

Win Global Markets, Inc.
Form 10-K
March 27, 2013

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, 2012

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 GLOBAL MARKETS, INC.

(Exact Name of Registrant as Specified in Its Charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

98-0374121

(I.R.S. Employer
Identification No.)

6 Yehezkel Koifman Street, Tel-Aviv, Israel
(Address of principal executive offices)

68012
(Zip Code)

Registrant's telephone number: (972)-73-705-8000

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

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

Yes No

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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 : \$9,588,054

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

79,900,451 shares of common stock as of March 26, 2013.

WIN GLOBAL MARKETS, INC.

FORM 10-K
(FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012)

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References in this Annual Report on Form 10-K to the “Company”, “we”, “us” or “our” include Win Global Markets, 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”. Our business and operations are subject to substantial risks, which increase the uncertainty described in the forward-looking statements contained in this Annual Report on Form 10-K. 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 other 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 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, except as required by law, we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstances. Readers are also urged to carefully review and consider the various disclosures we have made in this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS.

OVERVIEW

We are engaged in the business of offering worldwide online trading of binary options. We offer online trading of binary options through our wholly-owned Cypriot and Israeli subsidiaries, WGM Services Ltd. (“WGM”) and B Option Ltd. (“B Option”) (only through July 31, 2011), respectively. Worldwide trading is being offered by WGM on www.globaloption.com and www.eztrader.co.il, while in Israel, the same services were offered by B Option on www.options.co.il until July 31, 2011, as further discussed below.

We operate solely through our following wholly owned subsidiaries: (a) Win Global Markets Inc (Israel) Ltd., an Israeli company (formerly: Win Gaming Media (Israel) Ltd.) (“WG Israel”); (b) WGM; (c) B Option (currently not active); and (d) Gaming Ventures PLC, an Isle of Man company (“Gaming”) (currently not active).

Our shares of common stock are currently quoted on the Over-the-Counter (“OTC”) QB market under the symbol “WGMI.”

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 a trade 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 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 \$1,000. Then, if at the future maturity date or time, the stock is trading at or above \$100, \$1,000 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 of cash-or-nothing binary options in 2008. In May 2008, 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 customer pays for the right to buy or sell an underlying asset at a given price, an online binary option is a contract where the customer 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 customer to gain a fixed return, in addition to his transaction amount (usually around 75%) if his/her prediction, either for a higher or lower strike price, has been achieved at the expiration of the underlying asset. If the customer’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 75%, then, if at the expiry time of 11:00 AM the stock is trading above \$100, \$175 is received. If its stock is trading below \$100, only \$10 is paid to the customer.

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, depending on the specific chosen expiration period.

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) or CFDs (Certificates for Differences).

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

- www.etrader.co.il
- www.anyoption.com
- www.traderxp.com
- www.spotoption.com
- www.bbinary.com

Different Types of Binary Options

Binary options are simple put or 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 customer 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, customers 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 customer thus knows in advance the extent of his or her potential profit (payout) or loss.

- No Touch

When buying this type of option, the customer 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, customers choose two triggers and set the profit they will make if either one is hit. Usually, double-one-touch options are used when customers 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. Customers 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.

Customers often combine various option types to build their option trading strategies. By associating different option types, some customers 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 customers from around the world the ability to trade on options through www.ezrader.com and www.globaloption.com. Specifically, we market our online binary options trading business towards customers who are seeking to realize a profit from their trades within a short period of time. We market to such customers 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 trades in the global financial markets.

Customers use WGM's binary options platform to choose either a put option or a call option. In either case, if the option expires "in-the-money", customers receive about 75% return on their trades or lose between 85%-90% of their trades if their option expires "out-of-the-money". Expirations take place once every hour, or at the end of each day, week or month depending on the specific chosen expiration period. Customers are prevented from making an investment during the last 10 minutes prior to expiration.

In order for customers 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, customers 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 recorded immediately as credits in the customers' account and he or she can then proceed to make their trades.

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, etc. (offered only outside the United States)
- Currencies pairs, such as: USD/EURO, USD/GBP, USD/YEN, etc. (offered only outside the United States)

All quotations of current rates and active assets of the different trading exchanges are provided through eSignal and NASDAQ OMX in real time. Customers cannot trade assets in a certain exchange that is closed. For example, one cannot make a trade on Coca Cola if NASDAQ is either closed or is not yet open.

Also, customers are provided with a sophisticated back-office tool, enabling monitoring of their entire account activity.

RESEARCH AND DEVELOPMENT

We did not invest in research and development in 2012 or 2011.

GOVERNMENT REGULATION

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 activity under U.S. federal laws. Nonetheless, there remains a risk that a contrary result could be reached. To comply with U.S. Commodity Futures Trading Commission (“CFTC”) regulations, we block U.S. persons from trading commodities and currency-related options. As certain of our competitors appear not to have registered their online binary option trading operations with the SEC, the CFTC 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 www.anyoption.com and www.bbinary.com. None of these websites appear to be registered with any regulatory body – either in the United States or elsewhere. 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 offer our online binary options may have local specific regulations. We aim to comply with such regulations and rules and will obtain any relevant licenses or regulatory approvals in any territory as we may be required to operate our online binary options business.

In May 2012, the Cyprus Securities and Exchange (“CYSEC”) decided to include binary options in the list of financial instruments that fall within the remit of the Investment Services and Activities and Regulated Markets Law of 2007-2009 (the “Law”). The Law requires, in part, those offering investment services related to binary options to apply for a license to operate as a Cyprus Investment Firm (“CIF”) by November 3, 2012.

On November 2, 2012, WGM filed an application with CYSEC for the granting of a license to operate as a CIF with respect to its binary options business, as is required by the Law.

We do not believe that operating as a CIF or compliance with the Law will have a material impact on our future results of operations or financial condition in general.

COMPETITION

The online binary options industry is young but growing 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 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. Currently, we employ approximately 35 employees with a variety of professions: technology, finance, support, 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. The following risk factors are not the only risk factors we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.

WE MAY NEED TO RAISE ADDITIONAL 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 seek 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 some 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 our Company. Our audited consolidated financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2012 contain additional Note disclosures describing the circumstances that lead to this disclosure.

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 activity under U.S. 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 CFTC regulations, we block U.S. persons from trading commodities and currency-related options. As certain of our competitors appear not to have registered their online binary option trading operations with the SEC, the CFTC 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 activity 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, 2012, we had an accumulated deficit of \$22,453,235. 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 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 stockholders 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, 2012 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 and related SEC rules, 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 2012 identified a material weakness and concluded that we did not have sufficient 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.

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.

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WE RELY ON INFORMATION TECHNOLOGY IN OUR OPERATIONS, AND ANY MATERIAL FAILURE, INADEQUACY, INTERRUPTION OR SECURITY FAILURE OF THAT TECHNOLOGY COULD HARM OUR BUSINESS.

We rely on information technology networks and systems, including the internet, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions, records, and customers' personal identifying information. We purchase some of our information technology from vendors, on whom our systems depend. We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as individually identifiable information, including information relating to financial accounts. Although we have taken steps to protect the security of our information systems and the data maintained in those systems, it is possible that our safety and security measures will not be able to prevent the systems' improper functioning or damage, or the improper access or disclosure of personally identifiable information such as in the event of cyber attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorized disclosure of confidential information. Any failure to maintain proper function, security and availability of our information systems could interrupt our operations, damage our reputation, subject us to liability claims or regulatory penalties and could have a material adverse effect on our business, financial condition and results of operations.

OUR OFFICERS, DIRECTORS AND FOUNDING STOCKHOLDERS BENEFICIALLY OWN 12.0% OF OUR OUTSTANDING COMMON STOCK. ACCORDINGLY, IT MAY BE MORE DIFFICULT FOR OUR OUTSIDE STOCKHOLDERS TO SIGNIFICANTLY INFLUENCE MATTERS THAT ARE VOTED UPON BY OUR STOCKHOLDERS, INCLUDING THE ELECTION OF DIRECTORS.

Our officers, directors and founding stockholders beneficially own 12.0% of our issued and outstanding stock. We do not have cumulative voting in the election of directors. Thus, it may be more difficult for purchasers of our common stock to affect the election of any directors to our Board of Directors (our "Board") and any other matters upon which stockholders 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 quoted on the OTCQB. Securities quoted on the OTCQB 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 stockholders to sell our common stock. In addition, unlike NASDAQ and the various international stock exchanges, there are few corporate governance requirements imposed on OTCQB-quoted 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

othe 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:

oobtain financial information and investment experience objectives of the person; and

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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:

sets forth the basis on which the broker or dealer made the suitability determination; and

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 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 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. Further, recent political unrest in the Middle East has intensified and may also impact the relationship between Israel and other countries in the area, including Egypt and Syria. In addition, there have been increased tensions with Iran in recent months based upon reports regarding the efforts of Iran to develop a military nuclear capability. 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 leased premises located at 55 Igal Alon Street in Tel-Aviv, Israel until February 1, 2013. Currently, we lease premises located at 6 Yehezkel Koifman Street in Tel Aviv, Israel. These locations consist of approximately 250 and 565 square meters of office space, respectively, and the rent was/is approximately \$3,600 and \$7,719 per month, respectively. The term of our current lease expires January 31, 2015, with no renewal options. We do not own or lease any real property elsewhere.

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

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

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 is quoted on the OTCQB under the symbol "WGMI." The following sets forth the high and low bid quotations for the common stock as reported on the OTCQB 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
FISCAL YEAR ENDED DECEMBER 31, 2012		
First Quarter Ended March 31, 2012	\$ 0.13	\$ 0.05
Second Quarter Ended June 30, 2012	\$ 0.14	\$ 0.08
Third Quarter Ended September 30, 2012	\$ 0.08	\$ 0.06
Fourth Quarter Ended December 31, 2012	\$ 0.06	\$ 0.02
FISCAL YEAR ENDED DECEMBER 31, 2011		
First Quarter Ended March 31, 2011	\$ 0.12	\$ 0.01
Second Quarter Ended June 30, 2011	\$ 0.15	\$ 0.08
Third Quarter Ended September 30, 2011	\$ 0.15	\$ 0.05
Fourth Quarter Ended December 31, 2011	\$ 0.13	\$ 0.05

As of March 26, 2013, there were 77 stockholders of record of our common stock.

