities.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. [REMOVED AND RESERVED.]

## PART II

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

## MARKET FOR OUR SECURITIES

Our common stock was first quoted on the OTC Bulletin Board during the third quarter of 2003, and is currently quoted under the symbol "WGMI.OB." The following sets forth the high and low bid quotations for the common stock as reported on the OTC Bulletin Board for each quarter in the last two fiscal years. These quotations reflect prices between dealers and do not include retail mark-ups, markdowns, and commissions and may not necessarily represent actual transactions.

	HIGH	LOW
<b>FISCAL YEAR ENDED DECEMBER 31, 2010</b>		
First Quarter Ended March 31, 2010	\$ 0.0695	\$ 0.03
Second Quarter Ended June 30, 2010	\$ 0.065	\$ 0.05
Third Quarter Ended September 30, 2010	\$ 0.09	\$ 0.055
Fourth Quarter Ended December 31, 2010	\$ 0.12	\$ 0.05
<b>FISCAL YEAR ENDED DECEMBER 31, 2009</b>		
First Quarter Ended March 31, 2009	\$ 0.004	\$ 0.003
Second Quarter Ended June 30, 2009	\$ 0.016	\$ 0.004
Third Quarter Ended September 30, 2009	\$ 0.05	\$ 0.016
Fourth Quarter Ended December 31, 2009	\$ 0.09	\$ 0.03

As of April 3, 2011, there were 257 stockholders of record of our common stock.

Continental Stock Transfer & Trust Company is the registrar and transfer agent for our common shares. Their address is 17 Battery Place, New York, NY 10004, U.S.A., telephone: (212) 509 4000.

## DIVIDEND POLICY

Historically, we have not declared or paid any cash dividends on our common stock. However, on February 11, 2011, our Board adopted a policy pursuant to which we may pay dividends to our shareholders at a rate of up to 50% of our audited net profits, if any, as such profits are reported in our Annual Report on Form 10-K. Dividends will be paid only if lawful under applicable laws and if not in violation of our financing agreements. Though our Board's policy sets the maximum rate for such dividends, the amount and timing of any dividend declared and paid will remain in the discretion of the Board and will depend upon our results of operations, financial condition and capital requirements, and such other factors deemed relevant by our Board. The first payment of said dividend, if any, would be made, if applicable and permissible, following the filing of our Annual Report on Form 10-K for the year ending December 31, 2011.

## ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

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

OVERVIEW

The following discussion and analysis should be read in conjunction with the audited financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the present assessment by our management.

Our financial statements are stated in U.S. Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP).

This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those anticipated in these forward-looking statements. See “Cautionary Note Regarding Forward-Looking Statements” elsewhere in this Annual Report on Form 10-K.

## OUR BUSINESS

We are a company which derives its income from revenue share in the interactive gaming industry, through third parties. Our sources of income are as follows:

- a) Revenue from binary options business
- b) Revenue share from Lodgnet in the United States
- c) Revenue share from Cablevision in the United States
- d) Revenue share from Netplay in the United Kingdom (until the sale of our remaining Netplay shares in the fourth quarter of 2010, as further discussed herein)

We had been seeking to enter into new business activities in the developing and growing market of online financial instruments. Following a market review of the foreign exchange and binary options industry we have elected to engage in the binary option segment. As a result, in November 2009, our wholly owned Cypriote subsidiary WGM acquired the right to use the Software which provides online trading of binary options. The Software enables online traders to invest in a wide range of binary options trading on a variety of financial markets around the world in real local time. Global trading of binary options is featured on [www.globaloption.com](http://www.globaloption.com). Further, in February 2010, our additional wholly owned subsidiary, B Option, acquired the right to use the Software. The right to use is non-exclusive, and the Software is used on B Option’s website [www.options.co.il](http://www.options.co.il), catering only to Israeli customers.

In the course of our activities, we have sustained operating losses. To date, we have not generated sufficient revenues to achieve an operating income or positive cash flow from operations. On December 31, 2010, we had a negative working capital of \$1,104,961 and an accumulated deficit of \$17,886,594. There is no assurance that profitable operations, if ever achieved, will be sustained on a continuing basis.

