

EZTD Inc
Form 10-12G/A
October 29, 2015

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File No. 000-51255

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

FORM 10/A

AMENDMENT NO. 4
GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934

EZTD INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

98-0374121
(I.R.S. Employer Identification No.)

6 Yehezkel Koifman Street,
Tel-Aviv, Israel 68012
(972)-73-705-8000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Shimon Citron, Chief Executive Officer
6 Yehezkel Koifman Street,
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(972)-73-705-8000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Securities to be registered pursuant to Section 12(b) of the Act: None

Securities to be registered pursuant to Section 12(g) of the Act:
Common Stock, par value \$0.001 per share

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated (Do not check if a smaller filer reporting company)	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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EXPLANATORY NOTE

This Registration Statement on Form 10 is being filed by EZTD Inc., formerly known as EZTrader, Inc., in order to register its common stock, par value \$0.001 per share, voluntarily pursuant to Section 12(g) under the Securities Exchange Act of 1934 as amended (the “Exchange Act”). Unless otherwise noted or indicated by the context, the terms “EZTD”, “the Company,” “we,” “us” and “our” refer to EZTD Inc., together with its consolidated subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this Registration Statement on Form 10 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 Registration Statement on Form 10. 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, 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 Registration Statement on Form 10.

Item 1. Business.

Overview

We are engaged in the business of offering online trading of binary options. We conduct our operations and business with and through our wholly owned subsidiaries: (a) Win Global Markets Inc. (Israel) Ltd., an Israeli company and (b) WGM Services Ltd., a company registered in Cyprus (“WGM”). Trading is being offered by WGM on <http://www.eztrader.com>, <http://www.globaloption.com>, and <http://www.ezinvest.com>. Information contained on, or that can be accessed through, our websites does not constitute a part of this Registration Statement on Form 10, and we have included our website addresses in this Registration Statement on Form 10 solely as inactive textual references. We will post on our websites any materials required to be so posted on such websites under applicable corporate or securities laws and regulations, including, posting any XBRL interactive financial data required to be filed with the Securities and Exchange Commission (“SEC”), and any notices of general meetings of our shareholder.

We have developed and currently operate an online trading platform for retail customers to trade a wide range of binary options internationally with more than 100 different assets including indices, international stocks, commodities and currency pairs (“Trading Platform”).

The Trading Platform enables retail customers to trade binary options in more than 30 countries. It is accessible from multiple operating systems (Windows, smartphones (iOS and Android) and tablets) and the internet. The Trading Platform has been self-developed and is proprietary. The Trading Platform has been designed to be as intuitive and as easy to use as possible. The Trading Platform has been localized into eleven languages. We believe that our emphasis on technology, together with targeted online marketing strategy, has helped to differentiate us from our competitors.

In June 2013, the Cyprus Securities and Exchange Commission (“CYSEC”) authorized us to freely provide our services in all European Union (“EU”) member states where CYSEC has informed each country competent authority. As a result we now operate in Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Ireland, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. To comply with United States federal securities laws and U.S. Commodity Futures Trading Commission (“CFTC”) regulations, we prohibit U.S. and Canadian persons from using our Trading Platform. We utilize geo-targeting, which is the method of determining the country of the website visitor based on his or her address. Even if the website visitor uses a virtual private network or some other method of Internet Protocol which will prevent us from correctly identifying his or her country, we have a second layer of security, in the form of credit card/bank account identification and proof of address such as a current utility bill, and copies of a passport from each potential user to further ensure that he or she does not reside in the United States.

Once a potential customer is identified as a U.S. person based on the methods described above, our trading platform automatically blocks this potential customer from using our website.

We conduct our operations from two offices which are located in Nicosia, Cyprus and Tel-Aviv, Israel. Currently we have 120 full time employees. We manage risk in a number of ways, in particular by limiting financial exposure to any individual customer to a relatively low level as well as limiting exposure to any individual asset. We generate our revenues principally from the margin between winning customers and losing customers. We do not charge customers a commission on trades.

Our Company was incorporated under the laws of the State of Nevada on April 23, 2002. On June 3, 2015, the Company reincorporated in Delaware. Effective as of January 26, 2015, we changed our name from EZTrader Inc. to EZTD Inc. Our shares were registered under the Exchange Act from December 24, 2002 until August 26, 2013. On August 26, 2013, we filed a Form 15 with the SEC to voluntarily deregister our common stock and suspend our reporting obligations under the Exchange Act. We are now filing this Registration Statement on Form 10 in order to re-register our shares of common stock with the SEC and resume our reporting obligations under the Exchange Act.

Historically, we have been engaged in the business of offering technology servicing the interactive gaming industry for regulated markets, mainly through third parties. In November 2009, following sales of our assets, we changed our business model and in March 2010 launched our binary options business. On June 5, 2011, as further discussed below, our subsidiary, WGM completed the acquisition of proprietary software, customer database and all rights related thereto, including the domain name www.eztrader.com, from Venice Technologies Ltd., an Israeli corporation, which platform features online trading of binary options.

On June 17, 2015, for the purpose of expanding into new markets, the Company signed a share purchase agreement with GKFX Financial Services Limited, to purchase all of its outstanding shares. GKFX Financial Services Limited operates as a foreign exchange brokerage business, and is regulated by the Japanese Financial Services Agency. GKFX Financial Services Limited is authorized under its Type I Financial Instruments Business Registration to conduct Foreign Exchange and Contract of Differences businesses in Japan. It operates exclusively in Japan, and may offer its authorized services to local Japanese customers only. GKFX Financial Services Limited is also in the process of obtaining a Japanese regulatory license to offer online binary options products and services.

The aggregate purchase price for all outstanding shares in GKFX Financial Services Limited was \$400,000, plus the value of net assets of GKFX Financial Services Limited on the closing date, which took place on July 3, 2015.

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”).

A binary option is an option with a predetermined expiration time. At the expiration of the option period the customer either wins or loses. There is no automatic exercise feature since the options are of binary nature and the customer does not end up with a position in the underlying asset.

Once a customer enters into a contract neither we nor the customer can change the contract.

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. The fixed return is attached to a particular asset and the customer has the ability to see the potential payout prior to entering into a certain option contract. The customer does not have the ability to determine the percentage of return on such contract, however the customer sees the exact payout ratio via the platform.

The “payout ratio” represents the ratio of (1) the fixed return the customer will earn when the position is closed, against (2) the market price of the asset when the customer enters the position. Management, together with the head of the risk department, set and determine the payout ratio for each underlying asset featured on our Trading Platform. The payout ratios are clearly marked next to each trading asset so customers know in advance how much they may gain or lose on each tradable asset. The Company’s methodology in calculating payout rates for assets are trade secrets and not disclosed to customers. Customers may withdraw their deposits upon demand. Upon request of a withdrawal by the customer, the funds are returned to such customer within three business days. 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 or her transaction amount (usually around 75%) if his or 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 loses between 90%-95% of his or her investment. The difference between what we receive when customers lose and what we pay out to the customers when they win, constitutes our revenue. 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 paid by us back to the customer. If its stock is trading below \$100, only \$10 is paid by us to the customer and we generate revenue of \$90.

In addition, once the customer makes a deposit, a contingent bonus is added into his or her account on top of his or her deposited amount. The customer is granted with the opportunity to forego the bonus and continue with the deposit made by him or her only. The bonus added typically amounts, on average, to between 20% and 30% of the customer’s actual deposit, but the Company may choose to increase the bonus amount offered to the customer and the customer as well may request to increase the bonus amount. To be entitled to withdraw a bonus or any profit earned in the account after the bonus is added into the account, a customer must turn-over a trading volume of 25 times the amount of the bonus. As an example, if a customer received a bonus of \$100, to be entitled to withdraw this bonus, he or she will need to trade a minimum volume of at least \$2,500 during a time period no longer than 90 days from his or her first trade. If the customer has not reached the required volume within this 90 day period, then the bonus will be voided and deducted from the customer’s available balance and any other profit earned in the account after the receipt of such bonus will be void as well and will not be included in the amounts that the customer is able to withdraw from his or her account. In the event that the customer loses on a particular trade after a bonus has been added into his or her account, such loss will be deducted from the actual amounts deposited by the customer and not from the bonus. Customers are not required to accept bonuses; they are optional for all customers. A customer may select not to accept a bonus via a link located at the bonus terms and conditions section of the Company’s website.

As of August 1, 2015, we have upgraded the terms and conditions of granting trading benefits to be consistent with Circular 65 issued by CYSEC regarding the granting of trading benefits. We have separated trading benefits into two separate types of contingent trading bonuses, as follows:

·“Sign-Up Bonus”: a Sign-Up Bonus may be granted after a customer registers a new account with the Company. The client is not required to make a prior deposit into the account. The customer can capitalize the free initial credit granted to him or her as a result of the Sign-Up Bonus only if he or she meets the withdrawal preconditions (volume

generation must be equal to 25 times the initial bonus provided within 90 days).

For illustrative purposes, if a customer deposits \$0 and receives a Sign-Up Bonus of \$100, he or she must meet the withdrawal preconditions (i.e., generating total volume of \$2,500 ($\100×25) within 90 days) before being eligible to withdraw his or her profit and bonus funds. At the time the customer requests to withdraw funds from his or her account, he or she has made a profit of \$400 from winning trades; if he or she has met the withdrawal preconditions, he or she is eligible to receive \$500 (\$400 profit, plus \$100 Sign-Up Bonus). If he or she has not met the withdrawal preconditions, he or she is eligible to receive \$0 (due to cancellation of profit and Sign-Up Bonus funds).

·“Deposit Bonus”: a Deposit Bonus may be granted to a customer once he or she makes a deposit into his or her trading account. In the case of Deposit Bonuses, customer funds, including profits and losses, are available for withdrawal at any given time; the only element dependent on the withdrawal preconditions is the bonus itself. This Deposit Bonus is only available for withdrawal if the customer meets the withdrawal preconditions (volume generation must be equal to 25 times the initial bonus provided within 90 days).

For illustrative purposes, if a customer deposits \$1,000 and receives a Deposit Bonus of \$500, he or she must meet the withdrawal preconditions (i.e., generating total volume of \$12,500 ($\500×25) within 90 days) before being eligible to withdraw his or her profit and bonus funds. At the time the customer requests to withdraw funds from his or her account, he or she has made a profit of \$500; if he or she has met the withdrawal preconditions, he or she is eligible to receive \$2,000 (\$1,000 deposit amount, plus \$500 Deposit Bonus, plus \$500 in profits). If he or she has not met the withdrawal conditions, he or she is eligible to receive \$1,500 (the \$1,000 deposit, plus \$500 in profits).

If, on the other hand, the customer, at the time he or she requests to withdraw funds from his or her account, had incurred a loss of \$200 from losing trades, but met the withdrawal preconditions, he or she is eligible to receive \$1,300 (\$1,000 deposit amount, plus \$500 Deposit Bonus, less \$200 in losses). If he or she did not meet the withdrawal preconditions, he or she is eligible to receive \$800 (due to cancellation of Deposit Bonus, \$1,000 deposit, less \$200 in losses).

Customers are informed about all aspects of the bonuses at the time of election via the detailed terms and conditions available on our website. Customers are also advised of the terms and conditions in the process of, and prior to, registering new accounts, and are required to acknowledge that they have read the terms and conditions before they may proceed with opening an account. Customers are only subject to the withdrawal preconditions described above if they elect to accept the Sign-Up and/or Deposit Bonuses when registering a new account. The majority of customers typically do not meet the required volume of trades to retain bonuses.

For volume purposes, trading both a call option and a put option on the same asset and at the same expiration time are considered a single trade. Sell option transactions are not included in calculating the trading volume threshold required to be met to withdraw the bonus. A customer may not receive a bonus for a deposit when, at the same time, he or she has a pending withdrawal request. The Company may decide at its own discretion whether or not to grant bonuses.

Any customer has to have his or her own personal account with us in order to use our Trading Platform. Once a customer enters into his/her account, and wants to invest in an option the customer is made aware of the payout and loss ratio prior to entering into a contract via the Trading Platform. Upon a request to withdraw funds the customer receives a payout within 3 business days. These ratios are always fixed prior to the opening of a contract with a customer and determined based on the risk of the underlying asset at the time that we make the asset available for trading.

Online binary options usually carry an expiration date, or time, of once every hour, end of business day, depending on the specific chosen expiration period.

Online Binary Options Market

The online financial trading industry is competitive and evolving. As an international provider of binary options, we compete primarily against businesses like AnyOption.com and 24Option.com.

There are a number of websites competing in other online trading mediums, such as trading in pairs of foreign currencies, commodities, equities and indexes.

Different Types of Binary Options

Binary options are simple put or call options conditioned only by 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 or her conditional scenario proves to be right or his or her loss if his or her conditional scenario proves to be wrong.

Binary Options Websites

We offer customers, mainly from European markets, the ability to trade on options through www.eztrader.com and www.globaloption.com. Approximately 92% of our revenues is derived from the European market. We do not presently offer our services to customers from the United States, Canada, Turkey, or certain other South East Asian countries. We utilize geo-targeting, which is the method of determining the geolocation of a website visitor based on his or her location, such as a country, region/state, city, metro code/zip code, Internet Protocol or Internet Service Provider. Once a potential customer is identified as a U.S. person based on the geo-targeting method described above. Our trading platform automatically prohibits this potential customer from accessing the Company's website. In addition, as part of the required documentation from customers, we obtain proof of address such as a current utility bill, copies of a passport and credit card from each potential customer to further ensure that he or she does not reside in the United States.

There can, however, be no assurance that we will in every instance be successful at filtering out customer applications received from persons located in the United States. It is also possible for existing customers to access the Trading Platform from the United States if they physically move to the United States. Further, although our website is blocked to persons in the United States, and we have systems in place designed to prevent a customer application from the United States being accepted, such systems are subject to human and technological error, and fraud on the part of a customer. If a customer in the United States were to open an account on the Trading Platform, this could subject us to legal and/or regulatory action and/or liability in the United States. There is also a risk that a customer could mask their IP address in order to access the Trading Platform from the United States, which could result in regulatory action being taken against us in the United States.

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 simpler and straightforward method for the realization of immediate returns on trades in the global financial markets.

Customers use our 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 90%-95% of their trades if their option expires “out-of-the-money”. Expirations take place once every sixty seconds, or every hour, or at the end of each day depending on the specific chosen expiration period.

We also offer Long-Term Options which include a few options that commence on one specific business day, and are differentiated by their expiry date. Such Long-Term Options may expire after a minimum period of one day, one week, one month or at the end of each calendar quarter or year. The purchase prices of the Long-Term Options and their return rate may be changed from time to time according to supply and demand and market risk, but on the expiry date of such options, their relevant price will be their exact market price at their exact expiry moment. In any event, the minimum buying amount with regard to the Long-Term Options is \$500, and no bonus is paid and no turnover bonus is calculated on such options. If a return rate is changed, then the change applies to the Long-Term Options purchased after the change. A comparison between the buying price of a Long-Term Option and such option's price on its expiry date shall determine whether the purchaser of such Long-Term Option is entitled to receive the relevant payment. Once a Long-Term Option is purchased, it cannot be canceled or re-traded. The Long-Term Option stays in the possession of its purchaser, solely and exclusively, until it expires. The Long-Term Option's price includes dividends (if distributed). The exchange rate on the day of the Long-Term Option's expiry shall prevail. If a stock split has occurred with regard to the holdings in a relevant asset or commodity, then, on the date of such split, the price of the relevant Long-Term Option is changed accordingly.

Our trading platform gives a customer the ability to buy or sell options on all of the assets listed on the platform. Prior to making an investment decision, the customer sees the current real time quotes of the particular asset and also sees the predetermined gain or loss ratio for each particular option.