Continental Stock Transfer & Trust Company is the registrar and transfer agent for our common stock. 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 stockholders 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. We incurred a loss of \$2,330,568 for the year ended December 31, 2012.

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 U.S. 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” and “Risk Factors” elsewhere in this Annual Report on Form 10-K.

OUR BUSINESS

We are a company which derives its income from offering online trading of binary options. A small percentage of our income (less than 1%), a reminiscent of our historical activity, is derived from revenue share in the interactive gaming industry, through a third party.

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. As of December 31, 2012, we had a negative working capital of \$1,048,178 and an accumulated deficit of \$22,453,235. There is no assurance that profitable operations, if ever achieved, will be sustained on a continuing basis.

In 2012 and 2011, we derived most of our revenue from many small costumers.

To date, our binary options business has had approximately 18 thousand customers, of which approximately 6,000 are currently active customers. Our binary options’ trading volume for the year ended December 31, 2012 reached approximately \$29,200,000, with a profit (difference between customers’ losses and winnings) of \$2,143,919.

We refer in this discussion to the fiscal years ended December 31, 2012 and December 31, 2011, as “2012” and “2011,” 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, sales of assets and related party loans.

Our efforts are devoted to our binary options business and leveraging 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 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:

We account for stock based compensation to employees in accordance with Financial Accounting Standards Board ASC Topic 718, “Stock Compensation”. We measure and recognize 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.

Revenue recognition:

Since March 2010, we have been generating revenues primarily from our binary options business. The online binary options business involves a customer trying to predict the occurrence of a future event that will be settled in a win or lose situation at expiration or the end of the day. There is only a win or lose situation (binary option) and the gain or loss is recognized once every hour, or at the end of each day, week or month depending on the specific chosen expiration period, upon the settlement of the events. Thus, each event commands an end on the same day. We recognize revenues from the binary options net of losses.

RESULTS OF OPERATIONS - YEAR ENDED DECEMBER 31, 2012 COMPARED TO YEAR ENDED DECEMBER 31, 2011.

REVENUES AND COST OF REVENUES

We are entitled to royalties from a revenue sharing arrangement upon sublicensing of our products to end-users. We recognize royalties from revenue sharing arrangements during the period based on reports obtained from our customers, through the relevant reporting period, on a monthly basis. In 2012, revenues from such royalties amounted to \$9,281 and were a marginal portion of total revenues. During the three months ended March 31, 2011, we stopped generating revenues from our revenue sharing arrangement with Cablevision System Corporation due to the legal termination of such arrangement.

Our total revenues for 2012 increased by 65% to \$2,153,200 from \$1,307,924 in 2011. The increase is mainly attributable to the operation of our website www.eztrader.com (acquired in June 2011) from which the majority of our revenues during the second half of 2011 and 2012 were generated.

Cost of revenues for 2012 increased by 23% to \$1,383,714 from \$1,129,450 in 2011. The increase is attributable to the cost of operating of our binary options business, including employee payroll, and additional costs of sales resulting from the significant growth in the Company's activity since the acquisition of www.eztrader.com as discussed below.

SALES AND MARKETING

Sales and marketing expenses for 2012 increased by 139% to \$1,793,186 from \$748,949 for 2011. 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 2012 decreased by 13% to \$1,504,025 from \$1,721,400 for 2011. The decrease in general and administrative expenses is primarily attributable to the reduced amortization of intangible assets acquired from Venice Technologies Ltd., an Israeli corporation ("Venice"), on June 5, 2011, partially offset by the expansion of our binary options business, management fee to our CEO and increase in professional service fees in 2011.

FINANCIAL INCOME/EXPENSES

Financial income for 2012 increased to \$197,157 from \$55,802 for 2011. The increase in financial income is primarily due to currency fluctuations.

NET LOSS AND NET LOSS PER SHARE

Net loss attributable to us in 2012 increased to \$2,330,568 from a net loss of \$2,236,073 for 2011. Net loss per share (basic and diluted) in 2012 decreased to \$0.03 from a net loss of \$0.05 for 2011. The net loss in 2012 and 2011 is primarily attributable to the start-up operations of our binary options business which required significant marketing and operational expenses, primarily consisting of online advertisement of our online trading of binary options sites; and due to the amortization of intangible assets acquired from Venice on June 5, 2011.

Our weighted average number of shares of common stock used in computing basic and diluted net loss per share for 2012 was 74,026,695 compared to 46,841,907 shares for 2011.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2012, our total current assets were \$312,959 and our total current liabilities were \$1,361,137. At December 31, 2012 we had a negative working capital of \$1,048,178 compared with a positive working capital of \$155,024 as of December 31, 2011. As of December 31, 2012 we had an accumulated deficit of \$22,453,235. In 2012, we financed our operations with a combination of revenues and equity issuances, as described below.

Cash and cash equivalents as of December 31, 2012 were \$63,200, a decrease of \$704,869 from the \$768,069 reported at December 31, 2011. Cash balances decreased in 2012 compared to 2011 primarily from the increasing cost of operations of our binary options business.

Operating activities used cash of \$1,273,563 in 2012. Cash used by operating activities in 2012 resulted primarily from the increasing cost of operations of our binary options business.

During 2012, we used \$81,734 in investing activities, compared to \$669,027 used by investing activities in 2011. Cash used in investing activities in the year ended December 31, 2012 resulted from the purchase of property and equipment and short and long term deposits. Cash used in investing activities in the year ended December 31, 2011 resulted from the acquisition of Venice's customer database (including liability to customers) and certain software in respect of online trading in binary options, including the domain name www.eztrader.com, for \$625,000 in cash.

Financing activities provided cash of \$650,428 and \$3,114,075 in 2012 and 2011, respectively. Cash provided by financing activities in 2012 resulted primarily from 2012 equity issuances which amounted to \$634,000. Cash provided by financing activities in 2011 resulted primarily from the third and fourth quarter 2011 equity issuances for total consideration of \$2,093,011, and \$995,000 as a prepayment on account of shares and warrants issued in 2012.

On May 4, 2011, WGM and Venice entered into a Purchase Agreement (the "Venice Agreement"), pursuant to which WGM agreed to purchase Venice's customer database (including liability to customers) and online trading of binary options software, including the domain name www.eztrader.com, for \$625,000 in cash. On May 5, 2011, WGM and Venice amended the Venice Agreement such that of the aggregate consideration of \$625,000 contemplated to be paid to Venice under the Venice Agreement, \$500,000 was paid in cash at closing on June 5, 2011. On September 1, 2011, we paid the remaining \$125,000 and issued 1,562,500 shares to one of our shareholders in respect thereof. We financed the Venice acquisition with the net proceeds of our June 2011 equity issuance, as more fully described below.

On June 5, 2011, the Company entered into securities purchase agreements with five investors (together, the "Investors"), for aggregate consideration of \$500,000, pursuant to which the Company issued to the Investors 6,250,000 shares of its common stock at a price of \$0.08 per share and issued warrants to purchase 3,125,000 shares of its common stock (the "June 5 Warrants"), at exercise prices per share of \$0.08. No separate consideration was paid for the June 5 Warrants. The June 5 Warrants are exercisable on or after December 5, 2011, until five years from the date of issuance. In addition, the Company undertook that if it would not reach either one of the following goals during the second half of 2011: gross deposits (i.e., funds transferred to the customers' account for trading) of \$2,500,000, trading P&L (i.e., the difference between losses and wins by customers) of \$1,250,000, or net profit, as reflected in the Company's financial statements, of at least \$400,000, then the Company shall issue to each Investor an additional warrant to purchase the same number of shares underlying the June 5 Warrant issued to such Investor and under substantially the same terms as the June 5 Warrants. However, the Company met the required goals and thus these contingent warrants were not issued. The total consideration of \$500,000 was recorded to equity. The purpose of this equity issuance was to finance the purchase of the assets acquired from Venice.

On July 31, 2011, B Option and Manex Online Trading Ltd. ("Manex") signed a marketing partnership agreement by which B Option transferred to Manex its entire customer database in exchange for revenue share distributions of 58% to B Option and 42% to Manex. The agreement also provided that Manex was entitled to use B Option's domain name www.options.co.il for marketing purposes and to attract and retain B Option's customers. On April 19, 2012, B Option and Manex reached another agreement whereby Manex paid B Option approximately \$44,000 (in two equal installments, with the first in April 2012 and the second in May 2012) and the parties agreed that following the first payment, B Option would transfer the possession and ownership of the domain name www.option.co.il to Manex, and following the second payment, all obligations between the parties would be deemed satisfied. Both installments of the \$44,000 had been received as of May 2012.

On August 10, 2011, WGM, B Option and ParagonEX Limited, a British Virgin Islands corporation (“ParagonEX”), agreed to terminate certain license agreements between the parties. According to the termination, the license agreements terminated on July 31, 2011 for total consideration to ParagonEX of \$135,000, to be paid in nine equal monthly installments of \$15,000. Payments were completed in July 2012.

On August 15, 2011, the Company sold to seven investors an aggregate of 5,850,000 shares of its common stock at a price of \$0.08 per share and issued warrants to purchase an aggregate of 2,925,000 shares of its common stock at exercise prices per share of \$0.08 (the “August 15 Warrants”), for aggregate consideration of \$468,000. No separate consideration was paid for the August 15 Warrants. The August 15 Warrants are exercisable six months after the date of issuance, until five years from the date of issuance.