In 2010, we derived 47% of our revenues from three major customers.

We refer in this discussion to the fiscal years ended December 31, 2010 and December 31, 2009, as “2010,” and “2009,” respectively.

We have generated revenues since inception but they were not an adequate source of cash to fund future operations. Historically, we have relied on private placement issuances of equity, sale of assets and related party loans.

Following the sale of our entire gaming software assets, we no longer offer any gaming applications development work and currently our efforts are devoted to the recent launch of our binary options business and to leverage our wholly owned subsidiary, Gaming, that is registered with the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), by either an outright sale or by incorporating new activities which shall generate revenue.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are prepared in accordance with U.S. GAAP. In connection with the preparation of the financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. On a regular basis, management reviews our accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. The following are our critical accounting policies:

### Accounting for stock-based compensation:

The Company accounts for stock based compensation to employees in accordance with Financial Accounting Standards Board (“FASB”) ASC Topic 718, “Stock Compensation”. The Company measures and recognizes compensation expense for share-based awards based on estimated fair values on the date of grant using the Black-Scholes option-pricing model. This option pricing model requires that we make several estimates, including the option’s expected life and the price volatility of the underlying stock.

RESULTS OF OPERATIONS - YEAR ENDED DECEMBER 31, 2010 COMPARED TO YEAR ENDED DECEMBER 31, 2009.

REVENUES AND COST OF REVENUES

The Company is entitled to royalties from revenue sharing arrangements upon sublicensing of the Company's products to end-users. The Company recognizes royalties from revenue sharing arrangements during the applicable period based on reports obtained from its customers, on a monthly basis, during such reporting period. In addition, since March 28, 2010, the Company has been generating revenues from its binary options business.

Our total revenues for 2010 decreased by 73% to \$191,278 from \$696,647 in 2009. This decrease is due to the fact that in 2009 we provided support services to Netplay for total consideration of \$585,183, while in 2010 we did not provide such services due to the sale of certain gaming services, known as Challenge Jackpot, by TWG, our formerly affiliated company, to Netplay. TWG filed for dissolution in 2010. In 2010 however, we began generating revenues from our binary options business, which revenues totaled \$101,190.

Cost of revenues for 2010 decreased by 14% to \$422,643 from \$493,159 in 2009. The decrease in the cost of revenues is attributable to the decrease of expenses following the sale of Challenge Jackpot by TWG, offset by expenses resulting from the launch of our business of binary options, including payroll and other expenses related to our new employees.

SALES AND MARKETING

Sales and marketing expenses for 2010 increased by 100% to \$255,325 from \$0 for 2009. The increase in sales and marketing expenses is attributable to marketing expenses, primarily consisting of online advertisement of our online trading of binary options sites.

GENERAL AND ADMINISTRATIVE

General and administrative expenses for 2010 increased by 13% to \$848,248 from \$749,693 for 2009. The increase in general and administrative expenses is attributable to the expansion of our binary options business in 2010 and the related increase in officers' salaries.

GAIN ON SALE OF INTELLECTUAL PROPERTY

In 2010, we did not record any operating gains. In 2009 we recorded \$250,000 as operating gain on sale of intellectual property following the sale of the multiplayer blackjack tournament software platform by RNG to Playtech.

FINANCIAL EXPENSES/INCOME

Financial expenses for 2010 changed to \$600,786 from \$83,165 of income for 2009. The increase in financial expenses is due to a significant decrease in the value of our Netplay shares. During the fourth quarter of 2010 we sold our entire remaining Netplay shares, and as of December 31, 2010, we do not hold any shares of Netplay. In 2010, we charged to financial expenses \$528,469 due to the significant decrease in the value our Netplay shares.