A new customer is directed to a sign up page, where he or she has access to all terms and conditions related to the platform in 13 different languages. On the registration page the customer needs to input certain basic personal information, which is required to open an account. This process is simple and straightforward. Customers have the ability to deposit funds via a direct wire, credit card payment or via alternative payment methods specific to each country. There are no fees associated with opening an account or with executing any option transaction. The minimum initial deposit is \$200 for dollar-based accounts, €200 for euro-based accounts and £200 for pound-based accounts. All other currency accounts have a minimum initial deposit equivalent of \$200 in the particular currency.

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 they can then proceed to make their trades.

All quotations of current rates and active assets of the different trading exchanges are provided through eSignal and NASDAQ OMX in real time.

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

Marketing

We invest significantly in marketing and advertising as we believe that marketing and advertising is critical for increasing number of new customers and active customers which are among the main drivers of revenue growth. We seek to acquire customers through a range of marketing online channels such as media buying, affiliation with marketing partners, Pay Per Click (PPC), Search Engine Optimization (SEO) and social media.

In August 2014, we signed exclusive three year premium partnership agreement with Bayer 04 Leverkusen, a Premier Bundesliga Football Team, pursuant to which we became a sponsor of this team and receive certain rights, including on-line and field display of our logos and the right to use the website addresses of this team for our marketing and advertising purposes.

In September 2014, we signed a sponsorship agreement with VFL Wolfsburg women team, a Premier Bundesliga Football Team which won the European Champions league in the past two years, pursuant to which we became a sponsor and received certain rights, including on-line and field display of our logos and the right to use the website addresses of these teams for our marketing and advertising purposes.

In October 2014, we signed a cooperation agreement with AIK Football AB, a football club of Solna, Sweden, which will be in effect until the end of 2017, pursuant to which we became a sponsor and received certain rights, including on-line and field display of our logos and the right to use the website address of this club for our marketing and advertising purposes.

In November 2014, we signed an advertising agreement with the National German Women's Handball team. Pursuant to this agreement, we have the right to present our corporate logo on the front of the jerseys of each player and staff member, together with advertising rights for online binary trading, and our corporate logo on the LED advertising system during all matches. The agreement will be in effect through October of 2016.

In September 2014, we signed a sponsoring contract with VfL Wolfsburg Fussball GmbH. This contract will be in effect through June 2018, pursuant to which we will become a sponsor and receive certain rights, including on-line and field display of our logos and the right to use the website addresses of the team for our marketing and advertising purposes.

In March of 2015, we signed a partnership agreement with the Everton Football Club Company Limited with immediate effect that will continue through May 2017. We will benefit from advertising at all domestic cup games played at the Goodison Park in Liverpool and host exclusive content on the club's website.

Our marketing strategy is to focus on investing in targeted and cost-effective marketing initiatives, including in both online and off-line media channels, affiliate programs, sponsorships and co-operations with leading consumer manufacturers, which provide us measurable results. The majority of advertising is conducted through online channels such as search engine websites (such as Google, MSN and Yahoo), apps and via the "OPTION AFFILIATES.COM" program, which is an extensive affiliates network with approximately 2,500 affiliates.

Under the media buying channel we seek and maintain local websites that can generate quality traffic source, within the "OPTION AFFILIATES.COM" program. We maintain a large number of "affiliate" marketing partners, typically operators of one or more websites on which certain products and services are promoted. We provide our affiliates with a range of marketing materials designed to direct potential customers to the Trading Platform, and affiliates are compensated on a success basis.

OPTIONAFFILIATES.COM, wholly owned by us, allows our partners, such as advertising networks, to get marketing materials for their use and it also allows us to acquire new customers. Customers obtained from a partner will be credited to such partner and if the customer starts trading, then such partner will be entitled to a payment in accordance with a predetermined rate. The basic OPTIONAFFILIATES.COM program offers eligible partners \$200 per customer. All other terms of compensation to partners are based on the volume of customers received from each partner. Our program is based on the success of our partners and allows us to work with large agencies and small advertisers.

We have engaged with business intelligence providers in order to measure our marketing results. Business intelligence systems have provided us with full insights on user potential, personal preferences and operative platform to connect with users (via emails, SMS and our call center). We currently work with three different business intelligence companies. All three vendors gather collective information about our users' activities and operate based on actions within our platform.

One of the vendors is an operational business intelligence company that allows us to segment users per specific criteria and then communicate with these users in the most efficient notification method such as email, customer support SMS or push notifications within the mobile applications.

Another vendor is a business intelligence service company that analyzes our database and segments it for special promotions.

The third vendor is a social engagement platform that allows us to add social elements into the platform.

The collective fees for all three vendors are an immaterial expense to us.

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We are able to analyze this data to determine the conversion ratios between the “clicks” on the website and sign-ups for real money accounts. In reviewing this information, we are able to calculate the return on investment and the maximum price per click we are prepared to pay for a particular online marketing campaign, and as a result, to allocate marketing resources effectively. We believe online awareness of our brand is growing.

Strategy

We intend to grow our customer base further and increase the proportion of customers who trade frequently and for a longer period of time, resulting in an increase in the number of trades executed on the Trading Platform. We intend to do this by increasing brand awareness and business intelligence and attracting more customers in regulated markets, to and retaining more customers on, the Trading Platform. We believe that increased brand awareness with business intelligence will generate greater Average Revenue Per User (“ARPU”) by improving our perception by customers and hence willingness to trade on the Trading Platform with greater frequency and in greater quantum. We believe that increased brand awareness alongside with deep business intelligence has the potential to improve the margin between ARPU and Average User Acquisition Cost (“AUAC”).

We also intend to increase our customer base through entry into new markets. Where appropriate, we will also consider setting up local offices or subsidiaries in such markets and to extend our product and technology offering.

We intend to further update the number of financial assets offered for binary options trading on the Trading Platform. We believe that by adjusting the product portfolio, we will attract more relevant customers to the Trading Platform resulting in a variety of trading activity.

We have extended our trading platform and it is now available on many leading mobile devices. We strongly believe that our ability to deliver the most advanced and reliable mobile platform will enable us to continue to have a leading position in the market place.

Trading Platform

We believe that our success is primarily due to the self-developed proprietary technology supporting the Trading Platform:

(i) Customer interface the Trading Platform

The Trading Platform provides a simple and consistent interface for customers across a number of different devices. It has been designed to be as intuitive and easy to use as possible and provides customers with real-time prices, execution facilities and a multitude of order types. Through these proprietary and user-friendly delivery channels, customers may trade and access their account information online through a number of different mediums, which increases accessibility to, and traffic on, the Trading Platform.

The Trading Platform’s customer interface is designed to interact efficiently, with as little human input as possible. The Trading Platform processes each customer’s trades automatically, updating the “back office” account information in real-time. Real-time position-keeping also allows customers to monitor their open positions and trading activity continuously.

As a result of our self-developed proprietary technology, we pay no external license fees for our core Trading Platform technology. This allows us to operate with internal timeline and allow flexible account management with customers not limited by third party limitations from a platform service provider.

In the years ended December 31, 2014 and 2013 over 585,000 and 152,000 trades were closed on the Trading Platform, respectively. We believe there is significant scope for the Trading Platform to process more trades, without a material increase in development costs. The Trading Platform is designed to accommodate additional instruments and customers easily, with limited modifications and minimal capital expenditure.

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(ii) Robust, scalable technology platform and infrastructure

The modular server architecture is designed to maximize trade reliability, speed and network security across our network. In addition, we operate through a number of different scalable servers, so that if one or more should fail, the remaining servers should be in a position to maintain our operations. We believe that our business model is scalable as a result of the level of automation in the Trading Platform.

All quotations of current rates and active assets of the different trading exchanges are provided through NASDAQ OMX, eSignal, EuroNext and Leverage in real-time.

We utilize Leverage as a service provider to obtain real time quotes of all the underlying assets. Leverage has a 24 hour support service to assist with any quotes disputes. We pay a fixed minimum fee per month for all assets provided in the Trading Platform. This expense accounts for less than 1% of our overall expenses.

The network is protected against unauthorized intrusions by firewalls and, to maximize reliability and security, we have developed a backup system in the event the systems are unable to perform. All data held in the network is clustered in a "Storage Area Network" and is automatically backed up every hour with the backups being transported offsite once each week. To date, we have never experienced an unauthorized intrusion into our network.

While we are responsible for the administration of the Trading Platform, we use a third party hosting service. The third party service provider, which has a Statement on Standards for Attestation Engagements No. 16 ("SSAE 16") accreditation, also provides monitoring services. SSAE 16 defines the standards an auditor must employ in order to assess the contracted internal controls of a service organization. The report for internal controls of the third party hosting service is in accordance with SSAE16. Service organizations, such as hosted data centers, insurance claims processors and credit processing companies, provide outsourcing services that affect the operation of the contracting enterprise. In the case of a disaster, the third party service provider is responsible for the provision of replacement devices that are ready for deployment.

We believe that as the binary options market continues to experience growth, we have the proprietary technology to grow with it with a view to increasing our market share. In addition, developing the necessary proprietary technology presents high barriers to entry for new entrants into the market due to the time-consuming and capital-intensive software development which is initially required. Although comparable technology may be available by lease or other means, reliance on outside parties has the potential to interrupt the flow of business, inadvertently release customer information, and reduce efficiency and responsiveness to customers.

Proprietary Intellectual Property

To our knowledge, none of our products or services is subject to any patents, or patent applications, We believe that our products and services, including the Trading Platform, are primarily protected by copyrights, trademark, trade secrets and contract laws in the jurisdictions in which we operate. However, despite our efforts to protect our proprietary rights from unauthorized use or disclosure, our efforts may not be sufficient or successful. It may be possible that some of our innovations may not be protectable. If third parties were to use or otherwise misappropriate our source code, other copyright materials, trademarks, service marks or other proprietary rights without our consent or approval, our competitive position could be harmed, or we could become involved in costly and distracting litigation to enforce our rights.

We do not currently own any registered copyrights or trademarks.

Customer base

We are a highly customer focused business as both winning and retaining customers is our key strategy. The Trading Platform is only used by retail customers and is not available to institutional traders.

We believe that our business is attractive to customers for several reasons, including, but not limited to, the following:

- the Trading Platform provides a simple and consistent interface for customers across a number of different devices;

- we aim to offer a variety of options. Such options vary by instrument category and include options on indices, equities, foreign currency and commodities. We constantly add new assets to our offerings, which also include new listings. New assets are comprised of individual options for the above mentioned instrument categories. In addition, we accommodate customers' requests to add certain new assets;
- we offer binary options linked to a broad range of underlying instruments, including indices, international stocks, commodities and currency pairs; and
- our strategy involves offering bonuses which are designed to attract new customers and encourage existing customers to trade on the Trading Platform.

Industry background and markets

We believe that customers are being attracted to Binary Option trading due to the range of underlying financial instruments, high payout offering and the ability to gain exposure to such instruments with a relatively low capital requirement.

We believe that, internationally, there is an increased acceptance of binary options both as a viable investment and as a product which offers a simple ability to trade. We believe that, going forward, customers will favor regulated online trading providers with a global reach and, accordingly, we continue to enhance and develop our existing Trading Platform and seek to anticipate market trends and customers' expectations.

The online financial trading industry is competitive and evolving. As an international provider of binary options, we compete primarily against businesses like AnyOption.com, 24Option.com.

We believe we have several key competitive advantages in our marketplace including, but not limited to:

- no commission on trades;
- a technology platform which is not reliant on third party software;
- a simple offering consisting of only binary options across four underlying asset classes;
- a user-friendly Trading Platform which allows the users to handle his or her trades in a very simple way; and
- a state of the art Trading Platform application for mobile devices.

We have a special department that constantly monitors users' reviews, blogs, forums and articles and provides official responses to all questions, feedbacks and complaints together with the assistance of our support department. On a daily basis, we monitor reviews of other binary options providers in order to insure that we maintain the highest quality of service. This department invites customers to post their opinions by opening EZTD support channel threads in binary options forums. We also retain contact with our customers through social media platforms. All of these services are being provided in multiple languages.

Internationally diversified revenue model

We have internationally diversified revenue streams. In the years ended December 31, 2014 and 2013, revenues deriving from customers based in the European Economic Area, which unites the EU Member States and Iceland, Liechtenstein, and Norway, (“EEA”) represented 91.9% and 64.8% of our revenue, respectively. The remainders of our revenues are derived mainly from Singapore, Austria, Russia and South Africa. However, none of these markets represents a material share of our revenues.

Trading and Customer limits

Trading limits

The technology developed by us incorporates real-time financial risk limitation systems with certain hedging and trading limit triggers.

Customer limits

Monetary limits placed on customers are: (a) exposure to any single instrument; (b) aggregate open positions as a whole; and (c) aggregate deposit amounts. Customer limits are determined with reference to, among other things, trading history, location and other due diligence results.

The limits placed on individual customers mitigate the risk that we become reliant on any single customer or small group of customers for our revenue and also mean that we have no significant exposure to the trading positions of any such customers.

When these limits are reached the Trading Platform automatically ceases to accept trades from the relevant individual until such time as exposure level falls below the relevant threshold(s).

We apply a limit on transactions as follows: \$250 for short term option that expires within 120 seconds, \$5,000 limit on options that expire within one 1 hour and \$10,000 limit for options that expire after 24 hours.

We do not have different limits for different type of customers.

We assess the risk for all open options that expire past the 1 hour limit for each specific asset. If the exposure on any one asset exceeds five percent of our daily trading volume, then we stop offering any further trading on such asset. We have the ability to stop offering binary options on any asset at any given time. Once the open positions for any particular asset are above 5% of our overall trading volume then we stop making that asset available.

Current trading and future prospects

We believe that we provide substantial opportunity based around the delivery of a binary option Trading Platform to retail customers in a growing international binary option market. We believe that an increasing awareness and willingness for customers around the world to trade derivative products such as Binary Options will offer us potential growth.

Government Regulation

U.S. Regulation of Online Binary Options

In a June 1, 2013, investor alert, the SEC took the position that “if the terms of a binary option contract provide for a specified return based on the price of a company’s securities,” the binary option contract is a security and must be registered. In *SEC v. Banc de Binary Ltd.*, 964 F. Supp. 2d 1229 (D. Nev. 2013), the United States District Court for the District of Nevada held that binary options are securities because they are “privileges...based on the value [of securities]” and that they “are probably also ‘puts’ or ‘calls’ because they are bets that the price of the security will rise or fall.” Any offer or sale of securities in the United States must be registered under the Securities Act of 1933, as amended (the “Securities Act”) or made pursuant to an available exemption from the registration requirements of the Securities Act.

As of January 31, 2014, we prohibit U.S. and Canadian persons from both engaging in trades of commodities and foreign currencies, and from accessing our Trading Platform, eliminating them from engaging in any trading activities entirely. Canadian and U.S. persons are now also denied any access to our website. Accordingly, there are no offers or sales in the United States or in Canada.

While only the District Court for the District of Nevada has held that binary options are securities, both the SEC and the CFTC strongly maintain that selling binary options to U.S. investors and soliciting to sell binary options require the registration of the binary options as securities and also require registering with the SEC as a broker, and there remains a risk that further courts will hold that binary options are securities. While U.S. persons are blocked from accessing our website and Trading Platform, if a U.S. person were able to gain access to the Platform it is possible that we could face penalties or sanctions and/or otherwise have our operations negatively affected.

As provided in our customer terms and conditions, a customer's account balance that shows no activity for nine months or more is automatically zeroed out through a bookkeeping entry. Nevertheless, once an inactive account has been zeroed out, a customer with such an account may still request to receive his or her outstanding balance, and the customer will receive his or her outstanding balance less a nominal maintenance fee upon his or her presentation of acceptable identifying documentation.

We estimate that the outstanding funds remaining in former American customers' accounts are immaterial and bear no significant financial liability or risk.

Non-U.S. Regulation of Online Binary Options

According to the consolidation of the Law 144(I)/2007 of October 26, 2007, Law 106(I) 2009 of October 23, 2009, Law 141(I) of October 26, 2012 and Law 154(I) of November 9, 2012, which regulate the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, we may provide investment services on a professional basis in all European Member States only if we have received prior authorization from CYSEC. A market operator may operate a Multilateral Trading Facility (MTF) under the condition that CYSEC ascertains in advance its compliance with the Law 144(I)/2007.