On August 22, 2011, the Company entered into a securities purchase agreement (the “Original Agreement”) with Wigam LLC, a Delaware limited liability company (“Wigam”), pursuant to which the Company sold to Wigam 12,500,000 shares of its common stock at a price of \$0.08 per share (“Wigam’s Shares”) for total consideration of \$1,000,000 and issued a warrant to purchase 6,250,000 shares of its common stock at an exercise price per share of \$0.08 (the “August 22 Warrant”). No separate consideration was paid for the August 22 Warrant. The August 22 Warrant is exercisable on or after February 28, 2012, until five years from the date of issuance. On August 31, 2011, Wigam entered into a securities purchase agreement with Ricx Investments Ltd. (formerly known as RPG FS Acquisition Limited) (“Ricx”), pursuant to which Wigam sold and assigned to Ricx, all of Wigam’s rights under the Original Agreement to purchase Wigam’s Shares, and to be issued the August 22 Warrant. The Original Agreement provides Ricx with the right to designate a board member to the Company’s Board. Ron Lubash was designated to be a member of the Company’s Board by Ricx and, on March 29, 2012, was elected to the Board by the current members of the Board.

On December 4, 2011, as amended on December 21, 2011, the Company entered into a securities purchase agreement (the “SPA”) with HV Markets Limited (the “HV”), a British Virgin Islands company, effective December 1, 2011, for total consideration of \$1,250,000, of which \$995,000 had been received by the Company as of December 31, 2011, and the remainder to be received at closing. The closing occurred on February 6, 2012, by which date the entire consideration of \$1,250,000 had been received by the Company. Pursuant to the SPA, the Company agreed to sell to HV an aggregate of 12,500,000 shares of its common stock at a price of \$0.10 per share and agreed to issue a warrant to purchase 6,250,000 shares of its common stock (the “December 4 Warrant”), at an exercise price per share of \$0.10. No separate consideration was paid for the December 4 Warrant. The December 4 Warrant is exercisable on or after August 6, 2012, until five years from the date of issuance thereof. The SPA provides HV with the right to designate a board member to the Company’s Board. Gustavo Perrotta was designated to be a member of the Company’s Board by HV and, on May 16, 2012, was elected to the Board by the current members of the Board.

On November 8, 2012, the Company entered into securities purchase agreements with three investors pursuant to which the Company sold an aggregate of 3,790,000 shares of restricted common stock (the “Shares”) at a price of \$0.10 per share and warrants to purchase an aggregate of 379,000 shares of common stock (the “Warrants”) at exercise prices per share of \$0.10. No separate consideration was paid for the Warrants. The Warrants are exercisable on or after May 8, 2013 until twenty-four months from the date of issuance thereof. The aggregate net proceeds from the sale of the Shares and issuance of the Warrants amounted to \$379,000, with \$108,000 of such amount being set-off against outstanding loan amounts made to the Company in August 2012 of \$54,000 by each of Mr. Shimon Citron, our CEO and a director, and Mr. Ron Lubash, one of our directors.

On March 5, 2013, the Company issued an aggregate of 1,368,920 shares of common stock in connection with the cashless and cash-based (aggregate cash amount of \$53,513) exercises of \$500,000 of warrants issued in connection with the Company’s March 2008 convertible debt transaction with Mr. Citron.

Off-Balance Sheet Arrangements

As of December 31, 2012, we had no off balance sheet arrangements that have had or that we expect would be reasonably likely to have a future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

OUTLOOK AND ABILITY TO CONTINUE AS A GOING CONCERN

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, 2012, 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, 2012, the design and operation of these disclosure controls and procedures were not sufficiently 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 the certain material weakness 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, 2012. 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 weakness described below, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2012.

Management has identified certain control deficiencies regarding lack of segregation of duties. Management believes that this material weakness is due to the small size of the Company's staff.

The ineffectiveness of internal controls as of December 31, 2012 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 certain 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, 2012 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 March 26, 2013, our directors and executive officers, their ages, positions held, and duration of such, were as follows:

NAME	AGE	POSITION	POSITION SINCE
Shimon Citron	58	Director and CEO	2001
Guy Elhanani	39	CFO	2012
Oleg Golyunker	39	CTO	2012
Adiv Baruch	49	Director	2006
Ron Lubash	54	Director	2012
Gustavo Perrotta	46	Director	2012

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. Mr. Citron has been the CEO and a director of Gaming since 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.

GUY ELHANANI. Mr. Elhanani became our CFO on October 11, 2012. Since 2007, Mr. Elhanani served as the CFO of InterLogic Ltd., an international provider of online skill games. Prior to joining InterLogic Ltd., Mr. Elhanani was the CFO of Finotec Group Inc. (OTCBB: FTGI), a company engaged in offering online trading of FOREX, contracts for difference (CFDs), options and indices. He has also held the position of corporate controller with On-Track Innovations Ltd. (NASDAQ: OTIV), a company offering contactless smart card technologies. Mr. Elhanani also served as a senior auditor at PricewaterhouseCoopers LLP's audit office in Israel. Mr. Elhanani holds both a B.A. degree in Accounting and Economics and an M.B.A. degree from the Hebrew University in Jerusalem, and is a Certified Public Accountant in Israel.

OLEG GOLYNKER. Mr. Golyunker became our CTO on September 5, 2012. Since 2009, Mr. Golyunker was the CTO, and is a co-founder, of Relevanti Media (Israel) Ltd. ("Relevanti"), a company engaged in offering supervised targeted content to websites. From 2007 to 2009, Mr. Golyunker served as Vice President of Research and Development of Sportbuzz, a company engaged in sports websites offering fans an arena to share opinions and write articles and blogs. Prior to joining Sportbuzz, Mr. Golyunker served for six years as the Vice President of Technology with Variset.com, a print and content application services provider. Mr. Golyunker holds an M.S.E. degree in applied mathematics from the Faculty of Information Sciences, Samara State Airspace University in Russia.

ADIV BARUCH. Mr. Baruch has been a director of the Company since 2006. Mr. Baruch is currently the chairman and an audit committee member of The Israel Export and International Cooperation Institute, Hi-Tech and Telecom Division. Mr. Baruch serves as a director of several public and private companies, including Tapuz, an Israeli online community and mobile portal, and as Chairman of Pilat Group Ltd, a leading HR software solutions company, each of which is a public traded company listed on the Tel Aviv Stock Exchange. Further, since 2006, Mr. Baruch has been the President, CEO and a director of Pinpoint Advance Corp. Mr. Baruch has a B.Sc. in Information Systems and Industrial Engineering from the Technion - Israel Institute. We believe Mr. Baruch's qualifications to sit on our Board include his years as a founder and an executive or director for several information technology companies and internet start-ups.

RON LUBASH. Mr. Lubash became one of our directors on March 29, 2012. Mr. Lubash holds an MBA from the Yale School of Management (1986) and B.Sc. in Civil Engineering from the University of Southern California (1984). Since 2003, Mr. Lubash has been Co-Founder and joint CEO of Markstone Capital Group. Mr. Lubash serves on the board of directors of Elran Real Estate Ltd. (TASE). We believe Mr. Lubash's qualifications to sit on our Board include his years of experience in the financial markets, including senior positions in various firms such as The First Boston Corporation, Credit Suisse First Boston (CSFB), Lehman Brothers and others, in Israel and abroad.

GUSTAVO PERROTTA. Mr. Perrotta became one of our directors on May 16, 2012. Mr. Perrotta is the Founder and has been Managing Partner of Hamilton Ventures LLP since 2009, a London based merchant banking boutique engaged in private equity and principal investments. Prior to Hamilton Ventures LLP, Mr. Perrotta was a Managing Director in the London office of Credit Suisse's Investment Banking Division. Mr. Perrotta holds a degree in Economics from the University of Rome "La Sapienza". We believe Mr. Perrotta's qualifications to sit on our Board include his years of investment banking experience in the financial markets, including senior positions at Credit Suisse and audit experience within the Financial Market Division of Arthur Andersen.

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 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. Eleg Golynger, our CTO, failed to timely file a Form 3 reporting his initial beneficial ownership of our common stock following his becoming our CTO on September 13, 2012. Mr. Golynger filed his Form 3 on September 28, 2012.

Mr. Shimon Citron, our CEO, failed to timely file a Form 4 reporting the open market purchases of an aggregate of 20,000 shares of our common stock on November 1, 2012. Mr. Citron filed a Form 4 reporting these purchases on November 19, 2012.

AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

During fiscal 2012, 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, based on his qualifications and background described above, 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 meeting during 2012.

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.winglobalmarkets.com. Our

Code of Ethics contains written standards designed to deter wrongdoing and to promote:

honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

ofull, 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;

othe 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.winglobalmarkets.com.

ITEM 11. EXECUTIVE COMPENSATION.

SUMMARY COMPENSATION TABLE FOR FISCAL 2011 THROUGH 2012

The following Summary Compensation Table sets forth information concerning compensation during 2012 and 2011 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 2012 received more than \$100,000 in total compensation in 2012, 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 2012.

NAME AND PRINCIPAL POSITION	YEAR	SALARY(\$)	BONUS(\$)	NONEQUITY INCENTIVE PLAN COMPENSATION(\$)	TOTAL(\$)
Shimon Citron, Chief Executive Officer	2012	200,000	0	0	200,000
	2011	200,000	231,000	50,000	481,000

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2012

The following table presents the outstanding equity awards held as of December 31, 2012 by our CEO. All such awards were stock options.

NAME	EXERCISABLE	UNEXERCISABLE	EXERCISE PRICE	EXPIRATION DATE
Shimon Citron	1,000,000	(1) 0	\$0.06	September 15, 2018
Shimon Citron	1,863,000	(2) 0	\$1.15	April 3, 2016

(1) Granted September 15, 2008 and fully vested September 15, 2011.

(2) Granted April 3, 2006 to Citron Investments Ltd., for which Mr. Citron is the sole stockholder, and fully vested April 1, 2007.

COMPENSATION OF DIRECTORS

We have agreements with each of our directors, pursuant to which we have agreed to reimburse them for reasonable and necessary expenses incurred in connection with attendance at meetings of the Board and other Company business. None of our directors are being compensated in cash for their services.

The following table provides information regarding compensation earned by, awarded or paid to each person for serving as a non-employee director during the year ended December 31, 2012.

DIRECTOR COMPENSATION

NAME	OPTION AWARDS	TOTAL
Adiv Baruch (1)	\$0	\$0
Ron Lubash (2)	\$63,930(4)	\$63,930
Gustavo Perrotta (3)	\$33,332(4)	\$33,332

(1) Mr. Baruch had 1,992,261 options outstanding as of December 31, 2012.