SHARE IN PROFITS OF AFFILIATED COMPANY

Share in profits for 2010 were \$45,789 compared to a share in profits of \$2,076,828 for 2009. The share in profits in 2010 are attributable to the dissolution of TWG in which we received \$45,789 for our portion in the remaining assets

of TWG. The share in profits for 2009 were primarily attributable to the Netplay Transfer Agreement in which we received 4,266,666 Netplay shares valued at approximately \$1.5 million which was recorded as share in profits. In addition, until December 2009 the investment in TWG was recorded as a liability since we and TWM were guarantors in equal parts to liabilities of TWG but not to exceed the sum of (1) exposure to players' balance owed to TWG and (2) balance of unpaid minimum guarantee fees owed from TWG to Virgin. In December 2009, we received from Virgin a waiver as agreed in the Settlement Agreement, pursuant to which Virgin waived and released all claims that Virgin may have towards TWG, including liability for paying minimum guarantee fees to Virgin. As a result, we set off our liability towards Virgin and recorded this set off as share in profits of \$562,148. As TWG was dissolved and liquidated in 2010, we expect there will be no share in profits of affiliated companies in 2011.

## NET LOSS AND NET LOSS PER SHARE

Net loss attributable to us in 2010 changed to \$1,889,935 from a net income of \$1,813,788 for 2009. Net loss per share (basic and diluted) attributable to us in 2010 changed to \$0.06 from a net income of \$0.06 for 2009. The net loss in 2010 is primarily attributable to the launching of our binary options business. This activity required significant marketing and operational expenses, primarily consisting of online advertisement, of our online trading of binary options sites. In addition, in 2010 we suffered from a significant decrease in the fair value of our Netplay shares. The net income in 2009 is primarily attributable to the Netplay Transfer Agreement in which the Company received 4,266,666 Netplay shares valued at approximately \$1.5 million, gain on sale of intellectual property following the sale of the multiplayer blackjack tournament software platform by RNG for \$250,000, \$562,148 share in profits following the removal of the liability towards Virgin and a decrease in operating expenses due to the layoff of our employees.

Our weighted average number of shares of common stock used in computing basic and diluted net loss per share for 2010 was 33,047,156 compared to 32,319,031 shares for 2009.

## LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2010, our total current assets were \$144,932 and our total current liabilities were \$298,814. At December 31, 2010, we had a negative working capital of \$153,882 compared with working capital of \$301,819 on December 31, 2009. As of December 31, 2010 we had an accumulated deficit of \$17,886,594. In 2010 we financed our operations with a combination of revenues, our proceeds from the sale of our entire remaining Netplay shares and the sale of 3,750,000 shares, and warrants to purchase an additional 1,875,000 shares, of our common stock for a total share sale consideration of \$300,000.

Cash and cash equivalents on December 31, 2010 were \$54,468, a decrease of \$298,332 from the \$352,800 reported at December 31, 2009. Cash balances decreased in 2010 compared to 2009 primarily from the increasing cost of our binary options business offset by our sale of our entire remaining Netplay shares for a total consideration in 2010 of \$582,517.

Operating activities used cash of \$1,138,137 in 2010. Cash used by operating activities in 2010 resulted primarily from the increasing cost of operations of our binary options business.

Investing activities provided cash of \$542,015 in 2010 compared to \$563,631 in 2009. Cash provided by investing activities in the year ended December 31, 2010 resulted from selling our remaining Netplay shares for an aggregate amount of \$582,517. Cash provided by investing activities in the year ended December 31, 2009 resulted from selling Netplay shares in the aggregate amount of \$563,631.

Financing activities provided cash of \$297,790 in 2010. Cash provided by financing activities in 2010 resulted primarily from the fourth quarter 2010 sale of 3,750,000 shares, and warrants to purchase an additional 1,875,000 shares, of our common stock for a total consideration of \$300,000. Financing activities used cash of \$5,133 in 2009. Cash used by financing activities in 2009 resulted from the reduction of short term bank credit.