We were granted authorization by CYSEC on June 14, 2013 to operate as a Cyprus Investment Firm ("CIF") and completed the pass porting certification which allows us to freely trade in all of the 30 countries in the European market. CYSEC announced on May 3, 2012, that binary options will be included in the trading activity within the scope of the Law 144(I)/2007. CYSEC has defined binary options as financial instruments. Accordingly, all entities which offer investments services related to binary options, were obliged to submit an application for a license to operate as CIF. The scope of permissible activity under our Cypriot license includes the following: investment services; reception and transmission of orders in relation to one or more financial instruments; execution of orders on behalf of clients; dealing on the Company's own account; safekeeping and administration of financial instruments, including custodianship and related services; foreign exchange services where these are connected to the provision of investment services; investment services and activities; and, other ancillary services in connection with the provision of investment services or other aforementioned services.

Between November 20, 2014 and December 22, 2014, our authorization was temporarily suspended due to a shortfall in client funds. The shortfall was due to the fact that Corporate Commercial Bank in Bulgaria, in which we had deposits of \$4.2 million ceased operations in June of 2014 and in November 2014 was declared bankrupt. Upon the additional injection of approximately \$1 million in order to meet client obligations, CYSEC decided to withdraw the suspension.

On March 2, 2015, CYSEC instituted a fine of €10,000 against the Company for its violation of Article 26(5) of the Investment Services and Activities Regulated Markets Law of 2009, because it continued to provide investment services through its websites when its authorization was suspended. The fine imposed was moderate in light of this being the first incident involving CYSEC. In its evaluation of the matter, CYSEC afforded significant consideration to both the written representations provided in the Company's defense, and to the corrective measures taken by the Company between the time of license suspension and reinstatement.

As a result, the Company's activities and services have been and will be monitored by CYSEC with increased scrutiny. Following the Company's license suspension, CYSEC has been carefully evaluating aspects of not just the Company's policies, but also the industry in general. As a result, the Company has been in communication with CYSEC and, although this action had initially adverse effects, it has actively promoted a better understanding of the regulations to which we are subject.

A company will not be authorized to operate as CIF if CYSEC is not fully satisfied that such company complies with all the requirements stated in Markets in Financial Instruments Directive 2004/39/EC (“MiFID”) and the directives issued pursuant to MiFID. The CIF authorization is valid in all member states and allows CIF to provide the services or/and perform the activities for which it has been authorized, in all the member states, either through the establishment of a branch or the free provision of services or performance of activities. The CIF authorization states the name of the CIF, the number and the date of issue of the authorization, the investment and ancillary services it is allowed to provide, the investment activities it is allowed to perform, as well as any other details CYSEC considers necessary.

After approval to operate as such, a CIF has to ensure that it complies with the Law 144(I)/2007 along with other CYSEC rules and regulations.

Each country in which we offer our online binary options may have local specific regulations. We intend 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.

We have an office located at 11 Vizantiou Street, Office 401, 2064 Strovolos, Nicosia, Cyprus and have obtained authorization to provide investment and ancillary services from CYSEC as per sections 6(6) and 22 of the CYSEC Market Law on June 14, 2013 with authorization number 203/13. Under section 79 of the CYSEC Market Law, an investment firm regulated by a commission must obtain approval for freedom to provide investment and ancillary services in another EU member state; we, using the trading name “EZTrader”, have obtained approval from CYSEC for free provision of services in all EU Member states on March 31, 2014.

Our retail users are classified as “consumers” under the Unfair Contract Terms Act 1977 and Unfair Terms in Consumer Contracts Regulations (“UTCCR”). We are required to comply with Cyprus consumer protection laws such as the Unfair Contract Terms Act 1977 and UTCCR, breach of which could result in us being subject to regulatory sanctions, receiving customer complaints and claims for losses, and not being able to enforce contracts against our customers. Similar consumer protection laws in other jurisdictions could have the same result.

WGM must comply with the pan-European regime established by MiFID, which became effective on November 1, 2007, and regulates the provision of investment services and activities throughout the EEA.

Key Strengths

We believe that we have a number of attributes which, collectively, differentiate us in the market in which we operate, including, but not limited to:

- fully regulated within EU as a market maker;
- strong brand recognition;
- a user-friendly and reliable Trading Platform that is consistent across multiple operating systems and devices;
- a state of the art Trading Platform application for mobile devices;
- a focus on online marketing to drive customer acquisition;
- a financial risk limitation model;
- a broad range of assets traded by binary options;
- a scalable business model;
- a focus on offering retail (rather than institutional) customers the ability to trade in binary options; and
- a strong and experienced management team.

Competition

We believe that the online binary options industry is young but rapidly growing. 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. Such websites include www.anyoption.com, and www.24option.com.

Item 1A. Risk 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 Registration Statement on Form 10 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.

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Risks Related to Our Financial Condition and Capital Requirements

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.

In addition, our independent auditors modified their report for the year ended December 31, 2014 to express substantial doubt as to our ability to continue as a going concern.

There is no assurance that profitable operations can be sustained.

As of June 30, 2015, we had an accumulated deficit of \$37.3 million. 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.

Although we achieved 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:

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

We have financed our operations primarily through the sale of equity securities.

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, we may have to substantially curtail or cease operations or find a merger partner on terms which, if available at all, may be unfavorable.

Regulatory Risks

We are subject to regulatory capital requirements under the laws of Cyprus and failure to meet the requirements could have a material adverse effect on our business, financial condition and results of operations.

We are regulated under CYSEC Market Law, which requires us to meet the capital adequacy tests as per section 67 of the CYSEC Market Law, where a CIF must have its own funds which are at all times more than or equal to the sum of its capital requirements. Funds are consisting of cash, segregated client cash accounts, restricted cash and receivables from credit card companies.

On March 2, 2015, CYSEC instituted a fine of €10,000 against the Company for its violation of Article 26(5) of the Investment Services and Activities Regulated Markets Law of 2009, because it continued to provide investment services through its websites when its authorization was suspended. The fine imposed was moderate in light of this being the first incident involving CYSEC. In its evaluation of the matter, CYSEC afforded significant consideration to both the written representations provided in the Company's defense, and to the corrective measures taken by the Company between the time of license suspension and reinstatement. As a result, the Company's activities and services have been and will be monitored by CYSEC with increased scrutiny.

Currently, we are required to submit capital adequacy reports on a monthly basis. CYSEC as per section 72 of the CYSEC Market Law considers that a CIF must make certain public disclosures in an information report and submit to the CYSEC all information relating to its capital adequacy. We are required to maintain a minimum net capital of €730,000. Failure to implement the recommendations of CYSEC's individual capital guidance could lead to enforcement action being taken against WGM and its officers and directors. Since we obtained our license to operate as a CIF from CYSEC, we have been in compliance with all CYSEC's requirements.

According to regulatory requirements in Cyprus, as per paragraph 18-20 of the CYSEC Directive DI 144-2007-01 the Company's subsidiary in Cyprus must take the necessary steps to segregate between client cash accounts where client deposits are being held from the Company's operating cash account. Furthermore, under this regulation, the Company must comply with the covenant of having funds in excess of client obligations. Funds consist of cash, segregated client cash accounts, restricted cash and receivables from credit card companies

The Company records all transactions from credit card companies and banks on a daily basis. In addition, revenue is recognized on a daily basis and the correlating client obligation accounts are updated. This allows the Company to determine the cash available to be transferred from the segregated cash accounts to its operating cash account.

Furthermore, section 74 of CYSEC Market Law states that if a CIF violates the provisions of Part VIII of the CYSEC Market Law in regards to capital adequacy, CYSEC may, judging at its absolute discretion the seriousness of the infringement, set for the CIF a deadline for compliance, impose administrative fine upon the CIF, and may consider proceeding with the withdrawal or suspension of the CIF authorization.

The minimum capital requirements to which WGM is subject may affect our ability to distribute profits which we would otherwise be permitted to distribute. In addition, any changes to the regulatory capital requirements in any of the jurisdictions in which WGM operates could restrict the pace of our expansion or affect the balance of the products we are able to offer and/or the jurisdictions in which we are allowed to offer them.

Any such change in our regulatory capital requirements could have a material adverse effect on our business, financial condition and results of operations.

Government regulation could require us to register our business or otherwise effect our operations.

In a June 1, 2013, investor alert, the SEC took the position that "if the terms of a binary option contract provide for a specified return based on the price of a company's securities," the binary option contract is a security and must be registered. In *SEC v. Banc de Binary Ltd.*, 964 F. Supp. 2d 1229 (D. Nev. 2013), the United States District Court for the District of Nevada held that binary options are securities because they are "privileges...based on the value [of securities]" and that they "are probably also 'puts' or 'calls' because they are bets that the price of the security will rise or fall."

Any offer or sale of securities in the United States must be registered under the Securities Act of 1933, as amended (the "Securities Act") or made pursuant to an available exemption from the registration requirements of the Securities Act. While only the District Court for the District of Nevada has held that binary options are securities, both the SEC and the CFTC strongly maintain that selling binary options to U.S. investors and soliciting to sell binary options require the registration of the binary options as securities and also require registering with the SEC as a broker, and there remains a risk that further courts will hold that binary options are securities. While U.S. persons are blocked from accessing our website and Trading Platform, if a U.S. person were able to gain access to the Platform it is possible that we could face penalties or sanctions and/or otherwise have our operations negatively affected.

We could fail at filtering out customer applications received from persons located in the United States.

There can be no assurance that we will in every instance be successful at filtering out customer applications received from persons located in the United States. It is also possible for existing customers to access the Trading Platform from the United States if they physically move to the United States. Further, although our website is blocked to persons in the United States, and we have systems in place designed to prevent a customer application from the United States being accepted, such systems are subject to human and technological error, and fraud on the part of a customer. If a customer in the United States were to open an account on the Trading Platform, this could subject us to legal and/or regulatory action and/or liability in the United States. There is also a risk that a customer could mask their IP address in order to access the Trading Platform from the United States, which could result in regulatory action being taken against us in the United States.

Withdrawal or amendment of regulatory authorizations or non-compliance with, or changes to, the legal or regulatory framework in which we operate may have a significant adverse effect on our business and operations.

Withdrawal or amendment of regulatory authorizations in respect of all or part of the business carried on by us or in respect of the fitness and propriety of one or more individuals to perform their current roles (including any of our directors) might oblige us to cease conducting a particular type of business or modify the manner in which it is conducted. In particular, if our Cyprus CYSEC authorization were to be withdrawn, we would be unable to operate our business throughout the EEA – such jurisdictions contributed 90.9%, and 64.8% of our revenue for the financial periods ended December 31, 2014, and 2013, respectively. In addition, where authorization of a particular individual has been removed, this would result in the need to allocate to different individuals responsibility for the part of the business which had been that individual's responsibility.

Failure to obtain prior regulatory authorization in a jurisdiction where we have operated or the refusal of a regulator to grant that authorization in a jurisdiction where we may wish to operate could prevent us from maintaining or expanding our business. We have never been refused any license which we have applied for.

On March 2, 2015, CYSEC instituted a fine of €10,000 against the Company for its violation of Article 26(5) of the Investment Services and Activities Regulated Markets Law of 2009, because it continued to provide investment services through its websites when its authorization was suspended. The fine imposed was moderate in light of this being the first incident involving CYSEC. In its evaluation of the matter, CYSEC afforded significant consideration to both the written representations provided in the Company's defense, and to the corrective measures taken by the Company between the time of license suspension and reinstatement. As a result, the Company's activities and services have been and will be monitored by CYSEC with increased scrutiny.

Further, changes to laws or regulations, including the enactment of new requirements in relation to regulatory authorization, financial promotions, the use of third party affiliates, taxation, the internet or e-commerce (or a change in the application or interpretation of existing regulations or laws by regulators or other authorities), in any jurisdiction in which we currently carry on business might oblige us to cease conducting business, or modify the manner in which we conduct business, in that jurisdiction. Such changes could also have a material adverse effect on our business, financial condition and operating results and/or subject us or our directors, officers, or customers to additional taxation or civil, criminal, regulatory or other action.

For example, it is envisaged that CYSEC will take a more proactive and interventionist approach than its predecessor, the Financial Services Authority, in regulating the conduct of business of investment firms such as WGM. The recent reform of the UK regulatory regime may also lead to changes to conduct of business regulation. In particular, CYSEC has product intervention powers which include the power to ban products and services and it can also direct a regulated firm to withdraw or amend an advertisement. The implementation and use of CYSEC's new powers and

more interventionist approach could place an increased demand on our management, compliance and information technology resources in the mid to long term and could divert resources from the normal operation of our business or the expansion of that business. This could have a material adverse effect on our future operations and consequently on our business, financial condition and operating results.

Any non-compliance with applicable laws or regulations in any jurisdiction could have a significant impact on the way in which we conduct our business. Any non-compliance with applicable laws or regulations could subject our employees, officers and directors to criminal penalties, civil lawsuits, warning notices, fines (which may be excessive) and/or other sanctions from regulators or authorities.

Operating via the internet in different jurisdictions exposes us to a number of risks which may have a significant adverse effect on our business and operations.

We currently have operations in various jurisdictions outside the EEA, in which we allow our customers to execute transactions over the internet. The regulatory and legal framework in these jurisdictions is complex and varies significantly. We decide to operate in such jurisdictions based on our view of: (a) the local legal and regulatory regime in the relevant jurisdiction (in relation to which local advice has been sought by us in most (but not all) cases); and (b) our estimation of the legal, regulatory and commercial risk in the relevant jurisdiction (including the likelihood of enforcement action being taken against us and/or our directors).

We have grown rapidly and as part of this growth have, in the past, commenced trading in a limited number of jurisdictions where operations have been found to constitute, or are likely to constitute, an offence and the penalties (whether civil, criminal, regulatory or other) against us or our directors are unknown. We have taken measures to mitigate these risks. We have adopted a policy which will take effect, following the effective date of this Registration Statement on Form 10, requiring certain action to be taken to reduce risk in any jurisdiction in which we plan to begin operations following the effective date of this Registration Statement on Form 10. Such policy also requires a higher standard of due diligence than has previously been undertaken to be conducted before operations are commenced in any new jurisdiction following the effective date of this Registration Statement on Form 10.

In some jurisdictions, it is not necessarily certain whether laws or regulations are applicable to the relationship we have with customers in those jurisdictions or, if they are applicable, the effect of those laws or regulations may itself be unclear. It is also possible that changes to the law (or interpretations thereof) or to our business may have occurred since the legal or regulatory position in relation to any particular jurisdiction was reviewed by us.

In the past, we have not operated, or may not have operated, and there is a risk that going forward we may not operate, in compliance with the laws (whether civil, criminal, regulatory or other) of some of those jurisdictions from which it is possible to access our products. We have taken measures to mitigate these risks. The governments of certain of those jurisdictions may attempt to regulate our products or services or take enforcement action, such as bringing prosecutions against us or our directors, for violations of relevant laws and regulations. Such circumstances could also result in or contribute to CYSEC imposing a sanction on us including withdrawal of our regulatory authorization. Any such action could make it difficult for us to operate our international business in its current or anticipated form. In addition, we or our directors could become liable to administrative, criminal, financial or other penalties in certain jurisdictions in relation to past or future conduct, or could be unable to enforce claims against customers who are nationals or residents of those jurisdictions and/or such customers may be able to claim compensation from us for their losses.

Financial promotions regimes and other regulations may impact our ability to advertise.

We are reliant on online marketing channels to advertise our business and increase our customer base. However, in certain jurisdictions, the promotion of investment activities is regulated, which restricts the manner in which we may advertise in that jurisdiction.

While we have in place certain policies designed to ensure that all promotional materials are subject to review and approval before being released, such policies are subject to, and have in the past been affected by, human error and technological failure. Further, restrictions or requirements imposed by third party providers of online marketing services (such as word counts), or malfunctions or “bugs” in the software or systems of such third parties, may result in the future in certain financial promotions to be released by us not being in compliance with laws and regulations.