(2) Mr. Lubash had 600,000 options outstanding as of December 31, 2012.

(3) Mr. Perrotta had 600,000 options outstanding as of December 31, 2012.

(4) The dollar value recognized for the stock option award was determined in accordance with FASB ASC Topic 718. For information on the determination of the fair value of each option granted as of the grant date, and of assumptions made with respect to the value of option awards, see in this Annual Report on Form 10-K, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” and “Notes to Consolidated Financial Statements—Note 10. Share Capital”.

ENGAGEMENT AGREEMENTS CONCERNING NAMED EXECUTIVE OFFICER

On September 23, 2008, we entered into a consulting agreement (the “Citron Consulting Agreement”) with Citron Investments Ltd. (the “Consultant”), an Israeli corporation wholly owned by our director and CEO, Mr. Citron. Pursuant to the Citron Consulting Agreement, we retained the services of the Consultant to provide the services of Mr. Citron as our CEO in a part time capacity. Pursuant to the Citron Consulting Agreement, we are required to pay the Consultant a monthly fee of \$10,000, and will reimburse expenses incurred by the Consultant in connection with one automobile owned and operated by the Consultant not to exceed \$1,000 per month and shall include Mr. Citron in its liability insurance program for officers and directors. In addition, under the terms of the Citron Consulting Agreement, should our valuation based on the price per share of our shares as quoted on the stock exchange or on an automatic quotation system (such as the OTCQB) in which our shares are listed or quoted, during the term of the Citron Consulting Agreement, exceed \$10,000,000 throughout a continuous period of at least 30 consecutive days, then the Consultant shall be entitled to receive from us a special bonus equaling 2% of the average of our valuation in such 30-day period. The term of the Citron Consulting Agreement is 6 months, effective June 6, 2008 with automatic extension for an undefined period. The Citron Consulting Agreement can be terminated by either party for no reason with a 90-day advance written notice or for a material breach with a 14-day advance written notice if such a breach was not cured during the aforesaid 14-day period.

On December 9, 2010, we and the Consultant amended the Citron Consulting Agreement (the “Amendment”). The Amendment amended the compensation terms of Mr. Citron as follows: (i) Mr. Citron received from us a special discretionary bonus for the year 2010 in the amount of \$84,000. Such bonus was granted for our performance and for performing services for us on a full time capacity during 2010, notwithstanding the fact that the Citron Consulting Agreement provides that Mr. Citron should devote 25 hours per week for the provision of such services. The bonus was paid based on our cash flow; (ii) effective January 1, 2011, the annual fee to Mr. Citron, for providing us services on a full time basis, shall be \$200,000; and (iii) Mr. Citron shall be entitled to receive a recurring annual bonus in the amount of \$50,000 subject to meeting our goals as such goals shall be determined by our Board in the annual budget.

The goals for Mr. Citron’s 2011 performance bonus were as follows:

1. Raising capital of at least \$3,000,000 to finance our activities. By completing our 2011 equity issuances as described above, Mr. Citron was deemed by our Board to have met this goal.
2. Acquiring unique unlicensed software and increasing our brand, activity, volume trading and customer database. By completing the acquisition from Venice as described above, Mr. Citron was deemed by our Board to have met this goal.

On April 15, 2012, our Board approved an additional bonus of \$231,000 for services performed by Mr. Citron in 2011, and in particular, for exceeding the Board’s goals and expectations with respect to the equity issuances in 2011 and the closing of the Venice acquisition, each as described above. Such bonus was advanced to Mr. Citron at the end of 2011.

As of December 31, 2012, the Company had outstanding management fees and advances to be repaid to Mr. Citron (personally and through his private company), in the aggregate amount of \$142,182.

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

The following table sets forth certain information, to the best of our knowledge, as of March 26, 2013 (unless provided herein otherwise), with respect to holdings of our common stock by (1) each person known by us to be the beneficial owner of more than 5% of the total number of shares of our common stock outstanding as of such date; (2)

each of our directors; (3) each of our named executive officers; and (4) all of our directors and our current executive officers as a group. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

NAME AND ADDRESS OF BENEFICIAL OWNER (1) AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (2) PERCENT OF CLASS (3)

5% BENEFICIAL OWNERS

HV Markets Limited (4) P.O. Box 3175 Road Town, Tortola British Virgin Islands	18,750,000	21.8	%
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Ricx Investments Ltd. (5) Anemomylos Office Building 8 Michael Karaolis Street 1095 Nicosia Cyprus	21,500,000	24.9	%
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Shimon Citron (6)	7,642,015	9.1	%
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Pini Gershon (7) 8 Shfeya Street Tel Aviv, L3 Israel	4,581,950	5.7	%
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OTHER DIRECTORS AND EXECUTIVE OFFICERS:

Adiv Baruch (8)	1,992,261	2.4	%
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Ron Lubash (9)	375,000	*	
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Gustavo Perrotta (10)	300,000	*	
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Guy Elhanani (11)	33,333	*	
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Oleg Golynger (11)	33,333	*	
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All directors and current executive officers as a group (6 persons)(6)(8)(9)(10)(11)(12)	10,375,942	12.0	%
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* = Less than 1%

(1) Unless otherwise provided, all addresses are c/o Win Global Markets, Inc. at the address set forth on the cover page of this Annual Report on Form 10-K.

(2) Except as otherwise indicated, all shares are beneficially owned and sole investment and voting power is held by the persons named.

(3) Applicable percentages of ownership are based on 79,900,451 shares of our common stock outstanding on March 26, 2013, plus any common stock equivalents and options or warrants held by such holder which are currently or will become exercisable within 60 days after each such date.

(4) Includes warrants to acquire 6,250,000 shares of common stock at an exercise price of \$0.10 per share. This information is as of February 16, 2012 and is based solely on a Schedule 13D filed by HV with the SEC on February 16, 2012. In accordance with the disclosures set forth in such Schedule 13D, HV reports sole voting and dispositive

power over all such shares of common stock.

(5) Includes warrants to acquire 6,250,000 shares of common stock at an exercise price of \$0.08 per share and warrants to acquire 250,000 shares of common stock at an exercise price of \$0.10 per share. This information is as of November 16, 2012 and is based solely on a Schedule 13D/A filed by Ricx with the SEC on November 16, 2012. In accordance with the disclosures set forth in such Schedule 13D/A, Ricx reports sole voting and dispositive power over all such shares of common stock.

(6) Includes options to acquire 1,000,000 shares of common stock at an exercise price of \$0.06 per share, warrants to acquire 840,336 shares of common stock at an exercise price of \$0.0595 per share and warrants to acquire 54,000 shares of common stock at an exercise price of \$0.10 per share. Also includes options to acquire, as the sole stockholder of Citron Investments Ltd., 1,863,000 shares of common stock at an exercise price of \$1.15 per share.

(7) Includes warrants to acquire 625,000 shares of common stock at an exercise price of \$0.08 per share. This information is as of May 23, 2011 and is based on a Schedule 13G/A and Form 4 filed by Pini Gershon with the SEC on November 29, 2010 and May 23, 2011, respectively, and on information subsequently available to the Company. In accordance with the disclosures set forth in such Schedule 13G/A, Pini Gershon reports sole voting and dispositive power over all shares held as of November 29, 2010, including the warrants to acquire 625,000 shares of common stock.

(8) Includes options to acquire 200,000, 192,261, 600,000 and 1,000,000 shares of common stock at exercise prices of \$0.725, \$1.00, \$0.06 and \$0.11 per share, respectively.

(9) Includes options to acquire 375,000 shares of common stock at an exercise price of \$0.10 per share.

(10) Includes options to acquire 300,000 shares of common stock at an exercise price of \$0.10 per share.

(11) Includes options to acquire 33,000 shares of common stock at an exercise price of \$0.10 per share.

(12) Includes options or warrants to acquire an aggregate of 6,491,263 shares of common stock.

The following table summarizes certain information regarding our equity compensation plans as of December 31, 2012:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders—2004 Global Share Option Plan	8,705,261	\$ 0.44	11,294,739
Equity compensation plans not approved by security holders	0	0	0
Total	8,705,261	\$ 0.44	11,294,739

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

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Effective April 1, 2011, we appointed Mr. Shlomi Zedkia as our CFO. This appointment was made pursuant to an agreement signed between us and Shvarts-Zedkia & Co., an Israeli financial management consulting firm in which Mr. Zedkia is a partner, whereby Mr. Zedkia was compensated approximately \$33,600 in 2011 for his services as our CFO. Therefore, we did not have separate compensation arrangements with Mr. Zedkia. Mr. Zedkia ceased to be our CFO on December 8, 2011.

On December 6, 2011, we appointed Mr. Shahar Ben Moshe as our CFO, effective December 8, 2011. Mr. Ben Moshe replaced Mr. Zedkia as our CFO. Mr. Ben Moshe was employed pursuant to an employment agreement with WGM. Pursuant to the employment agreement, Mr. Ben Moshe's monthly salary equaled a gross amount of (a) NIS 15,000 during the first 90 days of employment, (b) NIS 16,500 beginning on the 91st day of employment through the end of the 6th month of employment and (c) NIS 18,000 after 6 months of employment. WGM further agreed to grant Mr. Ben Moshe, following three months of employment, an option to purchase 400,000 shares of the registrant's common stock at exercise prices of \$0.10 per share (the "Options"). Mr. Ben Moshe ceased to be our CFO on August 31, 2012 with no Options having been issued.

On September 13, 2012, we appointed Guy Elhanani as our CFO, effective October 11, 2012. Mr. Elhanani replaced Mr. Ben Moshe. Mr. Elhanani is employed pursuant to an employment agreement with WG Israel. Pursuant to the employment agreement, Mr. Elhanani's monthly salary equals a gross monthly amount of NIS 30,000. WG Israel further agreed to grant Mr. Elhanani options to purchase 400,000 shares of our common stock at exercise prices of \$0.10 per share. The options were granted pursuant to our 2004 Global Share Option Plan, as amended (the "Plan"), and expire five years from the date of grant.