On March 10, 2008, our Board approved the entry of the Company into a convertible debt transaction with our CEO, Mr. Shimon Citron, subject to shareholder approval at a special meeting in lieu of an annual meeting (the "Meeting"). The transaction was documented by a Convertible Loan Agreement, a Convertible Promissory Note (the "Note"), a Security Agreement and a Common Stock Purchase Warrant (the "Warrant"), all of which were dated as of March 6, 2008 (the "Loan Agreement Documents"). Under the Loan Agreement Documents, Mr. Citron provided the Company with a loan in the principal amount of \$500,000, which was advanced to the Company in 7 installments from February 24, 2008 to July 9, 2008. The Note carried an interest rate of 15% per annum and was redeemed by the Company in 2008.

On April 29, 2008, the Company's shareholders approved the Loan Agreement Documents. The Warrant, to purchase up to \$500,000 worth of shares of common stock of the Company, calculated as \$500,000 divided by the conversion price of \$0.0595 per share, would permit the purchase of 8,403,361 shares of common stock. In August 2008, the Board approved a loan from Mr. Citron under similar terms but with no assets pledged as collateral for an amount of \$50,000, thereby entitling Mr. Citron to an additional warrant to purchase 840,336 shares of common stock of the Company at an exercise price of \$0.0595 per share (the "Additional Warrant"). The Warrant and Additional Warrant were issued by the Company in February 2010.

On October 19 and 20, 2010, the Company entered into securities purchase agreements with five investors, pursuant to which the Company sold to such investors 3,750,000 shares of restricted common stock (the "Common Stock") at a price of \$0.08 per share and warrants to purchase 1,875,000 shares of common stock (the "Warrants"), at exercise prices per share of \$0.08. No separate consideration was paid for the Warrants. The Warrants are exercisable for a period of five years from the date of issuance thereof. The aggregate gross proceeds from the sale of the Common Stock and the Warrants was \$300,000.

## OUTLOOK

We believe that our future success will depend upon our ability to enhance our binary options business. Our current anticipated levels of revenues and cash flow are subject to many uncertainties and cannot be assured. In order to have sufficient cash to meet our anticipated requirements for the next twelve months, we will be dependent upon our ability to obtain additional financing. The inability to generate sufficient cash from operations or to obtain required additional funds could require us to curtail our operations. There can be no assurance that acceptable financing to fund our ongoing operations can be obtained on suitable terms, if at all. If we are unable to obtain the financing necessary to support our operation, we may be unable to continue as a going concern. In that event, we may be forced to cease operations and our stockholders could lose their entire investment in our company.

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

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this item is included in Item 15 of this Annual Report on Form 10-K.

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of December 31, 2010, an evaluation was carried out under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure. Based upon that evaluation, the CEO and the CFO concluded that, at December 31, 2010, the design and operation of these disclosure controls and procedures were not effective at ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms because of certain material weaknesses identified by our management and discussed below.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is designed to provide reasonable assurance to our management and Board regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Based on our evaluation and the material weaknesses described below, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2010.

Management has identified control deficiencies regarding lack of segregation of duties. Management believes that these material weaknesses are due to the small size of the Company's staff.

The ineffectiveness of internal controls as of December 31, 2010 stemmed in large part from our limitations on personnel and financing. Although we believe the time to adapt in the next year may help position us to provide improved internal control functions into the future, in the interim, these changes caused control deficiencies, which in the aggregate resulted in a material weakness.

Changes in Internal Control Over Financial Reporting

There was no change to our internal control over financial reporting that occurred during our fourth quarter ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

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## PART III

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

As of April 14, 2011, our directors and executive officers, their ages, positions held, and duration of such, are as follows:

NAME	AGE	POSITION	POSITION SINCE
Shimon Citron	56	Director and CEO	2001
Shlomi Zedkia	34	CFO	2011
Haim Tabak	64	COO	2010
Adiv Baruch	47	Director	2006
Niv Zilberstein	45	Director	2007
Steve Baker	58	Director	2007

The principal occupations and business experience of each director and executive officer for at least the past five years is as follows:

**SHIMON CITRON.** Mr. Citron founded us in 2001 and held the positions of CEO and director since our inception until May 8, 2007 when he ceased to be CEO. He resumed his position as CEO on June 1, 2008. From 1999 to 2001, Mr. Citron was the founder and President of Gigi Media Ltd., a private company based in Israel engaged in development of internet search engines. From 1994 to 1999, he managed his own private investments in a number of startup companies in Israel. We believe Mr. Citron's qualifications to sit on our Board include his years of experience in the financial markets in Israel and globally, as well as his experience in serving as the CEO of a publicly traded entity.