Any non-compliance with the laws or regulatory requirements could subject our employees, directors and officers to disciplinary action, criminal penalties, civil lawsuits and/or fines. Further, there is a heightened risk of CYSEC imposing a sanction on WGM as a result of repeated instances of non-compliance with the financial promotions regime. Any such action could have an adverse effect on our reputation, business, financial condition and operating results.

No assurance can be given that new laws, rules or regulations will not be enacted, or existing requirements applied, in a manner which would restrict or curtail our current advertising activities (including our use of third party affiliates for advertising). Any restriction on our ability to advertise in a particular jurisdiction or jurisdictions could have a material adverse effect on our business, financial condition and operating results.

Laws, regulations or rules in other jurisdictions where we operate could result in customer agreements being deemed unenforceable as against the customer.

Our retail users are classified as “consumers” under the Unfair Contract Terms Act 1977 and Unfair Terms in Consumer Contracts Regulations (“UTCCR”). We are required to comply with Cyprus consumer protection laws such as the Unfair Contract Terms Act 1977 and UTCCR, breach of which could result in us being subject to regulatory sanctions, receiving customer complaints and claims for losses, and not being able to enforce contracts against our customers. Similar consumer protection laws in other jurisdictions could have the same result. Any such events would damage our reputation and impact our business, financial condition and operating results. Further, the contract in place between us and a customer may be deemed void or unenforceable in certain jurisdictions if construed as a contract for gambling or betting or otherwise contrary to public policy. Although we have not faced a claim of this kind to date, there is a risk that customers who have executed a trade on the Trading Platform could later demand to recover any funds they have lost as a result of such trade. If such claims were successful, this could have an adverse effect on our business, financial condition and operating results.

The terms of current and proposed European Union Directives could restrict WGM and thus our business and implementation of those Directives could place a significant demand on our resources.

WGM must comply with the pan-European regime established by the MiFID 2004/39/EC, which became effective on November 1, 2007, and regulates the provision of investment services and activities throughout the EEA.

CYSEC sets out detailed requirements governing the organization and conduct of business of investment firms and regulated markets. It also includes best execution obligations, appropriateness tests, client categorization procedures, pre- and post-trade transparency requirements for equity markets and extensive transaction reporting requirements. Cyprus has adopted those MiFID requirements into national legislation and the CYSEC Rules, as have those other EEA jurisdictions in which we have a presence. The withdrawal or removal of any country from the EEA would remove that country from the operation of MiFID, which could adversely affect our ability to offer our Trading Platform to customers in that jurisdiction.

In the aftermath of the financial crisis, the European Commission set out a detailed plan for European Union financial services regulatory reform, outlining a number of initiatives to be reflected in new or updated directives, regulations and recommendations. If and when implemented, these will have direct and indirect effects on our operations in the EEA. In particular, a review of MiFID by the European Commission has led to the publication of a draft amended Directive and a draft new Markets in Financial Instruments Regulation and Markets in Financial Instruments Directive (known as “MiFID 2”). The proposals, if implemented, could have wide ranging and significant implications for WGM. The implementation of the proposals is not expected until January 2017 and at this stage it is not possible to evaluate clearly their impact on WGM. It is expected, however, that the proposals are likely to increase our compliance burden and regulatory risks.

European Market Infrastructure Regulation (“EMIR”) became effective on August 15, 2012. Under EMIR, WGM has an obligation to report its derivatives trades to a trade repository. This obligation is a mandatory requirement by CYSEC where its implementation needs to be done with no delays; CYSEC can proceed with fines if any of the investment firms have not implemented it. EMIR became a requirement on January 1, 2014, and it is likely to result in higher compliance costs for WGM. EMIR will have a number of other impacts on investment managers. In particular, market participants will be required to report transactions in exchange-traded and OTC derivatives to Trade Repositories (TRs); the obligation for which was phased in during 2013–2014. Firms will need to consider their contractual relationships with TRs, and also whether their existing data repository and infrastructure is capable of meeting the requirements.

The European Commission has also published proposals to replace the Directive of the European Parliament on insider dealing and market manipulation (2003/6/EC) with a regulation on insider dealing and market manipulation with an accompanying Directive on criminal sanctions. There are also ongoing plans to reform the framework to which regulated firms are subject, including in relation to regulatory capital and the protection of client assets, which will have a direct effect on our EEA operations.

The implementation of any such changes could place a significant demand on our management, compliance and information technology resources and could divert them from the normal operation of our business or the expansion of our business. Further, once implemented, such changes could have a material adverse effect on our future operations and consequently on our business, financial condition and operating results.

The activities of our affiliates under the “OPTION AFFILIATES” program could give rise to legal and regulatory risks.

Revenue generated from the “OPTION AFFILIATES” program accounted for approximately 54% and 53% of our total revenue during the years ended December 31, 2014, and 2013, respectively, and we consider that it is an integral component of our marketing strategy. As part of the affiliate registration process, we carry out anti-money laundering checks on potential affiliates but do not otherwise vet or restrict prospective affiliates from joining the program. Further, once an affiliate has signed up to the program, we have no automated mechanism through which we can monitor or control our affiliates’ activities but instead carry out manual checks. These factors could expose us to risks associated with the activities of affiliates who advertise our brand (including in connection with bribery and corruption). Should an affiliate use our brand name in a manner which is unauthorized by us, this could give rise to reputational and legal risks, which in turn could have a material adverse effect on our reputation, business, financial condition and operating results. In the event that such activity becomes known to us, such affiliate is immediately removed from our programs.

We must comply with data protection and privacy laws.

Our operations are subject to a number of laws relating to data privacy. The requirements of these laws may affect our ability to collect and use personal data and also to plant and use cookies in a way that is of commercial use to us, if we do not ensure our adherence to appropriate compliance procedures. Breach of data privacy legislation could result in us being subjected to claims from our customers that we have infringed their privacy rights, and we could face administrative proceedings (including criminal proceedings) initiated against us by the data protection regulator of the relevant jurisdiction in which we operate. In addition, any inquiries made, or proceedings initiated by, individuals or any of such regulators may lead to negative publicity and potential liability for us, which could materially adversely affect our business.

Risks Related to Our Business Operations

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.

Cyber-attacks against us or security breakdowns of us may adversely impact us.

We are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that we use to service our operations; or

operational disruption or failures in the physical infrastructure or operating systems that support us. Cyber-attacks against us or security breakdowns of us may adversely impact us, potentially resulting in, among other things, financial losses; our inability to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. We may incur additional costs for cyber security risk management and remediation purposes. While we have established risk management systems designed to reduce the risks associated with cyber security, there can be no assurance that we will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Our inability to protect our proprietary intellectual property could adversely affect our business.

Our proprietary intellectual property is key to our business. Our success depends on our ability to maintain protection of our intellectual property rights and to operate without infringing the proprietary rights of third parties. We may be unable to successfully protect our intellectual property rights.

We have not filed any patent or other applications or registrations covering our software. Therefore, we seek to protect the proprietary software developed by our employees (in the course of their employment with our Company) by including relevant provisions in their employment contracts. However, we cannot guarantee that our employees will not claim intellectual property rights in the works that such employees create.

There is also a risk that third parties may independently design and exploit software similar to the software developed by us without infringing our intellectual property rights, but with a material adverse effect on our business and profitability, or that our competitors as well as other companies and individuals may obtain and may have obtained intellectual property rights related to technologies for trading the types of products and providing the type of services we offer or plan to offer and that our intellectual property rights will not have priority over such third parties rights. If it were to be found, by a court or otherwise, that an employee or other third party is the rightful owner of intellectual property used by us or that one or more of our products or services infringe intellectual property rights held by others, we may be required to stop developing or marketing relevant products or services, stop using the relevant intellectual property, obtain licenses to use the relevant intellectual property or develop or market the products or services, pay royalties and/or damages to the employee or other third party holding the relevant intellectual property rights, and/or redesign the relevant products or services in such a way as to avoid infringement, any of which may have a material adverse effect on our business, financial condition and operating results. Any claim against us in relation to ownership or infringement of intellectual property, even if it lacks merit, could result in expensive and/or time-consuming litigation and/or negotiations.

A reduction in the availability of credit cards as a payment alternative for our customers could damage our business.

We currently accept credit and debit card payments from customers. It is possible that in future, major card issuing institutions may restrict the use of credit and debit cards in respect of online trading of binary options and this may result in a reduction in the availability of credit cards as a payment alternative for our customers, which could have a material adverse effect on our business and operating results.

Furthermore, payments by credit card expose our business to the risk of cancelled credit card transactions, which in the aggregate again could have a material adverse effect on our reputation, business, financial condition and operating results.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Ineffective internal control could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

Financial risk limitation policies, procedures and practices may not be effective and may leave us exposed to certain risks.

The design and implementation of our policies, procedures and practices used to identify, monitor and control a variety of risks may fail to be effective. Our financial risk limitation methods rely on a combination of internally developed technical controls, industry standard practices, observation of historical market behavior and human supervision. These methods may not adequately prevent future losses, particularly to the extent they relate to extreme market movements, which may be significantly greater than the historical measures indicate. The design and implementation of our financial risk limitation procedures and practices have in the past been, and going forward will be, subject to human error, technological failure and fraud. There can be no assurance that we will set financial risk limitation parameters accurately, that our testing and quality control practices will be effective in preventing technical software or hardware failure or that our employees will accurately and appropriately apply our financial risk limitation procedures. Any failures in this regard could have a material adverse effect on our reputation, business, financial condition and operating results.

We are also exposed to potential losses due to fraud and other misconduct by customers. For example, customers or people impersonating customers may engage in fraudulent activities, including improper use of legitimate customer accounts and the use of a false identity to open an account (as has occurred in the past). Such activities may be difficult to prevent or detect and the provisions of our customer agreements and other contractual arrangements that are intended to protect us against such risks and losses may fail to be effective. We may not be able to recover the losses caused by such activities or events and any such losses could have a material adverse effect on our business, financial condition and operating results.

We maintain customer deposit accounts at several banks and such accounts may be at risk if these banks go bankrupt or otherwise do not have the liquidity to pay us during our deposit period.

In June 2014, we had approximately \$4.2 million of deposits in Corporate Commercial Bank (“CCB”) in Bulgaria, the fourth largest bank in Bulgaria. On June 21, 2014, CCB ceased operations for the next 3 to 6 months and none of the depositors had any access to their funds, without further specific explanations. As of October 29, 2015, we had received only a small portion of the funds deposited in such accounts. We also have customer accounts in banks in Austria and Germany and there is no guarantee that such banks will not go through financial difficulties and in an extreme case bankruptcy proceedings, in which case, we may face difficulties to recover a portion or all of our customers deposits.

We are exposed to fluctuations in currency exchange rates.

Our functional currency is U.S. Dollar. We generate our revenues in a variety of currencies, including the EURO, Sterling, Ruble, Swedish Krona, Brazilian Real and Chinese Yuan. As a result, some of our financial assets are denominated in these currencies and fluctuations in these currencies could adversely affect our financial results. We do not currently engage in any currency hedging transactions intended to reduce the effect of fluctuations in foreign currency exchange rates on our results of operations. If we were to determine that it was in our best interests to enter into any currency hedging transactions in the future, there can be no assurance that we will be able to do so or that such transactions, if entered into, will materially reduce the effect of fluctuations in foreign currency exchange rates on our results of operations. In addition, if, for any reason, exchange or price controls or other restrictions on the conversion of one currency into another currency were imposed, our business could be adversely affected. Although exposure to currency fluctuations to date has not had a material adverse effect on our business, there can be no assurance such fluctuations in the future will not have a material adverse effect on revenues from international sales and, consequently our business, operating results and financial condition.

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.

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.

We are dependent for our revenue and profits on trading volume from binary options. If the market for binary options does not grow in accordance with our expectation, the future growth and expansion of us may not be successful. For example, should a change of law or regulation in any of the jurisdictions in which we operate mean that restrictions of a material nature are imposed in respect of trading in binary options (in the same way as, for example, gambling contracts are restricted or prohibited in certain jurisdictions) this could significantly reduce the market for binary options in the relevant countries. Any such decline in the market for binary options which is significant would have a material adverse effect on our business, financial condition and operating results.

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.

Political and economic events may harm our operations.

Ongoing financial instability has had, and may continue to, have a material adverse effect on the world economy, consumers and financial market participants. These or similar events have in the past increased or prolonged, and may in the future increase or prolong, negative economic conditions which could have a material adverse effect on our business, financial condition and operating results.

We generate the majority of our revenue from customers in the EEA, which in aggregate accounted for 91.9%, and 64.8% of our revenue for the years ended December 31, 2014, and 2013, respectively. The occurrence of any negative political or economic events within the EEA could result in significant revenue shortfalls which could cause our business to be harmed. Such events could include the collapse of the Euro as a currency, the break-up of the Eurozone or the withdrawal or removal of an existing member state from the EEA.

We depend on our senior management team, and if we are unable to retain our current personnel and hire additional personnel, our ability to implement our growth strategy and compete in our industry could be harmed.

Our future growth and success depends, in part, upon the leadership and performance of our CEO, Mr. Shimon Citron, who has significant experience in the online marketing and would be difficult to replace. We are highly dependent on the continued services of the CEO. The agreements in place with certain members of our management team (including the agreements with, or in respect of the services provided by, the CEO) allow the relevant individual to resign from our Company upon between 30 to 90 days' notice. The loss of any members of the senior management team or other key employees, the inability to recruit sufficient, qualified personnel, or the inability to replace departing employees in a timely manner could have a material adverse effect on our ability to run our business and, accordingly, on our financial condition and operating results.

In order to compete effectively, we must keep up with rapid technological changes and changes in our customers' requirements and preferences.

The online trading industry is characterized by rapid technological changes and evolving industry standards. Customers constantly demand more sophisticated products and services and customer preferences change rapidly. To remain competitive, we must continue to innovate, further enhancing and improving the responsiveness, functionality,

accessibility and other features of our Trading Platform. Our success depends on our ability to anticipate and respond to technological changes and customer preferences in a timely and cost-effective manner. We believe that we are well placed to respond to these challenges bearing in mind that key technologies are developed in-house allowing us to respond to changes in customer preferences quickly and efficiently. However, there can be no assurance that we will be able to effectively anticipate and respond to technological changes and customer preferences in the future.

Failure to do so could have a material adverse effect on our business and operating results.

We are partially dependent on third parties, including infrastructure suppliers, data providers and data sources, and online marketing service providers.

Our business depends on the capacity and reliability of our network infrastructure, to a certain extent provided by third party suppliers such as telecommunications operators that transmit our traffic over local and wide area networks and the internet. If any of these suppliers were unable to fulfill the terms of their contracts for any reason or if they terminated their contracts with us and we could not replace them with alternative suppliers in a timely fashion and on favorable commercial terms, it could impair the quality of, or make it impossible for us to deliver, our own products and services. Any such event could have a material adverse effect on our business, financial condition and operating results.

In addition, we are dependent upon third party data providers and, in some cases, underlying data sources such as stock and commodities exchanges, to supply real-time market prices and other information necessary for the operation of our business in consideration for license fees paid to them by us. There is no guarantee that any of these providers or underlying data sources will be able to adequately expand these services to meet our needs or to continue to provide these services in an efficient and cost-effective manner going forward. In addition, there is no guarantee that current license fees are any indication of the future fees that may be levied by such providers or underlying data sources, and going forward, there may be material increases in current license fees, an imposition of new license fees, a refusal to grant a license or restrictions may be imposed by these providers of information. Any such occurrences, or any termination of a contract by a third party data provider or data source, could have a material adverse effect on our business, financial condition and operating results (and certain third party data providers or data sources are able to terminate their arrangements with us on very short notice periods).