On September 13, 2012, we appointed Oleg Golyunker as our CTO, effective September 5, 2012. Mr. Golyunker will be employed pursuant to two agreements: (1) a service agreement (the “Service Agreement”) between Relevanti and WGM dated September 5, 2012, and (2) an employment agreement (the “Golyunker Employment Agreement”) between us and Mr. Golyunker, dated September 5, 2012 and effective January 1, 2013 (the “Golyunker Effective Date”). Pursuant to the Service Agreement, Relevanti, through Mr. Golyunker, was responsible to provide us development and management services at a monthly cost of \$10,000. The Service Agreement terminated on December 31, 2012. From the Golyunker Effective Date and following the termination of the Service Agreement, Mr. Golyunker is employed as our CTO. Pursuant to the Golyunker Employment Agreement, Mr. Golyunker's monthly salary equals (a) NIS 42,800 beginning on January 1, 2013 and (b) NIS 46,000 beginning on January 1, 2014 and thereafter. WGM further agreed to grant Mr. Golyunker options to purchase 400,000 shares of our common stock at exercise prices of \$0.10 per share. The options were granted pursuant to the Plan and expire five years from the date of grant.

On November 8, 2012, the Company entered into securities purchase agreements with three investors pursuant to which the Company sold the Shares and issued the Warrants (the “Transaction”). No separate consideration was paid for the Warrants. The Warrants are exercisable on or after May 8, 2013 until twenty-four months from the date of issuance thereof. The aggregate net proceeds from the sale of the Shares and issuance of the Warrants amounted to \$379,000, with \$108,000 of such amount being set-off against outstanding loan amounts made to the Company in August 2012 of \$54,000 by each of Mr. Shimon Citron, our CEO, and Mr. Ron Lubash, one of our directors. Mr. Citron received 540,000 of the Shares for total consideration of \$54,000, and was issued 54,000 of the Warrants. Following the closing of the Transaction, Mr. Lubash held approximately twelve percent of the outstanding equity interests of Ricx, with Ricx having received 2,500,000 of the Shares for total consideration of \$250,000 (excluding Mr. Lubash’s \$54,000 aforementioned set-off amount), and was issued 250,000 of the Warrants.

DIRECTOR INDEPENDENCE

Using the NASDAQ stock market listing rules definition of an independent director, our Board determined that Mr. Baruch, Mr. Lubash and Mr. Perrotta qualify as independent directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Our Audit Committee retained Ziv Haft, a member of the BDO Network (“BDO”), as our independent registered public accounting firm for the fiscal year ended December 31, 2012.

The following table summarizes the fees BDO billed for the last two fiscal years for audit services and other services:

FEE CATEGORY	2012	2011
Audit Fees (1)	\$ 35,000	\$ 35,000
Audit Related Fees	-	-
Tax Fees (2)	\$ 10,000	\$ 10,000
All Other Fees	-	-
Total Fees	\$ 45,000	\$ 45,000

(1) Consists of fees for professional services rendered in connection with the audit of our financial statements for the years ended on December 31, 2012 and December 31, 2011, the reviews of the financial statements included in each of our Quarterly Reports on Form 10-Q during 2012 and 2011, and fees for professional services rendered in connection with documents filed, including the registration statement on Form 20-F for Gaming, with the SEC during those quarters.

(2) Consists of fees relating to our tax compliance.

PRE-APPROVAL POLICIES AND PROCEDURES

None of the audit-related fees billed in fiscal 2012 and 2011 related to services provided under the de minimis exception to the SEC's audit committee pre-approval requirements.

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy generally provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to one of the pre-approval procedures described below.

From time to time, the Audit Committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Financial Statements filed as part of this Annual Report on Form 10-K:

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Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets, as of December 31, 2012 and 2011	F-2 – F-3
Consolidated Statements of Operations, For the Years Ended December 31, 2012 and 2011	F-4
Consolidated Statements of Comprehensive Income, For the Years Ended December 31, 2012 and 2011	F-5
Statements of Changes in Equity, For the Years Ended December 31, 2012 and 2011	F-6
Consolidated Statements of Cash Flows, For the Years Ended December 31, 2012 and 2011	F-7
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All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, or are inapplicable, and therefore have been omitted.

(b) Exhibits

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
3.1	Composite copy of the Company's Articles of Incorporation as amended on January 27, 2012 (incorporated by reference to Exhibit 3.1 to our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 16, 2012).
3.2	Bylaws (incorporated by reference to Exhibit 3.2 to our Form SB-2 (File No. 333-91356) filed with the Securities and Exchange Commission on June 27, 2002).
4.1	Form of Common Stock Purchase Warrant dated October 20, 2010 issued by the Company (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on October 20, 2010).
4.2	Form of Common Stock Purchase Warrant dated June 5, 2011 (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Commission on June 9, 2011).
4.3	Form of Common Stock Purchase Warrant dated August 15, 2011 (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on August 5, 2011).
4.4	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on August 24, 2011).
4.5	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 8, 2011).
4.6	Common Stock Purchase Warrant dated March 6, 2008 issued by Zone 4 Play Inc. to Shimon Citron (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K (File No. 000-51255) filed with the Securities and Exchange Commission on March 14, 2008).+
4.7*	Form of Common Stock purchase Warrant dated November 8, 2012. +
10.1*	2004 Global Share Option Plan, as amended, of Win Global Markets, Inc.+
10.2	Sample Agreement under the Company's 2004 Global Share Option Plan (incorporated by reference to Exhibit 10.25 to our Annual Report on Form 10K-SB (File No. 000-51255) filed with the Securities and Exchange Commission on April 11, 2006).+
10.3	Consulting Agreement, dated September 23, 2008, between the Company and Citron Investments Ltd. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 000-51255) filed with the Securities and Exchange Commission on September 25, 2008).+
10.4	Addendum dated December 9, 2010, to Consulting Agreement, dated September 23, 2008, between the Company and Citron Investments Ltd. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 13, 2010).+

- 10.5 Purchase Agreement by and between WGM Services Ltd. and Venice Technologies Ltd, entered into on May 4, 2011 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on May 4, 2011).

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- 10.6 Addendum by and between WGM Services Ltd and Venice Technologies Ltd, entered into on May 5, 2011 (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on June 9, 2011).
- 10.7 Form of Regulation S Securities Purchase Agreement for Common Stock and Warrants of the Company dated June 5, 2011 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on June 9, 2011).
- 10.8 Regulation S Securities Purchase Agreement dated June 5, 2011 (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on June 9, 2011).
- 10.9 Form of Regulation S Securities Purchase Agreement for Common Stock and Warrants of the Company dated August 4, 2011 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on August 5, 2011).
- 10.10 Form of Securities Purchase Agreement dated August 22, 2011 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on August 24, 2011).
- 10.11 Regulation S Securities Purchase Agreement for Common Stock and Warrants (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 8, 2011).
- 10.12 First Amendment to Securities Purchase Agreement, dated December 21, 2011, between the registrant and HV Market Limited (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 22, 2011).
- 10.13 Employment Agreement, dated September 10, 2012, between Win Global Markets Inc (Israel) Ltd. and Guy Elhanani (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on September 13, 2012).+
- 10.14 Employment Agreement, dated September 5, 2012, between Win Global Markets Inc (Israel) Ltd. and Oleg Golyner (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on September 13, 2012).+
- 10.15* Form of Securities Purchase Agreement dated November 8, 2012.+
- 21.1 List of Subsidiaries (incorporated by reference to Exhibit 21.1 to our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 16, 2012).
- 23.1* Consent of Ziv Haft, a member of the BDO network.
- 31.1* Rule 13a-14(a) Certification of Principal Executive Officer.
- 31.2* Rule 13a-14(a) Certification of Principal Financial Officer.
- 32.1** Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
- 32.2** Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
- 101.1**

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The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) related notes to these financial statements, tagged as blocks of text and in detail.

* Filed herewith.

** Furnished herewith.

+ Management contract or compensation plan.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WIN GLOBAL MARKETS, INC.

By: /s/ Shimon Citron
Shimon Citron
Chief Executive Officer

Date: March 27, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Shimon Citron Shimon Citron	Director and Chief Executive Officer (principal executive officer)	March 27, 2013
/s/ Guy Elhanani Guy Elhanani	Chief Financial Officer (principal financial and accounting officer)	March 27, 2013
/s/ Adiv Baruch Adiv Baruch	Director	March 27, 2013
/s/ Ron Lubash Ron Lubash	Director	March 27, 2013
/s/ Gustavo Perrotta Gustavo Perrotta	Director	March 27, 2013

WIN GLOBAL MARKETS, INC.

AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012

IN U.S. DOLLARS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of
WIN GLOBAL MARKETS, INC.

We have audited the accompanying consolidated balance sheets of Win Global Markets, Inc. (the "Company") and its subsidiaries as of December 31, 2012 and 2011 and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for the two years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2012 and 2011 and the related consolidated results of their operations and cash flows for the two years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1.C to the consolidated financial statements, the Company has suffered losses from operations and has negative cash flows from operations that raise substantial doubt about the Company's ability to continue as a going concern. Management's plans as to these matters are also discussed in the Note. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amount and classification of liabilities that may result from the outcome of these uncertainties.

Tel Aviv, Israel

March 27, 2013

/s/ Ziv Haft

Certified Public Accountants (Isr.)
BDO Member Firm

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS

U.S. dollars

	December 31,	
	2012	2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$63,200	\$768,069
Short term deposit	22,716	-
Receivable from credit card companies	222,543	263,695
Other accounts receivable and prepaid expenses (Note 5)	4,500	22,854
Total current assets	312,959	1,054,618
LONG TERM DEPOSIT	-	36,672
PROPERTY AND EQUIPMENT, NET (Note 6)	120,610	58,505
INTANGIBLE ASSETS (Note 3)	132,694	587,194
Total assets	\$566,263	\$1,736,989

The accompanying Notes are an integral part of the consolidated financial statements.