**SHLOMI ZEDKIA.** Mr. Zedkia became our CFO on April 1, 2011. Mr. Zedkia was formerly our CFO from July 2009 to December 2010. Since 2008, Mr. Zedkia has served as a partner at Shvarts-Zedkia & Co., an accounting firm in Israel. From 2006 to 2008, Mr. Zedkia served as a senior audit manager at BDO Ziv-Haft where he gained extensive experience in auditing and preparing annual and quarterly financial statements for public companies whose shares are traded both on the U.S. and Israel stock exchanges. From 2005 to 2006, Mr. Zedkia served as an accountant at Stark & Stark Certified Public Accountants (Israel). Mr. Zedkia is a C.P.A (Isr.) and holds a B.A. degree in business administration and accounting.

**HAIM TABAK.** Mr. Tabak became our COO on December 9, 2010. Mr. Tabak was formerly our COO from January 2003 to July 2007 and was our consultant for operational matters beginning in February 2008. Prior to joining us in 2003, Mr. Tabak was General Manager of Winner.com Ltd., Tel Aviv, Israel, a subsidiary of Winner.com, Inc., from 2000 to 2002. Winner.com is engaged in the business of marketing and advertising for internet sites. From 1998 to 1999, he held the position of COO for Transtech Systems Ltd, an IT logistics solution provider located in Tel Aviv.

**ADIV BARUCH.** Mr. Baruch has been one of our directors since 2006 and is our Chairman. Mr. Baruch is the President and CEO of Pinpoint Advance Corp., a blank check company that was formed for the purpose of operating in the technology sector in Israel or in Europe. In addition, Mr. Baruch is actively involved as the Chairman of the

Israeli Export Institute Hi-Tech and Telecom Division. Prior to joining Pinpoint Mr. Baruch served as the President and CEO of BOS Better On-Line Solutions Ltd. (“BOS”), a company engaged in Radio Frequency ID and supply chain solutions to global enterprises. Prior to joining BOS, Mr. Baruch served as Executive Vice President of Business Development of Ness Technologies (“Ness”), the largest IT firm in Israel, and is considered one of the founding members of that company. Mr. Baruch is also a former partner and director of IPEX, which was acquired by Ness. Mr. Baruch has served in the capacity of founder, executive, and director for several IT companies and internet start-ups, and was significantly involved in the M&A process for such companies and in assisting them in their global expansion. We believe Mr. Baruch’s qualifications to sit on our Board include his years of experience in the high-tech business, as well as his knowledge and familiarity in corporate finance.

NIV ZILBERSTEIN. Mr. Zilberstein has been one of our directors since 2007. Mr. Zilberstein is the CEO of Palace Industries (PI) Ltd. Between 2003 and 2007, Mr. Zilberstein was the Vice President, Operations & Logistics for Pelephone Communication Ltd. (“Pelephone”), one of Israel’s leading wireless communications companies. He is also a member of Pelephone’s executive board. Mr. Zilberstein holds a B.A. degree in behavioral sciences and human resources management from the College of Management in Israel and an MBA degree from Bar Ilan University. We believe Mr. Zilberstein’s qualifications to sit on our Board include his years of experience working as a highly ranked executive in one of Israel’s leading corporations, as well as his knowledge in the communications world.

STEVE BAKER. Mr. Baker has been one of our directors since 2007. Mr. Baker has served as our director since November 2007. Between March 10, 2008 and June 1, 2008, Mr. Baker also served as our CEO and Corporate Secretary. Since March 2007, Mr. Baker has been the Executive in Residence at RHO Canada, a venture capital firm dedicated to backing leading, early-stage technology-based companies in Canada. Prior to this, since 2001, he was CEO of CyberWorld Group, a leading marketing and back office services provider to the internet-gaming industry. Mr. Baker is also the CEO and founder of Chrysalis-ITS Inc., a pioneer in internet security and encryption systems and founder and CEO of Emanation Control Limited, a leader in the intelligence countermeasures sector. Mr. Baker attended Carleton University in Ottawa, Canada. We believe Mr. Baker’s qualifications to sit on our Board include his years of experience in online technology, as well as his knowledge of online marketing and affiliated programs.