We are reliant on third parties to provide online marketing services. Any increase in the cost of online marketing channels, or termination of a contract by one of the few key providers of online marketing services to us (such as Google), including as a result of a breach of contract by us, could adversely affect our ability to achieve our advertising objectives and consequently our business, financial condition and operating results.

We may suffer losses if our reputation is harmed.

Our ability to attract and retain customers and employees may be materially adversely affected to the extent our reputation is damaged. Issues that may give rise to reputational risk include, but are not limited to, failure to deal appropriately with legal and regulatory requirements in any jurisdiction (including as may result in the issuance of a warning notice or sanction by a regulator or the commission of an offense (whether civil, criminal, regulatory or other) by us or any of our officers, directors, or employees), money-laundering, bribery and corruption, factually incorrect reporting, staff difficulties, fraud (including on the part of customers), technological delays or malfunctions, the inability to respond to a disaster, privacy, record-keeping, sales and trading practices, and the credit, liquidity and market risks inherent in our business and our activities. For example, we have from time to time received complaints from customers who are dissatisfied with certain our aspects. If we fail, or appear to fail, to deal with or settle any such complaints effectively or deal with other issues that may give rise to reputational risk or if we fail to retain customers for any other reason, it could have a material adverse effect on our reputation, business, financial condition and operating results.

Material customer complaints could result in incurring significant costs by us or requiring us to pay a high level of compensation to the relevant customer, or could affect our reputation, any of which could have a material adverse effect on our business or operations.

The activities of individuals or entities attempting to pass themselves off as associated with us, or otherwise falsely advertising or promoting us, could cause reputational damage to us, which could impact our business, financial condition and operating results.

The terms on which we have contracted with certain customers, affiliates and suppliers may not be standard.

Due to our fast-growing nature, the terms on which we have contracted with customers, affiliates and suppliers have differed over time and therefore the contracts in place with certain customers, affiliates and suppliers are not on standard terms. In some cases, the relevant contract is not clear, may be unfair or onerous on the counterparty, does not limit our liability, allows the counterparty to terminate its arrangement with us on a very short notice period, does not allow us adequate flexibility regarding termination of our arrangement with the counterparty and/or contains an indemnity from us in favor of the counterparty. The terms of these contracts, claims against us under these contracts or the termination of any of these contracts by the relevant counterparty could adversely affect our business, financial condition and operating results.

Risks Related to Our Common Stock

Our officers, directors and affiliated shareholders beneficially own 49.2% of our outstanding common stock, warrants and granted options. 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.

As of October 29, 2015, our officers, directors and affiliated shareholders beneficially owned 49.2% of our issued and outstanding stock on a fully diluted basis. 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 (“Board”) and any other matters upon which stockholders may vote in the future.

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 OTC Pink. We expect that our common stock will be quoted on the OTCQB following the effectiveness of this Registration Statement on Form 10. 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 under the Exchange Act 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 under the Exchange Act requires:

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

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

- obtain financial information and investment experience objectives of the person;
and
- 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, among other things:

- 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 of Doing Business 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. 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. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our operations and results of operations. During July and August 2014 and in November 2012, Israel was engaged in an armed conflict with Hamas, a militia group and political party which controls the Gaza Strip, and during the summer of 2006, Israel was engaged in an armed conflict with Hezbollah, a Lebanese Islamist Shiite militia group and political party. These conflicts involved missile strikes against civilian targets in various parts of Israel, including areas in which our employees are located, and negatively affected business conditions in Israel. Any armed conflicts, terrorist activities or political instability in the region could adversely affect business conditions and could harm our results of operations and could make it more difficult for us to raise capital. Parties with whom we do business may sometimes decline to travel to or be prevented from traveling to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary in order to meet our business partners face to face. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements.

Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. Although the Israeli government has in the past covered the reinstatement value of certain damages that were caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained, or if maintained, will be sufficient to compensate us fully for damages incurred. Any losses or damages incurred by us could have a material adverse effect on our business. 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 2. Financial Information.

Overview

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included elsewhere in this Registration Statement on Form 10. 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 our actual operating results in the future. Such discussion represents only the present assessment by our management.

Selected Financial Information

Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America ("U.S. GAAP"), we provide additional financial metrics that are not prepared in accordance with U.S. GAAP, ("non-GAAP financial measures"). Management uses non-GAAP financial measures, in addition to U.S. GAAP financial measures to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance.

Management believes that these non-GAAP financial measures reflect our ongoing business in a manner that allows for meaningful comparisons and analyses of trends in our business, as they exclude expenses and gains that are not reflective of our ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating our operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The non-GAAP financial measures do not replace the presentation of our U.S. GAAP financial results and should only be used as a supplement to, and not as a substitute for, our financial results presented in accordance with U.S. GAAP.

The non-GAAP adjustments, and the basis for excluding them from non-GAAP financial measures, are outlined below:

- Amortization of acquired intangible assets - We are required to amortize the intangible assets, included in our U.S. GAAP financial statements, related to the acquisition of the software platform from Venice Technologies Ltd. in June 2011. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization are unique to these transactions. The amortization of acquired intangible assets is a non-cash charge. We believe that such charges do not reflect our operational performance. Therefore, we exclude amortization of acquired intangible assets to provide investors with a consistent basis for comparing pre-and post-transaction operating results.
- Stock-based compensation is a share-based award granted to certain individuals. It is non-cash and affected by our historical stock prices which are irrelevant to forward-looking analyses and are not necessarily linked to our operational performance.
- Expenses related to acquisition are a direct result of the acquisition of GKFX, a local brokerage firm in Japan, and consist mainly of legal and accounting fees, finder's fees and travel expenses. We believe that these expenses are not reflective of our operational performance, so they have been excluded to provide a consistent basis for comparing pre- and post-acquisition operating results.
- Impairment of bank deposit is a non-recurring loss in the amount of \$4,121,544 due to CCB's bankruptcy, which is not relevant to forward-looking analyses and is not linked to our operational performance.

The following table reconciles, for the periods presented, U.S. GAAP operating losses attributable to the Company and non-GAAP operating income attributable to the Company:

	Year ended 12/31/14	Year ended 12/31/13	Six months ended 6/30/15	Six months ended 6/30/14
GAAP operating loss	\$ (7,876,669)	\$ (2,999,810)	\$ (619,215)	\$ (5,119,869)
Amortization of acquired intangible assets	\$ 39,028	\$ 93,666	\$ -	\$ 39,028
Stock-based compensation	\$ 1,644,356	\$ 105,955	\$ 909,774	\$ 488,835
Expenses related to acquisition	\$ -	\$ -	\$ 150,000	\$ -
Impairment of bank deposit	\$ 4,121,544	\$ -	\$ -	\$ 4,121,544
Non-GAAP operating income (loss)	\$ (2,071,741)	\$ (2,800,189)	\$ 440,559	\$ (470,462)

We calculate the Average Revenue per User (“ARPU”) by dividing the total revenues for the period by the total number of current active users. Current active users are defined as customers who performed at least one deposit or one transaction within the past seven months from the reported period. We had revenues for the six months ended June 30, 2015 and 2014 of \$12,545,307 and \$7,952,947, respectively, while the number of active users for those periods was 37,166 and 10,583 respectively. As a result, the ARPU for those periods was \$338 and \$751, respectively. The decrease during the year is attributable to large deposits made by a relatively small number of customers during the six months ended June 30, 2014. We measured these metrics in order to track the difference in ARPU and to change our marketing strategy accordingly, if needed, during the year.

We had revenues during the years ended December 31, 2014, and 2013 of \$20,113,803, and \$5,340,040, respectively, while the number of active users during those years was 28,878 and 8,938, respectively. As a result, the ARPU for the years ended December 31, 2014, and 2013 was \$696 and \$597, respectively.

We calculate the Average User Acquisition Costs (“AUAC”) by dividing the total acquisition costs by the total number of active users for any given period. Total acquisition costs for the six months ended June 30, 2015 and 2014 were \$6,207,551 and \$4,649,143, respectively, and are included as part of our Selling and Marketing expenses. The AUAC for the six months ended June 30, 2015 and 2014 was \$167 and \$439, respectively.

Total acquisition costs for the years ended December 31, 2014, and 2013 were \$11,375,257, and \$3,693,212, respectively, and are included as part of our Selling and Marketing expenses. The AUAC for the years ended December 31, 2014, and 2013 was \$394 and \$413, respectively.

We ascertain the Return on Investment (“ROI”) by dividing the ARPU by AUAC in order to track fluctuations in the ratio. The ROI for the six months ended June 30, 2015 was 2.02 as compared to an ROI of 1.71 for the six months ended June 30, 2014.

The ROI for the year ended December 31, 2014 was 1.77 as compared to an ROI of 1.45 for the year ended December 31, 2013.

Our financial statements are stated in U.S. Dollars (US\$) and are prepared in accordance with 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 Registration Statement on Form 10.

Our Business

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 June 30, 2015, we had a negative working capital of \$6 million and an accumulated deficit of \$37.2 million. As noted in our financial statements contained in this Registration Statement on Form 10, this raises substantial doubt as to our ability to continue as a going concern. There is no assurance that profitable operations will be sustained on a continuing basis.

To date, our binary options business has had approximately 68,000 customers.

Customers are defined as all customers that have opened accounts and deposited funds in the past. Currently active customers are defined as customers who performed at least one deposit or one transaction within the past seven months from the reported period.

We refer in this discussion to the fiscal years ended December 31, 2014 and December 31, 2013, as “2014” and “2013,” 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.

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

We generate revenues from our 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 15 minutes, or at the end of each day. Thus, each event commences and ends on the same day. Open client positions are carried at fair market value and gains and losses arising on this valuation are recognized in revenue as well as gains and losses realized on positions that have closed. The revenues are principally generated from the margin between winning customers to losing customers. In a winning situation (when either a higher or a lower strike price has been achieved at the expiration of the underlying asset) the binary option entitles a customer a fixed return (usually around 75%) in addition to the transaction amount. In a losing situation (when the customer’s prediction is not fulfilled) the customer loses between 90%-95% of the transaction price. In our consolidated statement of operations we recognize revenues from the binary options on a net basis. In addition, once the customer makes a deposit, a contingent bonus is added into his or her account on top of his or her deposited amount. The customer is granted with the opportunity to forego the bonus and continue with the deposit made by him or her only. The bonus added is typically, on average, between 20% and 30% of the customer’s actual deposit but we may choose to increase the bonus amount offered to the customer and the customer as well may request to increase the bonus amount. To be entitled to withdraw a bonus or any profit earned in the account after the bonus is added into the account, a customer must turn-over a trading volume of 25 times the amount of the bonus. As an example, if a customer received a bonus of \$100, to be entitled to withdraw this bonus, he or she will need to trade a minimum volume of at least \$2,500 during a time period no longer than 90 days from his or her first trade. If the customer has not reached the required volume within this 90 days period, then the bonus will be voided and deducted from the customer’s available balance and any other profit earned in the account after the receipt of such bonus will be void as well and will not be included in the

amounts that the customer can withdraw from his or her account. In the event that the customer loses on a particular trade after a bonus was added into his or her account, such loss will be deducted from the actual amounts deposited by the customer and not from the bonus.

Customers are informed about all aspects of the bonuses at the time of election via the detailed terms and conditions available on our website.

As of August 1, 2015, we have upgraded the terms and conditions of granting trading benefits to be consistent with Circular 68 issued by CYSEC regarding the granting of trading benefits. We have separated trading benefits into two separate types of contingent trading bonuses, as follows:

- “Sign-Up Bonus”: a Sign-Up Bonus may be granted after a customer registers a new account with the Company. The client is not required to make a prior deposit into the account. The customer can capitalize the free initial credit granted to him or her as a result of the Sign-Up Bonus only if he or she meets the withdrawal preconditions (volume generation must be equal to 25 times the initial bonus provided within 90 days).
- “Deposit Bonus”: a Deposit Bonus may be granted to a customer once he makes a deposit into his or her or her trading account. In the case of Deposit Bonuses, customer funds, including profits and losses, are available for withdrawal at any given time; the only element dependent on the withdrawal preconditions is the bonus itself. This Deposit Bonus is only available for withdrawal if the customer meets the withdrawal preconditions (volume generation must be equal to 25 times the initial bonus provided within 90 days).

Customers are informed about all aspects of the bonuses at the time of election via the detailed terms and conditions available on our website.

For volume purposes, trading both a call option and a put option on the same asset and at the same expiration time would be considered as a single trade. Sell option transactions will not be considered for the trading volume needed to be met in order to withdraw the bonus. A customer may not receive a bonus for a deposit when, at the same time, he has a pending withdrawal request. We may decide at our own discretion whether or not to grant bonuses.

The Company follows ASC 605-50-25 in accounting for each type of customer bonus offered. Since most of the Company’s transactions involving Deposit Bonuses result in gain for the Company, the Company applies ASC 605-50-25-3, “Sales Incentives that Will Not Result in a Loss on the Sale of a Product or Service” in accounting for Deposit Bonuses. The Company also follows guidance set forth in ASC 605-50-25 when accounting for Sign-Up Bonuses.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2015 COMPARED TO SIX MONTHS ENDED JUNE 30, 2014.

Revenues

During the six months ended June 30, 2015 and 2014, we mainly generated revenues from our binary options business.

Total revenues for the six months ended June 30, 2015 increased by 58% to \$12,545,307 from \$7,952,947 compared to total revenues for the six months ended June 30, 2014. The increase is primarily attributable to the increase of spending on customer acquisition costs, improved website and effective marketing to improve brand awareness.

Trading volume for the six months ended June 30, 2015 and 2014 was \$40.8 million and \$18.3 million, respectively. Revenue as a percentage of trading volume for the six months ended June 30, 2015 and 2014 was 31% and 43%, respectively.

Sales and Marketing

Our sales and marketing expenses consist primarily of traffic acquisition costs, which are paid to our affiliate partners, media and advertising companies, as well as compensation and related expenses for marketing personnel.

Total sales and marketing expenses for the six months ended June 30, 2015 increased by 45% to \$9,531,026 from \$6,567,968 for the six months ended June 30, 2014. The significant increase in sales and marketing expenses is attributable to the expansion of our business and increased marketing efforts, including expenses relating to employee payroll and payments to media and affiliates.

General and Administrative

Our general and administrative expenses consist primarily of compensation and related expenses for executive, accounting, legal, human resources and administrative personnel, professional fees and other general corporate expenses.

General and administrative expenses for the six months ended June 30, 2015 increased by 46% to \$1,840,015 from \$1,258,680 for six months ended June 30, 2014. The increase is attributable to an increase in payroll, professional fees related to the acquisition of GKFX, a local brokerage firm in Japan, and travel and related costs, which increased in 2015 due to the increase in revenues.

Research and Development

Our research and development expenses consist primarily of compensation and related expenses for our software development personnel, outsourced labor and expenses for testing new versions of our software.

Research and development expenses for the six months ended June 30, 2015 increased by 39% to \$883,707 from \$635,789 for the six months ended June 30, 2014. The increase is attributable to the expenses incurred in connection with the improvement of our Trading Platform, mainly to the increase in payroll and related expenses, as well as to the increase in payments to subcontractors.

Financial expenses

Our financial expenses for the six months ended June 30, 2015 were \$1,917,173 compared to financial expenses of \$309,435 for the six months ended June 30, 2014. The increase of \$1,607,738 in financial expenses is mainly attributable to the accrued interest, amortization of discount relating to the convertible loans obtained by us in October 2013 and February 2014 and due to the grant of warrants that were recorded according to fair value of \$1,279,396 using the Black-Scholes model.

Net Loss Attributable to the Company

Net loss attributable to us during the six months ended June 30, 2015 was \$2,536,388 as compared to a net loss of \$5,429,304 for the six months ended June 30, 2014. Net loss per share from operations for the six months ended June 30, 2015 was \$0.03 and net loss per share from operations for the six months ended June 30, 2014 was \$0.06. Net loss for the six months ended June 30, 2015 was primarily attributable to the 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 employee related expenses.