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WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

U.S. dollars

	December 31,	
	2012	2011
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term bank credit	\$42,492	\$26,064
Deposit from players	546,850	364,465
Accounts payables	127,968	93,274
Related parties	194,475	-
Accrued expenses and other account payables (Note 7)	449,352	415,791
Total current liabilities	1,361,137	899,594
LONG TERM LIABILITIES:		
Prepayment on account of shares	-	995,000
Total liabilities	1,361,137	1,894,594
COMMITMENTS AND CONTINGENT LIABILITIES (Note 9)		
EQUITY (DEFICIENCY) (Note 10):		
Common stock of \$ 0.001 par value:		
Authorized: 150,000,000 shares at December 31, 2012 and 75,000,000 at December 31, 2011;		
Issued and outstanding: 78,531,531 shares at December 31, 2012 and 62,241,531 shares at December 31, 2011.		
	78,532	62,242
Additional paid-in capital	21,579,829	19,902,820
Accumulated deficit	(22,453,235)	(20,122,667)
Equity (deficiency)	(794,874)	(157,605)
Total liabilities and equity	\$566,263	\$1,736,989

The accompanying Notes are an integral part of the consolidated financial statements.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars

	Year ended December 31,	
	2012	2011
Revenues:		
Revenues from binary options business	\$2,143,919	\$1,287,038
Revenues from royalties	9,281	20,886
Total revenues	2,153,200	1,307,924
Cost of revenues	1,383,714	1,129,450
Gross profit	769,486	178,474
Operating expenses:		
Selling and marketing	1,793,186	748,949
General and administrative (Note 8)	1,504,025	1,721,400
Total operating expenses	3,297,211	2,470,349
Operating loss	(2,527,725)	(2,291,875)
Financial income, net (Note 12)	197,157	55,802
Net loss before taxes on income	(2,330,568)	(2,236,073)
Taxes on income (Note 11)	-	-
	(2,330,568)	(2,236,073)
Net loss	(2,330,568)	(2,236,073)
Net loss attributable to the Company	\$(2,330,568)	\$(2,236,073)
Total basic and diluted net loss per share	\$(0.03)	\$(0.05)
Weighted average number of common stock used in computing basic and diluted net loss per share	74,026,695	46,841,907

The accompanying Notes are an integral part of the consolidated financial statements.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

U.S. dollars

	Year ended December 31,	
	2012	2011
Net income (loss)	\$(2,330,568)	\$(2,236,073)
Other comprehensive income, net of tax:	-	-
Total comprehensive income	\$(2,330,568)	\$(2,236,073)

The accompanying Notes are an integral part of the consolidated financial statements.

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WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY

U.S. dollars

	Common stock Number	Share capital Amount	Additional paid-in capital	Accumulated deficit	Total shareholders' equity (deficiency)
Balance as of December 31, 2010	36,069,031	\$36,069	\$17,767,983	\$(17,886,594)	\$(82,542)
Issuance of shares and warrants	26,172,500	26,173	2,066,838	-	2,093,011
Stock – based compensation	-	-	67,999	-	67,999
Net loss	-	-	-	(2,236,073)	(2,236,073)
Issuance of shares and warrants	26,172,500	26,173	2,066,838	-	2,093,011
Balance as of December 31, 2011	62,241,531	\$62,242	\$19,902,820	\$(20,122,667)	\$(157,605)
Issuance of shares and warrants	16,290,000	16,290	1,612,710	-	1,629,000
Stock – based compensation	-	-	64,299	-	64,299
Net loss	-	-	-	(2,330,568)	(2,330,568)
Balance as of December 31, 2012	78,531,531	\$78,532	\$21,579,829	\$(22,453,235)	\$(794,874)

The accompanying Notes are an integral part of the consolidated financial statements.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars

	Year ended December 31,	
	2012	2011
Cash flows from operating activities:		
Net loss	\$(2,330,568)	\$(2,236,073)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Change in value of derivative	-	(64,000)
Depreciation and amortization	488,085	579,996
Stock-based compensation	64,299	67,999
Decrease (increase) in credit cards companies	41,152	(194,005)
Decrease (increase) other account receivables	18,354	(2,080)
Increase (decrease) in trade payables	34,694	(57)
Increase in accrued expenses and deferred revenues	215,946	116,773
Increase in related parties	194,475	-
Net cash used in operating activities	(1,273,563)	(1,731,447)
Cash flows from investing activities:		
Purchase of property and equipment	(95,690)	(15,808)
Purchase of intangible asset	-	(625,000)
Short term bank deposit	(22,716)	-
Long term bank deposit	36,672	(28,219)
Net cash used in investing activities	(81,734)	(669,027)
Cash flows from financing activities:		
Short-term bank credit, net	16,428	26,064
Issuance of shares, and warrants	634,000	2,093,011
Prepayment on account of shares	-	995,000
Net cash provided by financing activities	650,428	3,114,075
Increase (Decrease) in cash and cash equivalents	(704,869)	713,601
Cash and cash equivalents at the beginning of the year	768,069	54,468
Cash and cash equivalents at the end of the year	63,200	768,069
Supplemental disclosure of cash flows information:		
Cash paid during the period for:		
Interest	\$-	\$55

The accompanying Notes are an integral part of the consolidated financial statements.

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WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 1:- GENERAL:

A. Win Global Markets, Inc. (the “Company”) was incorporated under the laws of the State of Nevada on April 23, 2002. Effective as of October 24, 2011, the Company changed its name to Win Global Markets, Inc. The Company’s shares are currently quoted on the OTCQB under the symbol “WGMI.” The Company is engaged in offering online trading of binary options (see B. below).

The Company conducts its operations and business with and through its subsidiaries, (a) Win Global Markets Inc (Israel) Ltd., an Israeli company (b) WGM Services Ltd., a company registered in Cyprus (“WGM”); (c) B Option Ltd., an Israeli company (“B Option”) (currently not active); and (d) Gaming Ventures PLC, an Isle of Man company (currently not active).

B. Since March 28, 2010, the Company has been offering online trading of binary options. Specifically, the Company markets its online binary options business towards customers who are seeking to realize profits from their trades within a short period of time.

Between March 28, 2010 and July 31, 2011, the Company offered online trading of binary options through two of its wholly-owned subsidiaries in Cyprus and Israel. Worldwide trading continues to be offered by WGM on www.globaloption.com in Cyprus. The same services were featured through B Option, on www.options.co.il, until July 31, 2011.

On July 31, 2011, B Option and Manex Online Trading Ltd., an Israeli company (“Manex”), signed a marketing partnership agreement by which B Option transferred to Manex its entire customer database in exchange for revenue share distributions of 58% to B Option and 42% to Manex. The agreement also provides that Manex is entitled to use B Option’s domain name www.options.co.il for marketing purposes and to attract and retain B Option’s customers.

On April 19, 2012, B Option and Manex reached another agreement whereby Manex paid B Option approximately \$44,000 (in two equal installments, with the first in April 2012 and the second in May 2012) and the parties agreed that following the first payment, B Option would transfer the possession and ownership of the domain name www.option.co.il to Manex, and following the second payment, all obligations between the parties would be deemed satisfied. Both installments of the \$44,000 had been received as of May 2012.

In addition, since June 5, 2011, the Company has been offering online trading of binary options through the website www.eztrader.com which was part of the assets acquired from Venice (as defined below) (see Note 3).

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 1:- GENERAL (Cont.):

C. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered losses from operations and negative cash flows from operations since inception. For the year ended December 31, 2012, the net loss attributable to the Company was \$2,330,568 and the negative cash flows from operations were \$1,273,563.

The Company's gross profit in 2012 amounted to \$769,486, as compared to gross profit in 2011 of \$178,474, due to the launch and expansion of the Company's binary options business in those years.

As of December 31, 2012, deposits from players amounted to \$546,850, while current assets were \$312,959. Players may withdraw their deposits upon demand.

Despite its negative cash flows, the Company has been able to secure financing to support its operations to date, based on share issuances. The Company plans to seek additional funds from equity issuances in order to continue its operations and to leverage its binary options business. The consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

A. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying Notes. Actual results could differ from those estimates.

B. Financial statements in U.S. dollars:

Most of the revenues of the Company are generated in U.S. dollars ("dollar"). The Company's management believes that the dollar is the primary currency of the economic environment in which the Company operates. Thus, the functional and reporting currency of the Company and certain of its subsidiaries is the dollar. Accordingly, monetary accounts maintained in currencies other than the dollar are converted into U.S. dollars according to Financial Accounting Standards Board ("FASB") ASC Topic 830, "Foreign Currency Matters". All transaction gains and losses of the conversion of monetary balance sheet items are reflected in the consolidated statements of operations as financial income or expenses as appropriate.

C. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.):

D. Comprehensive income

As the Company has no comprehensive income (loss), there is no difference between net loss and total comprehensive income (loss).

E. Cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less.

F. Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method, over the estimated useful lives of the assets, at the following annual rates:

	%
Computers and peripheral equipment	33
Electronic devices	15
	Over the shorter of lease term or the life of the assets
Leasehold improvements	
Office furniture and equipment	6

G. Accounting for stock-based compensation:

The Company accounts for stock based compensation to employees in accordance with 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 the Company make several estimates, including the option's expected life and the price volatility of the underlying stock. For the years ended December 31, 2012 and 2011, the Company recorded stock based compensation costs in the amount of \$64,299 and \$67,999, respectively. For the year ended December 31, 2012, the Company's total unrecognized stock-based compensation costs amounted to \$87,792.

H. Revenue recognition:

Since March 28, 2010, the Company began generating revenues from its binary options business. The online binary options trading business involves a customer trying to predict the occurrence of a future event that will be settled in a win or lose situation at expiration or the end of the day. There is only a win or lose situation (binary option) and the gain or loss is recognized once every hour, or at the end of each day. Thus, each event commands an end on the same

day. The Company recognizes revenues from the binary operation net of losses.

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WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.):

I. Income taxes:

Deferred taxes are determined by utilizing the “asset and liability” method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, when it’s more likely than not that deferred tax assets will not be realized in the foreseeable future (see Note 11).

J. Concentrations of credit risk:

Financial instruments that potentially subject the Company and its subsidiaries to concentrations of credit risk consist principally of cash. The majority of the Company’s cash is held in dollar accounts with major banks in Israel, the United States and in Europe. The Company and its subsidiaries have no off-balance-sheet concentration of credit risk such as foreign exchange contracts, option contracts or other foreign currency arrangements.