#### FAMILY RELATIONSHIPS

There are no family relationships among any of our directors and executive officers.

#### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires the Company’s directors, officers and stockholders who beneficially own more than 10% of any class of equity securities of the Company registered pursuant to Section 12 of the Exchange Act, collectively referred to herein as the “Reporting Persons,” to file initial statements of beneficial ownership of securities and statements of changes in beneficial ownership of securities with respect to the Company’s equity securities with the SEC. All Reporting Persons are required by SEC regulation to furnish us with copies of all reports that such Reporting Persons file with the SEC pursuant to Section 16(a). Based solely on our review of the copies of such reports and upon written representations of the Reporting Persons received by us, we believe that all Section 16(a) filing requirements applicable to such Reporting Persons have been met, except as follows:

Mr. Pini Gershon failed to timely file a Form 3 reporting his beneficial ownership of more than 10% of our common stock following the grant dated October 20, 2010 of a warrant to purchase 625,000 shares our common stock. Mr. Gershon filed a Form 3 reporting this grant, and his 10% beneficial ownership of our common stock, on November 29, 2010.

Mr. Gershon failed to timely file a Form 4 reporting purchases of 10,000, 60,000, 90,000, 87,932 and 12,068 shares of our common stock on October 22, 2010, October 22, 2010, October 25, 2010, October 26, 2010 and November 15, 2010, respectively. Mr. Gershon filed a Form 4 reporting these purchases on November 29, 2010.

#### AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

During fiscal 2010, our Audit Committee was comprised of Mr. Baruch. Using the NASDAQ stock market listing rules definition of an independent director, our Board determined that Mr. Baruch qualifies as an independent director. Our Board has determined that Mr. Baruch satisfies the definition of an “audit committee financial expert” as set forth in Item 407(d)(5) of Regulation S-K. Our Audit Committee held one (1) meeting during fiscal year 2010.



## CODE OF ETHICS

Our Board has adopted a Code of Business Ethics and Conduct, or Code of Ethics, applicable to our employees, officers and directors. Our Code of Ethics can be viewed on our corporate website, [www.wingamingmedia.com](http://www.wingamingmedia.com). Our Code of Ethics contains written standards designed to deter wrongdoing and to promote:

- o honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- o full, fair, accurate, timely, and understandable disclosure in reports and documents filed with the SEC and in other public announcements;
- o compliance with applicable governmental laws, rules and regulations;
- o the prompt internal reporting of violations of our Code of Ethics to an appropriate person or persons identified in our Code of Ethics; and
- o accountability for adherence to our Code of Ethics.

Each of our officers and directors completed a signed certification to document his or her understanding of and compliance with our Code of Ethics. We intend to disclose any amendment to, or waiver from, a provision of our Code of Ethics applicable to our CEO, CFO or principal accounting officer or controller by posting such information on our website, [www.wingamingmedia.com](http://www.wingamingmedia.com).

## ITEM 11. EXECUTIVE COMPENSATION.

### SUMMARY COMPENSATION TABLE FOR FISCAL 2009 THROUGH 2010

The following Summary Compensation Table sets forth information concerning compensation during 2010 and 2009 for services in all capacities awarded to, earned by or paid to Mr. Citron. No other executive officers who were serving as our executive officers at the end of 2010 received more than \$100,000 in total compensation in 2010, and there were no individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of 2010.

NAME AND PRINCIPAL POSITION	YEAR	SALARY(\$)	BONUS(\$)	OPTION AWARDS(\$)	OTHER COMPENSATION(\$)	TOTAL(\$)
Shimon Citron, Chief Executive Officer						