Liquidity and Capital Resources

We require cash to fund our operations and we have experienced significant losses and negative cash flows in the recent past. Further, our independent auditors modified their report for the year ended December 31, 2014 to express substantial doubt as to our ability to continue as a going concern. Since our inception, we have funded our operations primarily through the public and private sales of our securities, revenues received from customers and otherwise. As of June 30, 2015 and as of December 31 2014, our total current assets were \$3,876,846 and \$3,723,313, respectively. Our total current liabilities were \$10,031,755 and \$11,189,393, respectively. On June 30, 2015, we had an accumulated deficit of \$37,273,166. We currently finance our operations through revenues from our binary options business, and with funds provided by borrowings and issuance of stock and warrant activities described below. We plan to continue raising funds in such ways in order to continue our operations and to leverage our binary options business. There is no assurance, however, that we will be successful in raising such funds.

Net cash used in operating activities was \$1,457,549 during the six months ended June 30, 2015 as compared to net cash used in operating activities of \$4,793,956 in the six months ended June 30, 2014 which resulted primarily from the impairment of bank deposits in the amount of approximately \$4.1 million and from the operating our binary options business, spent primarily on marketing expenses and our employees' wages.

Net cash used in investing activities during the six months ended June 30, 2015 was \$182,288 as compared to net cash used in investing activities during the six months ended June 30, 2014 of \$940,265, mainly due to the purchase of fixed assets of approximately \$0.7 million and a decrease in segregated client cash accounts of approximately \$0.7 million.

Net cash provided by financing activities during the six months ended June 30, 2015 was \$1,639,837 as compared to \$6,336,525 provided by financing activities during the six months ended June 30, 2014, the resulting difference primarily from the prepayment on account of shares in the amount of \$1.7 million, which is offset by the loan repayment of \$107,600 during the second quarter of 2015, while in the six months ended June 30, 2014, we received \$3.7 million from the issuance of shares and warrants and \$2.8 million of proceeds from convertible loans.

On June 17, 2015, for the purpose of expanding into new markets, the Company signed a share purchase agreement with GKFX Financial Services Limited, to purchase all of its outstanding shares. GKFX Financial Services Limited operates as a foreign exchange brokerage business, and is regulated by the Japanese Financial Services

Agency. GKFX Financial Services Limited is authorized under its Type I Financial Instruments Business Registration to conduct Foreign Exchange and Contract of Differences businesses in Japan. It operates exclusively in Japan, and may offer its authorized services to local Japanese customers only. GKFX Financial Services Limited is also in the process of obtaining a Japanese regulatory license to offer online binary options products and services. The aggregate purchase price for all outstanding shares in GKFX Financial Services Limited was \$400,000, plus the value of net assets of GKFX Financial Services Limited on the closing date, which took place on July 3, 2015.

RESULTS OF OPERATIONS FOR YEAR ENDED DECEMBER 31, 2014 COMPARED TO YEAR ENDED DECEMBER 31, 2013.

Revenues

During 2014 and 2013, we mainly generated revenues from our binary options business.

Total revenues for 2014 increased by 277% to \$20,113,803 from \$5,340,040 compared to total revenues for 2013. The increase is primarily attributable to the increase of our spending on customer acquisition costs, improved website and effective marketing to improve brand awareness

Trading volume for 2014 and 2013 was \$82.1 million and \$20.4 million, respectively. Revenues as a percentage of trading volume for 2014 and 2013 were 24.5% and 26%, respectively. The increase in trading volume is correlated directly to the increase in revenues from 2013 to 2014.

The ARPU for 2014 and 2013 was \$696 and \$597, respectively.

The AUAC for 2014 and 2013 was \$394 and \$413, respectively.

The ROI for 2014 was 1.76 as compared to an ROI 1.45 for 2013.

Sales and Marketing

Our sales and marketing expenses consist primarily of traffic acquisition costs, which are paid to our affiliate partners, media and advertising companies, as well as compensation and related expenses for marketing personnel.

Total sales and marketing expenses for 2014 increased by 215% to \$17,785,621 from \$5,654,134 for 2013. The significant increase in sales and marketing expenses is attributable to the expansion of our business and increased marketing efforts, including expenses relating to employee payroll and payments to media and affiliates. Total sales and marketing expenses as a percentage of revenues were 88.4% for 2014 and 105.9% for 2013. The decrease in selling and marketing expense as a percentage of revenues during 2014 is attributable to economies of scale and improved ROI as discussed above.

General and Administrative

Our general and administrative expenses consist primarily of compensation and related expenses for executive, accounting, legal, human resources and administrative personnel, professional fees and other general corporate expenses.

General and administrative expenses for 2014 increased by 68% to \$3,073,162 from \$1,824,221 for 2013. The increase is attributable to an increase in legal and other professional fees spent in 2014 in connection with the filing of this Registration Statement, which was subsequently withdrawn. In addition our payroll and related travel costs increased during 2014 due to the increase in revenues.

Research and Development

Our research and development expenses consist primarily of compensation and related expenses for our software development personnel, outsourced labor and expenses for testing new versions of our software.

Research and development expenses for 2014 increased by 81% to \$1,365,789 from \$755,540 for 2013. The increase is attributed to the expenses incurred in connection with the improvement of our Trading Platform, mainly to the increase in payroll and related expenses, as well as to the increase in payments to subcontractors.

Impairment of Bank Deposits

We recognized a non-recurring loss in the amount of \$4,121,544 in 2014 due to the closing of CCB, as described above. We deposited approximately \$3,000,000 in capital raised by one of our investors to CCB because:

- 1)The amount was received in United States dollars and not in Euros whereas the banks we worked with, received deposits in Euros only.
- 2)Depositing the funds with an Israeli bank was not practical due to 20% withholding tax deduction required by local law, making it impossible to use the funds.

- 3) Deposit to a new bank account was not practical and could take approximately 6 months.
- 4) The Company had a good history with CCB, with approximately \$1,000,000 held by the bank prior to the above deposit, and no commission or withholding tax deduction was needed in order for us to deposit and use the funds.

The following are the developments and actions taken by us in order to retrieve our \$4,200,000 deposit with CCB:

- 1) Permanent administrators have been appointed to determine CCB's assets that will be available for distribution to the depositors. We have hired local legal counsel and filed a claim with the administrators.
- 2) We have met with the U.S. Ambassador in Sofia in order to get assistance in receiving fair and equitable treatment. We have followed up with the U.S. Ambassador in Sofia, who has since met with the permanent administrators and has brought our case to their attention.
- 3) Our local counsel is filing a partial claim against KPMG Bulgaria for €500,000. The court fees for filing the claim are 4% of the claim amount. We have also reserved the right to increase the amount of the claim at any time once we learn what the administrators will distribute to depositors.
- 4) We have hired an investigative firm to assess the relationship between KPMG international in Switzerland and KPMG Bulgaria. They have interviewed 30 people, including former KPMG employees. KPMG Bulgaria pays a franchise fee to KPMG international. In addition KPMG International reviews audits of its member firms once every year or two. KPMG international is also very active in training partners of its member firms to perform services according to its practices.
- 5) We have engaged a law firm in Switzerland to represent us against KPMG International.

Financial expenses

Our financial expenses for 2014 were \$1,064,848 compared to \$342,216 for 2013. The increase of 211% in financial expenses is mainly attributable to the accrued interest and amortization of discount relating to the convertible loans, obtained by us in February 2014 and December 2014.

Net Loss Attributable to the Company

Net loss attributable to us during 2014 was \$8,941,517 as compared to a net loss of \$3,342,026 for 2013. Net loss per share from operations for 2014 and 2013 was \$0.10 and \$0.04, respectively. Net loss for 2014 and 2013 was primarily attributable to the 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 employee related expenses. In addition, our weighted average number of shares of common stock used in computing basic and diluted net loss per share for 2014 was 90,579,670 as opposed to 82,037,502 for 2013. The increase in our outstanding shares is mainly attributable to our equity issuances in December 2013 and May 2014, as described below.

Liquidity and Capital Resources

We require cash to fund our operations and we have experienced significant losses and negative cash flows in the recent past. Further, our independent auditors modified their report for the year ended December 31, 2014 to express substantial doubt as to our ability to continue as a going concern. Since our inception, we have funded our operations primarily through the public and private sales of our securities, revenues received from customers and otherwise. As of December 31, 2014 and 2013, our total current assets were \$3,723,313 and \$2,377,631, respectively. Our total current liabilities were \$11,189,393 and \$5,734,511, respectively. On December 31, 2014 and 2013, we had an accumulated deficit of \$34,736,778 and \$25,795,261, respectively. We currently finance our operations through revenues from our binary options business, and with funds provided by borrowings and issuance of stock and warrant activities described below. We plan continue raising funds in in such ways in order to continue our operations and to leverage our binary options business. There is no assurance, however, that we will be successful in raising such funds.

Net cash used in operating activities in the amount of \$5,709,841 and \$745,002 during 2014 and 2013, respectively, resulted primarily from operating our binary options business, and it was spent primarily on marketing expenses and our employees' wages.

In June 2014, we had approximately \$4.2 million of deposits in CCB, the fourth largest bank in Bulgaria. On June 21, 2014, CCB ceased operations for the next 3 to 6 months and none of the depositors had any access to their funds, without further specific explanation. The Company immediately started to take all the necessary measures to recover the funds from CCB. On November 6, 2014, the new parliament of Bulgaria announced that it would not bail out CCB. After that announcement the Company started a process of preparing several law suits against CCB and its auditors, KPMG Bulgaria. In January of 2015, the Company received €100,000 from the Bulgarian Deposits Insurance Fund. The amount of \$4.1 million deposited with CCB was expensed as an impairment of bank deposits.

Net cash used in investing activities was \$1,703,167 during 2014 mainly due to release of the restricted cash of approximately \$1.3 million and the increase in segregated client cash accounts of approximately \$2.3 million. Net cash used in investing activities was \$1,425,201 during 2013, used mainly to increase restricted cash and purchase property and equipment.

Net cash provided by the financing activities during 2014 and 2013 in the amount of \$7,298,722 and \$2,284,489, respectively, resulted primarily from the convertible loans in the amount of \$2.7 million received in February 2014 and \$922,500 received in December 2014, as well as a private placement of common stock in May 2014 in the net amount of approximately \$3.7 million. In 2013, we received \$1.4 million in convertible loans, \$0.5 million due to the issuance of shares and warrants, and \$0.3 million due to prepayment on account of shares.

On March 5, 2013, we issued an aggregate of 1,368,920 shares of our common stock in connection with the exercise of 899,378 warrants at the price per share equal to \$0.0595, for a total amount of \$53,513 to Mr. Shimon Citron. These warrants were issued in connection with the March 2008 convertible debt transaction.

On May 12, 2013, we entered into a finance agreement with Activa Red Green, Ltd., pursuant to which we borrowed an amount of \$100,000 with a maturity date on May 11, 2014. This loan bore an annual interest of 20% and was fully repaid in May 2014.

On June 12, 2013, we entered into a securities purchase agreement with Ricx, pursuant to which we sold to Ricx 4,295,220 shares of restricted common stock ("Ricx's Shares") of the Company at a price of \$0.10 per share, and issued a warrant to purchase 859,044 shares of common stock (the "New Warrant") of the Company at an exercise price per share of \$0.10. No separate consideration was paid for the New Warrant. The New Warrant expires on June 12, 2016. The net proceeds from the sale of Ricx's Shares and the issuance of the New Warrant amounted to \$429,522. The transaction closed on June 12, 2013.

On October 29, 2013, we entered into a convertible loan agreement with certain lenders, according to which, we borrowed from the lenders a total amount of \$1,391,000. This loan matures on October 29, 2014, is linked to the Euro and bears an annual interest of 10% to be repaid in a lump sum on such maturity date. This loan is convertible into "Conversion Units" which in total include 7,224,777 shares of our common stock, and warrants exercisable into 722,478 shares of our common stock each at a strike price of \$0.19078 for a period of 18 months after issuance. The lenders are entitled to require that this loan be repaid by delivering a 21 days prior written notice to the Company. In such case the Company is obligated to repay the principal of this loan and the interest accrued until such date. During 2014 we and lenders agreed to extend the payment date, under the same terms to October 29, 2015.

On December 10, 2013, we entered into a securities purchase agreement with certain investors, pursuant to which we issued 1,920,631 shares of our common stock for a total consideration in the amount of \$366,418, and a warrant to purchase 192,063 shares of our common stock at an exercise price per share of \$0.19078. We have received no additional consideration for such warrant. This warrant expires on December 10, 2015.

In February 2014, we issued convertible loans to new and existing shareholders for a total consideration of \$2.8 million. The principal amount of the loans (but not the accrued interest) is convertible at any time before these loans mature into 7,963,542 shares of our common stock at an exercise price of \$0.35 per share. Some of the loans are linked to the Euro and all the loans bear interest at an annual rate of 10%. The loans and accrued interest mature one year from the date of receipt of the loans, unless converted earlier by the lender. The lender may elect to extend the maturity for an additional year. In April 2015, we repaid \$107,600 plus interest of the February 2014 loans. In addition, \$364,205 of the February 2014 loans were converted into 1,040,586 of shares of our common stock. Additionally, \$800,000 of the February 2014 loans were extended for an additional six months to be repaid with interest in August 2015. The remaining \$1,391,193 of loans were extended for one additional year in consideration of the issuance of an additional 1,285,714 warrants at an exercise price of \$0.35 per share. \$300,000 of the extended February 2014 loans were repaid in September 2015, and the remaining \$500,000 in loans were extended for an additional six months, to be repaid with interest in February 2016.

In May 2014, we entered into a share purchase agreement with certain investors, pursuant to which we issued 7,880,000 shares of our common stock for a total consideration of \$3,940,000, and warrants to purchase 788,000 shares of our common stock at an exercise price per share of \$0.50. These warrants expire in November 2019. The net proceeds from the sale of shares and issuance of warrants amounted to \$3,717,620 and were recorded in equity. The transaction closed on June 6, 2014.

In December 2014, we entered into a convertible loan agreement with certain lenders, according to which we borrowed a total amount of \$922,500. The loan is linked to the Euro, matures in December 2015, and bears an annual interest rate of 10% to be repaid in a lump sum on such maturity date. This loan is convertible into "Conversion Units" which include, in the aggregate, 4,835,413 shares of our common stock, and warrants exercisable into 2,417,706 shares of our common stock exercisable for a period of 60 months from the issuance date thereof, at an exercise price per share of \$0.19078.

In March 2015, several of our investors exercised their warrants into 7,542,969 shares of our common stock for a total consideration of \$733,438 in cash. In addition, we issued these investors warrants to purchase 15,210,938 shares of our common stock at an exercise price of \$0.19078 per share, for a period of five years ending February 2019.

In April 2015, we granted 7,530,000 options to employees, board members and consultants in accordance to the terms and condition of the Company's 2004 Global Share Option Plan.

On July 28, 2015, the Company entered into a convertible loan agreement pursuant to which the lender loaned the Company the principal amount of \$1,000,000. The loan matures in July 2016, subject to certain prepayment rights of the lender. The lender is entitled to require that the loan be repaid within six months after the closing date, at which time the lender may demand prepayment of the loan amount, including any accrued and unpaid interest. The loan bears an annual interest rate of 10%, to be paid every six months. The loan is convertible into 5,241,640 shares of common stock of the Company upon either: (i) the maturity date, or (ii) the occurrence of an event of default. In connection with the loan, the Company also granted the lender warrants to acquire 1,572,492 shares of common stock of the company at an exercise price of \$0.19078 per share, exercisable over a period of five years from the date of issuance.

We had a negative working capital of \$7,466,080 on December 31, 2014 compared with a negative working capital of \$3,356,880 on December 31, 2013. Cash and cash equivalents on December 31, 2014 were \$0, a decrease of \$114,286 from the \$114,286 reported as of December 31, 2013. The decrease in cash is primarily attributable to the increase in segregated client cash accounts in the amount of \$2,281,491 offset by a release of restricted cash in the amount of \$1,336,045 and convertible loans in the amount of \$922,500 received in December 2014.