K. Fair value measurement:

The Company measures fair value and discloses fair value measurements for financial and non-financial assets and liabilities. Fair value is based on the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The accounting standard establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.):

L. Basic and diluted net income (loss) per share - EPS:

Basic net (income) loss per share is computed based on the weighted average number of common shares outstanding during each year. Diluted loss per share is computed based on the weighted average number of common shares outstanding during each year, plus dilutive potential common shares considered outstanding during the year. For each of the years ended December 31, 2011 and 2012, the Company incurred a net loss and therefore no diluted EPS was presented and all common stock equivalents were anti-dilutive.

M. Impact of recently issued Accounting Standards:

In July 2012, the FASB issued Accounting Standard Update (“ASU”) 2012-02, “Intangibles—Goodwill and Other (Topic 350): Testing Indefinite Intangibles Assets for Impairment,” which amended the guidance in ASC 350-30 on testing indefinite-lived intangible assets, other than goodwill, for impairment allowing an entity to perform a qualitative impairment assessment. If the entity determines that it is not more likely than not that the fair value of the reporting unit is less than the carrying amount, further testing of indefinite-lived intangible assets for impairment is not required and the entity would not need to calculate the fair value of the asset and perform a quantitative impairment test. In addition, the standard did not amend the requirement to test these assets for impairment between annual tests if there is a change in events or circumstances; however, it revised the examples of events and circumstances that an entity should consider in interim periods, which are identical to those assessed in the annual qualitative assessment described above. ASU 2012-02 was effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption being permitted. The Company believes that the adoption of this standard will not have a material impact on its consolidated financial statements.

In December 2011, the FASB issued ASU No. 2011-11, “Balance Sheet (210): Disclosures about Offsetting Assets and Liabilities,” which requires additional disclosures about the nature of an entity’s rights of setoff and related arrangements associated with its financial instruments and derivative instruments. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods therein, with retrospective application required. In January 2013, the FASB issued ASU No. 2013-01, “Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.” The Company believes that the adoption of both the standard and the update will not have a material impact on its consolidated financial statements.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 3:- ACQUISITION:

On May 4, 2011, WGM and Venice Technologies Ltd., an Israeli corporation (“Venice”), entered into a Purchase Agreement (the “Venice Agreement”), pursuant to which WGM agreed to purchase Venice’s customer database (including liability to customers) and online trading of binary options software, including the domain name www.eztrader.com, for \$625,000 in cash. On May 5, 2011, WGM and Venice amended the Venice Agreement such that of the aggregate consideration of \$625,000 (excluding a derivative instrument of \$64,000 as explained below) contemplated to be paid to Venice under the Venice Agreement; \$500,000 was paid in cash at closing on June 5, 2011. With respect to the remainder of the payment in the amount of \$125,000, Venice had the option to either (i) receive the consideration on September 1, 2011, or (ii) receive 1,562,500 shares of the Company's common stock by such date. This option was recorded as a derivative in the amount of \$64,000. On September 1, 2011, the Company paid the remaining \$125,000 and issued 1,562,500 shares to one of our shareholders in respect thereof. Upon payment of the \$125,000, the derivative was charged to finance expenses.

The amount attributed to the customer database was \$866,000 (including liability to customers amounting to \$458,000) and to the software was \$281,000. The software platform is being amortized over a 3 year period and the customer database over 1 year, each of which represents their economic useful life.

The balance of intangible assets as of December 31, 2012 includes the unamortized amount of the software platform which amounted to \$132,694.

NOTE 4:- FAIR VALUE MEASUREMENT:

Items carried at fair value as of December 31, 2012 and 2011 are classified in the table below in one of the three categories described in Note 2.K.

	Fair value measurements using input type			
	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$63,200	\$-	\$-	\$63,200
	\$63,200	\$-	\$-	\$63,200

	Fair value measurements using input type			
	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$768,069	\$-	\$-	\$768,069
	\$768,069	\$-	\$-	\$768,069

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 5:- OTHER ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND RELATED PARTIES:

	December 31,	
	2012	2011
Government authorities	-	8,106
Prepaid expenses and other	4,500	14,748
	\$4,500	\$22,854

NOTE 6:- PROPERTY AND EQUIPMENT, NET:

	December 31,	
	2012	2011
Cost:		
Computers and peripheral equipment	\$150,268	\$56,544
Electronic devices	7,642	6,648
Leasehold improvements	15,704	15,704
Office furniture and equipment	13,928	12,956
	187,542	91,852
Accumulated depreciation:		
Computers and peripheral equipment	58,739	28,601
Electronic devices	2,103	1,008
Leasehold improvements	4,175	2,605
Office furniture and equipment	1,915	1,133
	66,932	33,347
Depreciated cost	\$120,610	\$58,505

Depreciation expenses were \$33,585 and \$20,190 for the years ended December 31, 2012 and 2011, respectively.

NOTE 7:- ACCRUED EXPENSES AND OTHER ACCOUNT PAYABLES:

	December 31,	
	2012	2011
Accrued expenses to suppliers	\$142,000	\$201,369
Employees and wage-related liabilities	307,352	109,422
Liabilities to ParagonEX	-	105,000
	\$449,352	\$415,791

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 8:- GENERAL AND ADMINISTRATIVE EXPENSES:

	December 31,	
	2012	2011
Depreciation and amortization	\$488,085	\$579,996
Management fees	200,000	481,000
Professional fees	342,890	148,555
Payroll and related	116,809	137,150
Legal fees	108,562	110,556
Maintenance	40,665	53,615
Rent	47,933	47,277
Other	159,081	163,251
	\$1,504,025	\$1,721,400

NOTE 9:- COMMITMENTS AND CONTINGENT LIABILITIES:

Lease commitments:

The Company leases its facilities under a lease agreement in Israel. This location for 2012 and 2011 consists of approximately 250 square meters of office space and the rent is approximately \$3,600 per month. The Company's current lease ended February 1, 2013. The Company has a new location beginning February 1, 2013 and ending January 31, 2015 for \$7,719 monthly rent. Future minimum commitments under non-cancelable operating leases as of December 31, 2012 are as follows:

Year ending December 31,	Rental of premises
2013	\$ 121,661
2014	\$ 127,136
2015	\$ 10,595
	\$ 259,392

Total rent and other attendant expenses for the years ended December 31, 2012 and 2011 were approximately \$47,933 and \$47,277, respectively.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 10:- SHARE CAPITAL:

A. Shareholders' rights:

The shares of common stock confer upon the holders the right to elect the directors and to receive notice to participate and vote in the shareholders meetings of the Company, and the right to receive dividends, if and when declared.

B. Dividends:

Historically, the Company has not declared or paid any cash dividends on its common stock. However, on February 11, 2011, the Company's Board of Directors (the "Board") adopted a policy pursuant to which it may pay dividends to its shareholders at a rate of up to 50% of its audited net profits, if any, as such profits are reported in the Company's Annual Report on Form 10-K. Dividends will be paid only if lawful under applicable laws and if not in violation of the Company's financing agreements. Though the Company's 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 the Company's results of operations, financial condition and capital requirements, and such other factors deemed relevant by the Company's Board. In the event that cash dividends are declared in the future, such dividends will be paid in U.S. dollars.

C. On June 5, 2011, the Company entered into securities purchase agreements with five investors (together, the "Investors"), for total consideration of \$500,000, pursuant to which the Company issued to the Investors an aggregate of 6,250,000 shares of its common stock and issued warrants to purchase 3,125,000 shares of its common stock, at exercise prices per share of \$0.08. No separate consideration was paid for the warrants. The warrants are exercisable six months after the date of issuance thereof, until five years from the date of issuance thereof. In addition, the Company undertook that if it does not reach either one of the following goals during the second half of 2011: gross deposits (i.e., funds transferred to the customers' account for trading) of \$2,500,000, trading P&L (i.e., the difference between losses and wins by customers) of \$1,250,000, or net profit, as reflected in the Company's financial statements, of at least \$400,000, then the Company shall issue to each Investor an additional warrant to purchase the same number of shares underlying the warrants issued to such Investor and under substantially the same terms as such warrants. However, the Company met the required goals and thus these contingent warrants were not issued. The total consideration of \$500,000 was recorded to equity. The purpose of this equity issuance was to finance the purchase of the assets acquired from Venice.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 10:- SHARE CAPITAL (Cont.):

C. (Cont.):

On August 15, 2011, the Company sold to seven investors an aggregate of 5,850,000 shares of its common stock for total consideration of \$468,000, and issued warrants to purchase an aggregate of 2,925,000 shares of its common stock at exercise prices per share of \$0.08. No separate consideration was paid for the warrants. The warrants are exercisable six months after the date of issuance thereof, until five years from the date of issuance thereof.

On August 22, 2011, the Company entered into a securities purchase agreement with Wigam LLC, a Delaware limited liability company (“Wigam”), for total consideration of \$1,000,000, pursuant to which the Company sold to Wigam 12,500,000 shares of its common stock and agreed to issue warrants to purchase 6,250,000 shares of its common stock at an exercise price per share of \$0.08. No separate consideration was paid for the warrants. The warrants are exercisable six months after the date of issuance thereof, until five years from the date of issuance thereof.

On December 4, 2011, the Company entered into a securities purchase agreement with HV Markets Limited (“HV”), a British Virgin Islands company, pursuant to which the Company agreed to sell to HV an aggregate of 12,500,000 shares of its common stock for total consideration of \$1,250,000, of which \$995,000 was received by December 31, 2011, with the remainder to be received at closing. In addition, the Company agreed to issue warrants to purchase 6,250,000 shares of its common stock at an exercise price per share of \$0.10. No separate consideration was paid for the warrants. The warrants are exercisable six months after the date of issuance thereof, until five years from the date of issuance thereof. The closing was on February 6, 2012, with the Company having received the remainder of the \$1,250,000 proceeds as of such date. As a result, the amount of \$995,000 received by December 31, 2011 was recorded as a liability under “prepayment on account of shares” as of December 31, 2011.