Outlook

We believe that our future success will depend upon our ability to enhance our binary options business. Although our current anticipated levels of revenues and cash flow are subject to many uncertainties and cannot be assured, we believe that we have sufficient cash to fund our operations for at least the next 12 months.

Off-Balance Sheet Arrangements

As of June 30, 2015, 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.

Item 3. Properties.

Currently, we lease premises located at 6 Yehezkel Koifman Street in Tel-Aviv, Israel. This location consists of approximately 850 square meters of office space, and the rent is approximately \$11,000 per month. The term of our current lease expires on December 31, 2016, with no renewal options prior to the expiration of our current lease, we will find a new office space which will be adequate for our needs for operating our business activities.

Our Cyprus offices are located at 11 Vizantiou Street, Office 401, 2064 Strovolos, Nicosia, Cyprus. This location consists of approximately 110 square meters of leased office space, and the rent is approximately \$1,300 per month. The term of the current lease expires on October 31, 2015 and we have an option to extend the lease for additional two years with an annual increase in rent of 7%.

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

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth certain information, to the best of our knowledge, as of October 29, 2015 (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)	Number of shares beneficially owned (2)	Percentage of shares beneficially owned (3)
5% BENEFICIAL OWNERS		
HV Markets Limited (4) P.O. Box 3175 Road Town, Tortola British Virgin Islands	15,490,175	14.29%
Ricx Investments Ltd. (5) Anemomylos Office Building 8 Michael Karaolis Street 1095 Nicosia, Cyprus	26,654,264	23.07%
AFTH S.C.Sp. (6) 10 Rue Antoine Jans L-1820 Luxembourg	9,522,012	8.67%
Shimon Citron (7)	12,329,275	10.53%
Pierpaolo Guzzo (8) Via Michele Mercati 31 00197 Rome, Italy	6,666,667	5.79%
NPV Europe Limited (9) 78-79 New Bond Street London, England W1S 1RZ	6,250,000	5.45%
Compagnie Financiere ST (10) L.M.C. Group S.A. B.P. 346 L-2013 Luxembourg	6,600,000	6.05%
Yariv Citron (11)	6,617,430	5.96%
OTHER DIRECTORS AND NAMED EXECUTIVE OFFICERS		
Ron Lubash (12)	2,837,082	2.56 %
Gustavo Perrotta (13)	2,575,000	2.32 %
Stephan Fitch (14)	125,000	*
Tal Golan (15)	476,667	*
Sami Sassoun (16)	550,000	*
All directors and current executive officers as a group (9 persons)	19,073,024	16.63 %

* = Less than 1%

(1) Unless otherwise provided, all addresses are c/o EZTD Inc., 6 Yehezkel Koifman Street, Tel-Aviv, Israel 68012.

(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 104,973,712 shares of our common stock outstanding plus any common stock equivalents and options or warrants held by such holder, which are exercisable as of December 29, 2015.

(4) The natural persons with voting or dispositive control over the securities held by HV Markets Limited are Karen R. Bell, Barbara J. Haldi and Clive Needham. 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 purchase 6,250,000 shares of common stock at an exercise price of \$0.08 per share and warrants to purchase 859,044 shares of common stock at an exercise price of \$0.10 per share. The natural persons with voting or dispositive control over these securities held by Ricx Investments Ltd are Alexej Havlicek, Doros Kyriacou and Ron Lubash. This information is as of June 20, 2013 and is based solely on a Schedule 13D/A filed by Ricx with the SEC on June 20, 2013. 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 warrants to purchase 1,445,120 shares of common stock at an exercise price of \$0.19078 per share. The natural majority persons with voting or dispositive control over the securities held by AFTH S.C.Sp are Richard Spencer Kelly, Andrea Tosato and Fiduciara Giardini.

(7) Includes options to acquire 1,000,000 shares of common stock at an exercise price of \$0.06 per share, and also includes options to acquire 7,654,667 shares of common stock at an exercise price of \$0.10 per share.

(8) Includes options to purchase 416,667 shares of common stock at an exercise price of \$0.10 per share, as well as warrants to purchase 6,250,000 shares of common stock at an exercise price of \$0.19078 per share.

(9) Includes warrants to purchase 6,250,000 shares of common stock at an exercise price of \$0.19078 per share. The natural person with voting or dispositive control over the securities held by NPV Europe Limited is Mr Giulio Gallazzi.

(10) Includes warrants to purchase 600,000 shares of common stock at an exercise price of \$0.50 per share. The natural person with voting or dispositive control over the securities held by Compagnie Financiere is Angelo Gilardi.

(11) Includes options to purchase 320,000 shares of common stock at an exercise price of \$0.10 per share, options to purchase 113,333 shares of common stock at an exercise price of \$0.50 per share and warrants to purchase 1,500,000 shares and 671,874 shares of common stock at an exercise price of \$0.08 per shares and \$0.19078 per share, respectively.

(12) Includes options to purchase 2,575,000 shares of common stock at an exercise price of \$0.10 per share, as well as 262,082, representing Mr. Lubash's proportion of the shares of common stock owned by Ricx Investments Ltd.

(13) Includes options to purchase 2,575,000 shares of common stock at an exercise price of \$0.10 per share.

(14) Includes options to purchase 125,000 shares of common stock at an exercise price of \$0.35 per share.

(15) Includes options to purchase 376,667 shares of common stock at an exercise price of \$0.10 per share and options to purchase 100,000 shares of common stock at an exercise price of \$0.50 per share.

(16) Includes options to purchase 200,000 shares of common stock at an exercise price of \$0.10 per share and options to purchase 350,000 shares of common stock at an exercise price of \$0.34 per share.

Item 5. Directors and Executive Officers.

As of October 29, 2015, our directors and executive officers, their ages, positions held, and duration of such, were as follows:

NAME	AGE	POSITION	POSITION SINCE
Shimon Citron	60	Director and Chief Executive Officer	2001
Itai Loewenstein	39	Chief Financial Officer	2015
Ron Lubash	57	Director, member of the Nomination and Compensation Committees	2012
Gustavo Perrotta	49		2012

		Chairman, member of the Nomination Committee	
Stephan A. Fitch	57	Director, member of the Audit and Compensation Committees	2015
Liran Gilboa	34	Chief Operating Officer	2014
Michael Ekstein	45	Chief Technology Officer	2015
Tomer Yulzari	30	Chief Risk Officer	2010
Tal Golan	33	Vice President of Sales & Support	2013

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 the Company in 2001 and was our Chief Executive Officer (“CEO”) and a director from 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 one of our directors 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.

Itai Loewenstein. Prior to joining the Company as Chief Financial Officer in August 2015, Mr. Loewenstein served as Chief Financial Officer of Willi-Food Investments Ltd. since June 16, 2014, and of G. Willi Food-International Ltd. since September 2014. Mr. Loewenstein also served as Chief Financial Officer of the professional food services division of Osem Group in Israel from 2012 to 2014, and later as an indirect material purchase manager of the group. Prior to that, he served as Financial Manager of the Government Procurement Agency of the Israeli Ministry of Finance from 2009 to 2012, responsible for most of the major procurement and commercial agreements with Israel government suppliers. Mr. Loewenstein is a certified public accountant (Israel). He received a Bachelor's degree in Accounting and a Master's degree in Business Management from Tel Aviv University, Israel.

Ron Lubash. Mr. Lubash became one of our directors on March 29, 2012, and is a member of our Compensation and Nominating Committees. 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). Mr. Lubash has been Co-Founder and joint CEO of Markstone Capital Group since 2004. Mr. Lubash has served on the board of directors of Netafim Ltd. since 2011 as well as Psagot Investment House since 2009. 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, Lehman Brothers and others, in Israel and abroad in the capacity of an investment banker. We believe Mr. Lubash's qualifications to sit on our Board include his years of experience in the financial markets in Israel and globally, including his senior positions in various firms such as The First Boston Corporation, Credit Suisse First Boston Lehman Brothers and others.

Gustavo Perrotta. Mr. Perrotta became one of our directors on May 16, 2012, and is a member of our Nominating Committee. On March 23, 2015 Mr. Perrotta became the chairman of the board. Mr. Perrotta is the Founder and has been Managing Partner of Hamilton Ventures LLP ("Hamilton Ventures") since 2009, a London based merchant banking boutique engaged in private equity and principal investments. Prior to Hamilton Ventures, Mr. Perrotta was a Managing Director in the London office of Credit Suisse's Investment Banking Division from 1994 to 2008. 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 from 1991 and 1993 as a senior auditor.

Stephan A. Fitch. Mr. Fitch became one of our directors on February 2, 2015, and is a member of our Audit and Compensation Committees. Mr. Fitch has 26 years of experience in a broad range of international corporate finance and investment banking activities, including venture capital, fund management, and general corporate finance activities. More recently, Mr. Fitch has been investing in and managing private equity projects which have focused primarily on small to medium-size emerging companies. Mr. Fitch has a comprehensive background in corporate governance systems and risk assessment that have been employed throughout the world, most recently with projects in Australia, the Caucasus region of Eastern Europe and the UK. In addition to serving as our director, Mr. Fitch has been the CEO and co-founder of Business Governance Solutions Ltd since 2014 Mr. Fitch also serves as a director of IAG Group Limited since 2015, IAG Holding Limited since 2009 and Cardero Resource Corporation since 2004. We believe Mr. Fitch's qualifications to sit on our Board include his years of experience in investment banking activities, as well as in the financial markets, including his position as a CEO of Business Governance Solutions.

Liran Gilboa. Mr. Gilboa joined our company in May 2014 as our Chief Operating Officer ("COO"). In his prior positions, Mr. Gilboa was the COO at "GetTaxi Ltd" in Israel between 2011- 2014, COO at "IzzoNet e-commerce" in 2011 and Head of Operations at the "Consulate General of Israel & Permanent Mission of Israel to the UN" in New York, throughout the years 2007-2011. Mr. Gilboa has earned his undergraduate degree from the Department of Chemical Engineering with emphasis on Biotechnology and Materials, from Ariel University Center of Samaria.

Michael Ekstein. Mr. Ekstein was appointed as our Chief Technology Officer (“CTO”) in August 2015. Between 2010 and 2015, Mr. Ekstein held the position of solutions architect, the equivalent of a CTO position, at Playtech plc. Between 2007 and 2010, Mr. Ekstein served as group leader and systems architect, where he established the mobile unit, at Tri-logical Technologies Ltd.

Tomer Yulzari. Mr. Yulzari joined our Company in February 2012 as a dealer and from March 2013 Mr. Yulzari was promoted to be our Chief Risk Officer. Since then Mr. Yulzari has been in charge of the risk department and development of new trading methods for our customers. Mr. Yulzari studied business management with specialization in Accounting at college of management in Rishon Le Zion, Israel. Between 2010 and 2011, Mr. Yulzari studied technical analysis and other trade methods during his work as a private math teacher.

Tal Golan. Mr. Golan has served as Vice President of Sales & Support to the Company since the beginning of 2012. Prior to joining us, Mr. Golan held the position of Vice President of Sales & Support at OptionRally from 2010 to 2011, and the position of sales manager at eToro from 2009 to 2010.

Audit Committee

The members of the Audit Committee of the Board of Directors are Mr. Ron Lubash and Mr. Stephan A. Fitch. The responsibilities of the Audit Committee include the appointment of the independent registered public accounting firm, review of the audit function and the material aspects thereof with our independent registered public accounting firm, and compliance with our policies and applicable laws and regulations.

Compensation Committee

The members of the Compensation Committee of the Board of Directors are Mr. Stephan A. Fitch. and Mr. Ron Lubash. The Compensation Committee reviews compensation and other benefits for our executive officers.

Nominating Committee

The members of the Nominating Committee of the Board of Directors are Mr. Gustavo Perrotta and Mr. Ron Lubash. The Nominating Committee identifies and makes recommendations to the Board on candidates for appointment as our directors. Director nominees are considered on the basis of, among other things, experience, expertise, skills, knowledge, integrity, understanding our business and willingness to devote time and effort to Board responsibilities.

Family relationships

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

Item 6. Executive Compensation.

Summary Compensation Table

The following summary compensation table sets forth information concerning compensation during 2014 and 2013 for services in all capacities awarded to earned by or paid to the executive officers listed below. No other executive officers who were serving as our executive officers at the end of 2014 received more than \$100,000 in total compensation in 2014, 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 2014:

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$)	BONUS (\$)	STOCK AWARDS (\$)	OPTION AWARDS (\$)(1)	NONEQUITY	Total (\$)
						INCENTIVE PLAN COMPENSATION(\$)	
Shimon Citron	2014	378,174	278,438	-	448,246	-	1,104,858
	2013	244,979	80,000	-	17,342	-	342,321

Chief Executive Officer							
Tal Golan	2014	80,756	184,085	-	20,120	-	284,961
Vice President of Sales & Support	2013	61,320	58,351	-	1,461	-	121,132
Sami Sassoun	2014	138,432	-	-	69,348	-	207,780
Former Chief Financial Officer	2013	-	-	-	-	-	-
		903,661	600,874		556,517		2,061,052

- (1) The dollar value recognized for the stock option award was determined in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“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 Registration Statement on Form 10, note 10.D to our Consolidated Financial Statements for the year ended December 31, 2014.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information with respect to outstanding equity awards held by our named executive officers as of December 31, 2014:

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price (\$)	Option expiration date
Shimon Citron	1,863,000	-	0.10	July 31, 2018
Shimon Citron	1,000,000	-	0.06	September 15, 2018
Shimon Citron	1,000,000	2,000,000	0.10	October 24, 2018
Shimon Citron	950,000	2,850,000	0.10	January 6, 2019
Shimon Citron	675,000	1,125,000	0.10	March 13, 2019
Tal Golan	80,000	40,000	0.10	January 1, 2018
Tal Golan	163,333	116,667	0.10	January 6, 2019
Sami Sassoun	100,000	300,000	0.10	July 1, 2019
Sami Sassoun	150,000	450,000	0.35	July 1, 2019

2004 Global Share Option Plan

2004 Global Share Option Plan (the “Option Plan”) provides for the grant of stock-based awards to employees, officers and directors of, and consultants or advisors to, the Company and any of its present or future parents, subsidiaries or affiliates. The Option Plan has been approved by our Board and shareholders, including its extension until 2024. The Option Plan is included as Exhibit 10.1 to this Registration Statement on Form 10.

Under the Option Plan, we may grant stock options, restricted stock and other stock-based awards. As of December 31, 2014, a total of 28,603,000 shares of our common stock may be issued upon the exercise of options or other awards granted under the Option Plan.

The Option Plan is administered by the Board. Subject to the provisions of the Option Plan, the Board has the authority to select the persons, to whom awards are granted and determine the terms of each award, including the number of shares of our common stock subject to the award. Payment of the exercise price of an award may be made in cash, in a “cashless exercise” through a broker, or if the applicable stock option agreement permits, shares of our common stock or by any other method approved by the Board. Unless we permitted otherwise, awards are not assignable or transferable except by will or the laws of descent and distribution.

Upon the consummation of an acquisition of the business of the Company, by merger or otherwise, the Board shall, as to outstanding awards (on the same basis or on different bases as the Board shall specify), make appropriate provision for the continuation of such awards by the Company or the assumption of such awards by the surviving or acquiring entity and by substituting on an equitable basis for the shares then subject to such awards either (a) the consideration payable with respect to the outstanding shares of our common stock in connection with the acquisition, (b) shares of stock of the surviving or acquiring corporation or (c) such other securities or other consideration as the Board deems appropriate, the fair market value of which (as determined by the Board in its sole discretion) shall not materially differ from the fair market value of the shares of our common stock subject to such awards immediately preceding the acquisition. In addition to or in lieu of the foregoing, with respect to outstanding stock options, the Board may, on the same basis or on different bases as the Board shall specify, upon written notice to the affected optionees, provide that one or more options then outstanding must be exercised, in whole or in part, within a specified number of days of the date of such notice, at the end of which period such options shall terminate, or provide that one or more options then outstanding, in whole or in part, shall be terminated in exchange for a cash payment equal to the excess of the fair market value (as determined by the Board in its sole discretion) for the shares subject to such options over the exercise price thereof.

The Board may at any time provide that any stock options shall become immediately exercisable in full or in part, that any restricted stock awards shall be free of some or all restrictions, or that any other stock-based awards may become exercisable in full or in part or free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

The Board may, in its sole discretion, amend, modify or terminate any award granted or made under the Option Plan, so long as such amendment, modification or termination would not materially and adversely affect the participant.

Director Compensation

The following table sets forth information with respect to the compensation of our directors (other than Mr. Citron, who did not receive separate compensation for his service as a director, and Mr. Fitch and Mr. Lowenstein, who became directors in 2015) as of December 31, 2014:

NAME	YEAR	Director Fees	Stock based compensation (1)	Other	Total
Gustavo Perrotta	2014	80,000	214,218	9,850	304,068
Adiv Baruch (2)	2014	7,000	20,810	-	27,810
Ron Lubash	2014	90,000	211,321	19,530	320,851
		177,000	446,349	29,380	652,729

(1) 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 Registration Statement on Form 10 note 10.D to our Consolidated Financial Statements for the year ended December 31, 2014.

(2) Mr. Baruch ceased to be a director on March 1, 2014.

Consulting, Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

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 (the "Monthly Fee"), 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 our liability insurance program for officers and directors ("Automobile Expenses"). 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 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, was set at \$200,000; and (iii) Mr. Citron was 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.

On October 31, 2013, we entered into an Addendum to the Citron Consulting Agreement whereby, effective as of January 1, 2013, the Monthly Fee was raised to \$20,000 totaling \$240,000 per year, and the Automobile Expenses to \$1,150 per month. We have also agreed that, commencing on August 1, 2013 and as long as the Agreement will be in effect, the Consultant shall be entitled to receive from the Company, in addition to the other payments under the Agreement, a monthly bonus equal to 1.25% of the Net Deposits (as defined below) that shall be generated during such month. Such amount shall be calculated and payable on a monthly basis together with the Monthly Fee.

The Consultant provides us with the services of Mr. Shimon Citron as our CEO and has supervision and control over, and responsibility for, the strategic direction and general day-to-day leadership and management of the business. As part of the overall compensation package to Shimon Citron, a portion of the compensation is paid through an employment contract which was set up for personal tax planning and employee benefits and a portion is paid to the Consultant.

The term "Net Deposits" means, with respect to each calendar month, the aggregate deposits that shall be made into the Trading Platform during such month, less all the withdrawals that shall be made from the Trading Platform during such month less transaction fees (such as processing fees and banking fees) and less charge-backs made during such month with respect to funds deposited into the Trading Platform.

In addition, on November 1, 2013 we entered into an employment agreement with Mr. Shimon Citron to continue to serve as our CEO with an annual compensation of \$130,000, in addition to the fees payable under the Citron Consulting Agreement as amended.

As of December 31, 2013, we had outstanding management fees and payroll expenses to be paid to Mr. Citron (personally and through his private company), in the aggregate amount of approximately \$168,000.

Effective August 13, 2015, we appointed Mr. Itai Loewenstein as our Chief Financial Officer. As of that date, we entered into an employment agreement with Mr. Loewenstein, pursuant to which Mr. Loewenstein is being paid an annual salary of \$140,000. In addition, Mr. Loewenstein was granted 400,000 options to purchase shares of our common stock at the exercise price of \$0.50 per share in accordance with the terms of our equity compensation plan.

On August 2, 2015, we appointed Mr. Michael Ekstein as our Chief Technology Officer effective August 20, 2015, and approved the terms of his employment agreement dated August 2, 2015. Pursuant to his employment agreement, Mr. Ekstein will be paid an annual salary of \$169,000 and will be granted 400,000 options to purchase shares of our common stock at the exercise price of \$0.50 per share, in accordance with the terms of our equity compensation plan.

Other than Messrs. Citron and Sordo, none of our directors or officers has an employment contract or change-in-control arrangement, other than stock and option awards that contain certain change-in-control provisions such as accelerated vesting due to an acquisition. In the event an acquisition that is not a private transaction occurs while the optionee maintains a business relationship with us and the option has not fully vested, the option will

become exercisable for 100% of the then number of shares as to which it has not vested and such vesting will occur immediately prior to the closing of the acquisition.

The stock and option awards that would vest for each named executive officer if a change-in-control were to occur are disclosed under our Outstanding Equity Awards at Fiscal Year-End Table. Our stock and option awards contain certain change-in-control provisions. Descriptions of those provisions are set forth below:

Stock Awards Change-in-Control Definition

Change-in-Control shall mean (a) the acquisition in a transaction or series of transactions by any person (such term to include anyone deemed a person under Section 13(d)(3) of the Exchange Act), other than the Company or any of its subsidiaries, or any employee benefit plan or related trust of the Company or any of its subsidiaries, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors; provided a Change-in-Control shall not occur solely as the result of an initial public offering or (b) the sale or other disposition of all or substantially all of the assets of the Company in one transaction or series of related transactions.

Option Awards Change-in-Control Definition

In the event an acquisition that is not a private transaction occurs while the optionee maintains a business relationship with the Company and the option has not fully vested, the option shall become exercisable for 100% of the then number of shares as to which it has not vested, such vesting to occur immediately prior to the closing of the acquisition. For these purposes, acquisition means the sale of the Company by merger in which the stockholders of the Company in their capacity as such no longer own a majority of the outstanding equity securities of the Company (or its successor); or (ii) any sale of all or substantially all of the assets or capital stock of the Company (other than in a spin-off or similar transaction) or (iii) any other acquisition of the business of the Company, as determined by the Board. A business relationship means service to the Company or its successor in the capacity of an employee, officer, director or consultant, and a private transaction means any acquisition where the consideration received or retained by the holders of the then outstanding capital stock of the Company does not consist of (i) cash or cash equivalent consideration, (ii) securities which are registered under the Securities Act of 1933 ("Securities Act"), or any successor statute or (iii) securities for which the Company or any other issuer thereof has agreed, including pursuant to a demand, to file a registration statement within 90 days of completion of the transaction for resale to the public pursuant to the Securities Act.

Item 7. Certain Relationships and Related Transactions, and Director Independence.

Certain relationships and related transactions

Since January 1, 2013, we have participated in the following transactions with our directors, executive officers, holders of more than 5% of our voting securities, and affiliates or immediate family members of our directors, executive officers, and holders of more than 5% of our voting securities. We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

Employment and Consulting Agreements

See Item 5 of this Registration Statement on Form 10 for a description of agreements we have with our named executive officers or related entities.

Financing Activities

See the sections captioned “Liquidity and Capital Resources” under Item 2 of this Registration Statement on Form 10 for a description of certain financing agreements entered into with certain shareholders and directors.

Director independence

Other than Mr. Stephan A. Fitch, none of our directors is an independent director.

Item 8. Legal Proceedings.

Currently we are not a party to any legal proceedings.

In the ordinary course of business, we may become a party to lawsuits involving various matters. The impact and outcome of litigation, if any, is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters .

Market information

Until August 2013, our common stock was quoted on the OTCQB under the symbol "WGMI". On August 26, 2013, we filed a Form 15 with the SEC to voluntarily deregister our common stock and suspend our reporting obligations under the Exchange Act. Currently, our common stock is quoted on the OTC Pink. We expect that our common stock will be traded on the OTC Bulletin Board following the effectiveness of this Registration Statement on Form 10.

The following table sets forth the range of high and low bid quotations for each quarter within the two most recent fiscal years ended December 31, 2013 and December 31, 2014. These quotations as reported on the OTCQB and OTC Pink markets reflect inter-dealer prices without retail mark-up, mark-down, or commissions and may not necessarily represent actual transactions.

Quotations as reported on the OTCQB Market:

Period	HIGH	LOW
FISCAL YEAR ENDED DECEMBER 31, 2013		
First Quarter Ended March 31, 2013	\$ 0.12	\$ 0.02
Second Quarter Ended June 30, 2013	\$ 0.12	\$ 0.05

Quotations as reported on the OTC Pink:

Period	HIGH	LOW
Third Quarter Ended September 30, 2015	\$ 0.10	\$ 0.09
Second Quarter Ended June 30, 2015	\$ 0.08	\$ 0.08
First Quarter Ended March 31, 2015	\$ 0.20	\$ 0.12
FISCAL YEAR ENDED DECEMBER 31, 2014		
First Quarter Ended March 31, 2014	\$ 0.25	\$ 0.03
Second Quarter Ended June 30, 2014	\$ 0.23	\$ 0.13
Third Quarter Ended September 30, 2014	\$ 0.29	\$ 0.12
Fourth Quarter Ended December 31, 2014	\$ 0.28	\$ 0.11
FISCAL YEAR ENDED DECEMBER 31, 2013		
Third Quarter Ended September 30, 2013	\$ 0.06	\$ 0.03
Fourth Quarter Ended December 31, 2013	\$ 0.04	\$ 0.02

Holders

As of October 29, 2015, there were 102 holders of record of our common stock. See Item 4 "Security Ownership of Certain Beneficial Owners and Management" for information on the holders of our common stock. Also see Item 11 "Description of Registrant's Securities to be Registered" for a description of our outstanding and issued capital stock.

Rule 144

In general, pursuant to Rule 144, under the Securities Act, as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for a least six months (including certain periods of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. Under Rule 144, a person who is not deemed to have been one of our affiliates at any time during the 3 months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least one year is entitled to sell the shares without restriction.

On the other hand, our affiliates or persons selling shares on behalf of our affiliates who own shares that were acquired from us or an affiliate of ours at least six months prior to the proposed sale are entitled to sell within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which as of October 29, 2015, equaled approximately 1,084,178 shares of our common stock; or
- the average weekly trading volume of our common stock, if and when our common stock is traded on the OTC Bulletin Board, during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us for at least 90 days.

Outstanding Common Stock

Under Rule 144, 60,749,047 additional shares of our common stock will qualify for resale under Rule 144 immediately after the effectiveness of this Registration Statement on Form 10.

Options

Rule 701 provides that the shares of common stock acquired upon the exercise of currently outstanding options or other rights granted under our equity plans may be resold by persons, other than affiliates, beginning 90 days after the date of the effectiveness of this Registration Statement on Form 10, restricted only by the manner of sale provisions of Rule 144, and by affiliates in accordance with Rule 144 without compliance with its one-year minimum holding period.

As of October 29, 2015, we had 29,976,000 options outstanding under our equity compensation plan, exercisable into shares of our common stock, at a weighted average exercise price of approximately \$.019 per share. As of October 29, 2015, 22,433,833 options were exercisable into shares of our common stock, and 7,542,167 options were not yet exercisable.

We intend to file one or more registration statements on Form S-8 under the Securities Act following the effectiveness of this Registration Statement on Form 10 to register all shares of our common stock which have been issued or are issuable upon exercise of outstanding stock options or other rights granted under our Option Plan. These registration statements are expected to become effective upon filing. Shares covered by these registration statements will thereupon be eligible for sale in the public market, subject in certain cases to vesting of such shares.

Warrants

As of October 29, 2015, there were 36,422,761 outstanding warrants for shares of our common stock issuable at a weighted average exercise price of approximately \$0.16 per share, of which 30,424,371 are exercisable at such date.

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. 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 \$8,941,517 and \$3,342,026 for the years ended December 31, 2014 and 2013, respectively.

2004 Global Share Option Plan

The Option Plan is described in Item 6 “Executive Compensation” beginning on page 38 of this Registration Statement of Form 10.

The following table provides information as of December 31, 2014, regarding shares of our common stock that may be issued under the Option Plan:

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	28,603,000	\$ 0.18	1,397,000
Equity compensation plans not approved by security holders	0	0	0
Total	28,603,000	\$ 0.18	1,397,000

Item 10. Recent Sales of Unregistered Securities.

Convertible Loans and Warrants

On October 29, 2013, we entered into a convertible loan agreement with certain lenders, according to which, we borrowed from the lenders a total amount of \$1,391,000. This loan matures on October 29, 2014, is linked to the Euro and bears an annual interest of 10% to be repaid in a lump sum on such maturity date. This loan is convertible into "Conversion Units" which in total include 7,224,777 shares of our common stock, and warrants exercisable into 722,478 shares of our common stock each at a strike price of \$0.19078 for a period of 18 months after issuance. The lenders are entitled to require that this loan be repaid by delivering a 21 days prior written notice to the Company. In such case the Company is obligated to repay the principal of this loan and the interest accrued until such date. During 2014 we and lenders agreed to extend the payment date, under the same terms to October 29, 2015.

In February 2014, we issued convertible loans to new and existing shareholders for a total consideration of \$2.8 million. The principal amount of the loans (but not the accrued interest) is convertible at any time before these loans mature into 7,963,542 shares of our common stock at an exercise price of \$0.35 per share. Some of the loans are linked to the Euro, all the loans bear interest at an annual rate of 10%. The loans and accrued interest mature one year from the date of receipt of the loans, unless converted earlier by the lender. The lender may elect to extend the maturity for an additional year. In April 2015, we repaid \$107,600 plus interest of the February 2014 loans. In addition, \$364,205 of the February 2014 loans were converted into 1,040,586 of shares of our common stock. Additionally, \$800,000 of the February 2014 loans were extended for an additional six months to be repaid with interest in August of 2015. The remaining \$1,391,193 of loans were extended for one additional year in consideration of the issuance of an additional 1,285,714 warrants at an exercise price of \$0.35 per share.

In December 2014, we entered into a convertible loan agreement with certain lenders, according to which we borrowed a total amount of \$922,500. The loan is linked to the Euro, matures in December 2015, and bears an annual interest rate of 10% to be repaid in a lump sum on such maturity date. This loan is convertible into "Conversion Units" which include, in the aggregate, 4,835,413 shares of our common stock, and warrants exercisable into 2,417,706 shares of our common stock exercisable for a period of 60 months from the issuance date thereof, at an exercise price per share of \$0.19078.

On July 28, 2015, the Company entered into a convertible loan agreement pursuant to which the lender loaned the Company the principal amount of \$1,000,000. The loan matures in July 2016, subject to certain prepayment rights of the lender. The lender is entitled to require that the loan be repaid within six months after the closing date, at which time the lender may demand prepayment of the loan amount, including any accrued and unpaid interest. The loan bears an annual interest rate of 10%, to be paid every six months. The loan is convertible into 5,241,640 shares of common stock of the Company upon either: (i) the maturity date, or (ii) the occurrence of an event of default. In connection with the loan, the Company also granted the lender warrants to acquire 1,572,492 shares of common stock of the company at an exercise price of \$0.19078 per share, exercisable over a period of five years from the date of issuance.

All transactions have been made pursuant to an exemption from registration under Regulation S under the Securities Act.

Common Stock and Warrants

On March 5, 2013, we issued an aggregate of 1,368,920 shares of our common stock in connection with the exercise of 899,387 warrants at the price per share equal to \$0.0595, for a total amount of \$53,513. These warrants were issued in connection with the March 2008 convertible debt transaction with Mr. Shimon Citron, our CEO and a director. The shares were issued pursuant to an exemption from registration under Regulation S under the Securities Act.

On June 12, 2013, we entered into a securities purchase agreement with Ricx, pursuant to which we sold to Ricx 4,295,220 shares of restricted common stock of the Company at a price of \$0.10 per share, and issued a warrant to purchase 859,044 shares of common stock of the Company at an exercise price per share of \$0.10. No separate consideration was paid for the New Warrant. The New Warrant expires on June 12, 2016. The net proceeds from the sale of Ricx's Shares and the issuance of the New Warrant amounted to \$429,522. The transaction closed on June 12, 2013. We have received no additional consideration for such warrant. This warrant expires on June 12, 2016. The sale of Ricx's Shares and issuance of the New Warrant were made pursuant to an exemption from registration under Regulation S under the Securities Act.