On November 8, 2012, the Company entered into securities purchase agreements with three existing shareholders, including certain of our management, pursuant to which the Company sold 3,790,000 shares and warrants to purchase an aggregate of 379,000 shares of common stock (the “Warrants”) at exercise prices per share of \$0.10 (the “Transaction”). No separate consideration was paid for the Warrants. The Warrants are exercisable on or after May 8, 2013 until twenty-four months from the date of issuance thereof. The aggregate net proceeds from the sale of the shares and issuance of the Warrants amounted to \$379,000.

WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 10:- SHARE CAPITAL (Cont.):

D. Stock option plans:

1. On November 23, 2004, the Company adopted the 2004 Global Share Option Plan (the "2004 Global Share Option Plan"). The 2004 Global Share Option Plan is intended to provide incentives to employees, directors and consultants by providing them with opportunities to purchase shares of the Company's common stock. Under the terms of the 2004 Global Share Option Plan, it is effective as of November 23, 2004 and terminates at the end of ten years from such date. The Company initially reserved 5,000,000 authorized but unissued shares of its common stock to be issued under the 2004 Global Share Option Plan. On May 4, 2006, April 15, 2012 and September 13, 2012, the Company's Board approved amendments to its 2004 Global Share Option Plan under which the number of shares reserved by the Company for the purpose of the 2004 Global Share Option Plan were increased from 5,000,000 to 8,000,000, 16,000,000 and 20,000,000, respectively. The exercise price of the options granted under the plans may not be less than the nominal value of the shares into which such options are exercised. The options vest primarily over three years. Any options that are forfeited or not exercised before expiration become available for future grants.

A special meeting of shareholders of the Company was held on January 25, 2012. The Company's shareholders approved an amendment to the amended Articles of Incorporation of the Company to increase the number of authorized shares of its common stock from 75,000,000 shares, par value \$0.001 per share, to 150,000,000 shares, par value \$0.001 per share.

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WIN GLOBAL MARKETS, INC. AND ITS SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars

NOTE 10:- SHARE CAPITAL (Cont.):

D. Stock option plans (Cont.):

2.A summary of the Company's share option activity to employees and directors and related information is as follows:

	Year ended December 31,		2011	
	2012	Weighted average exercise price \$	2011	Weighted average exercise price \$
	Number of options		Number of options	
Outstanding at the beginning of the year	7,505,261	0.44	8,615,261	0.44
Granted	1,200,000	0.1	-	-
Forfeited	-	-	(1,110,000)	0.06
Outstanding at the end of the year	8,705,261	0.44	7,505,261	0.44
Options exercisable at the end of the year	7,830,261	0.47	7,005,261	0.47
Weighted-average fair value of options granted during the year	\$ 0.1		\$ -	

3.No options were granted in 2011. The fair value of each option granted is estimated on the date of grant, using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield of 0% for 2012; expected volatility: 2012 – 353%; risk-free interest rate 2012 - 2.0%; expected life: 2012 - 4 years. There was no intrinsic value for options outstanding during 2012 and 2011 as the market price of the share was lower than the exercise price.

4.The Company is required to assume a dividend yield as an input in the Black-Scholes option-pricing model. The dividend yield assumption is based on the Company's historical experience and expectation of future dividend payouts and may be subject to change in the future.

The Company uses historical volatility in accordance with FASB ASC Topic 718, "Stock Compensation". The computation of volatility uses historical volatility derived from the Company's traded shares.

The risk-free interest rate assumption is the implied yield currently available on U.S. Treasury zero coupon bonds, issued with a remaining term equal to the expected life term of the Company's options.

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 10:- SHARE CAPITAL (Cont.):

D. Stock option plans (Cont.):

4.(Cont.):

Pre-vesting rates forfeitures were estimated based on pre-vesting for feature experience.

The Company uses the simplified method to compute the expected option term for options granted.

The options outstanding as of December 31, 2012, have been classified by ranges of exercise price, as follows:

Exercise price \$	Options outstanding as of December 31, 2012	Weighted average remaining contractual life (years)	Options exercisable as of December 31, 2012	Weighted average exercise price of options exercisable \$
0.06	2,900,000	6.10	2,900,000	0.06
0.1	1,200,000	1.75	325,000	0.1
0.11	1,500,000	4	1,500,000	0.11
0.55	200,000	2	200,000	0.55
0.725	200,000	4.25	200,000	0.725
1	192,261	4	192,261	1
1.15	2,513,000	7	2,513,000	1.15
	8,705,261		7,830,261	

NOTE 11:- INCOME TAXES:

A. Loss (income) before taxes on income:

	Year ended December 31,	
	2012	2011
Domestic	\$ 2,612,326	\$ 1,596,628
Foreign	(281,758)	639,445
	2,	2,
	\$ 330,568	\$ 236,073

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NOTE 11:- INCOME TAXES (Cont.):

B. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company and its subsidiaries' deferred tax assets are as follows:

	Year ended December 31,	
	2012	2011
Operating loss carry-forward		
Temporary differences	\$ 6,086,518	\$ 4,403,221
Deferred tax asset before valuation allowance	6,086,518	4,403,221
Valuation allowance	(6,086,518)	(4,403,221)
Net deferred tax asset	\$ -	\$ -

As of December 31, 2012, the Company and its subsidiaries have provided valuation allowances of \$ 6,086,518 in respect of deferred tax assets resulting from tax loss carry-forwards and other temporary differences. Management currently believes that since the Company and its subsidiaries have a history of losses it is more likely than not that the deferred tax regarding the loss carry-forwards and other temporary differences will not be realized in the foreseeable future. The change in valuation allowance was \$ 785,725 in 2012.

C. Net operating losses carry-forwards:

The U.S. subsidiary had accumulated losses for tax purposes as of December 31, 2012, in the amount of \$ 11,332,695 which may be carried forward and offset against taxable income, and which expires during the years 2022 through 2025.

The Israeli subsidiaries have accumulated losses for tax purposes as of December 31, 2012, in the amount of \$2,344,973 which may be carried forward and offset against future taxable income.

D. Theoretical tax:

The main reconciling items between the statutory tax rate of the Company and the effective tax rate are the non-recognition of the benefits from accumulated net operating losses carry-forward among the various subsidiaries worldwide due to the uncertainty of the realization of such tax benefits.

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 11:- INCOME TAXES (Cont.):

E. Tax rates on Israeli subsidiaries:

On December 5, 2011, the Israeli parliament approved the Law to Change the Tax Burden (Legislative Amendments) - 2011. According to such law, the Company's tax rate will be 25% from and after 2012.

F. Income taxes on non-Israeli subsidiaries:

Non-Israeli subsidiaries are taxed according to the tax laws in their respective country of residence.

Israeli income taxes and foreign withholding taxes were not provided for on undistributed earnings of the Company's foreign subsidiaries. The Company intends to reinvest these earnings indefinitely in its foreign subsidiaries. If these earnings were distributed to Israel in the form of dividends or otherwise, the Company would be subject to additional Israeli income taxes (subject to an adjustment for foreign tax credits) and foreign withholding taxes.

G. Uncertain tax position

The Company has recorded no liability for income taxes associated with unrecognized tax benefits at the date of adoption and has not recorded any liability associated with unrecognized tax benefits during 2012, and 2011. Accordingly, the Company has not recorded any interest or penalty in regard to any unrecognized benefit.

NOTE 12:- FINANCIAL EXPENSES:

	Year ended December 31,	
	2012	2011
Financial (Income) expenses:		
Interest, bank charges and fees, net	\$57,194	\$44,677
Derivative income	-	(64,000)
Foreign currency translation differences	(254,351)	(36,479)
	\$(197,157)	\$(55,802)

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NOTE 13:- RELATED PARTIES TRANSACTIONS:

On September 23, 2008, the Company entered into a consulting agreement (the “Citron Consulting Agreement”) with Citron Investments Ltd. (the “Consultant”), an Israeli corporation wholly owned by one of the Company’s directors, and its CEO, Mr. Shimon Citron.

On December 9, 2010, the Company and the Consultant amended the Citron Consulting Agreement (the “Amendment”). The Amendment amended the compensation terms of Mr. Citron as follows: (i) Mr. Citron received from the Company a special discretionary bonus for the year 2010 in the amount of \$84,000. Such bonus was granted for the Company’s performance and for performing services for the Company on a full time capacity during 2010, notwithstanding the fact that the Citron Consulting Agreement provides that Mr. Citron should devote 25 hours per week for the provision of such services. The bonus was paid based on the Company’s cash flow; (ii) effective January 1, 2011, the annual fee to Mr. Citron, for providing the Company services on a full time basis, shall be \$200,000; and (iii) Mr. Citron shall be entitled to receive a recurring annual bonus in the amount of \$50,000 subject to meeting the Company’s goals as such goals shall be determined by the Company’s Board in the annual budget.

The goals for Mr. Citron’s 2011 performance bonus were as follows:

1. Raising capital of at least \$3,000,000 to finance the Company’s activities. By completing the Company’s 2011 equity issuances as described in Note 10 above, Mr. Citron was deemed by the Board to have met this goal.
2. Acquiring unique unlicensed software and increasing the Company’s brand, activity, volume trading and customer database. By completing the acquisition from Venice as described in Note 3 above, Mr. Citron was deemed by the Board to have met this goal.

On April 15, 2012, the Board also approved an additional bonus of \$231,000 for services performed by Mr. Citron in 2011, and in particular, for exceeding the Board’s goals and expectations with respect to the equity issuances in 2011 and the closing of the Venice acquisition. Such bonus was advanced to Mr. Citron at the end of 2011.

On November 8, 2012, the Company entered into securities purchase agreements as described in Note 10C.

As of December 31, 2012, the Company had outstanding management fees and advances to be repaid to Mr. Shimon Citron, the Company’s CEO (personally and through his private company), in the aggregate amount of \$142,182

NOTE 14:- SUBSEQUENT EVENTS:

On March 5, 2013, the Company issued an aggregate of 1,368,920 shares of common stock in connection with the cashless and cash-based (aggregate cash amount of \$53,513) exercises of \$500,000 of warrants issued in connection with the Company’s March 2008 convertible debt transaction with Mr. Shimon Citron, the Company’s CEO and a director.

