THEGLOBE COM INC
Form 10-Q
May 09, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2013

OR

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

FOR THE TRANSITION PERIOD FROM _______ TO _________

COMMISSION FILE NO. 0-25053

THEGLOBE.COM, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

STATE OF DELAWARE	14-1782422
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1500 CORDOVA ROAD, SUITE 302

FORT LAUDERDALE, FL. 33316

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(954) 769 - 5900

(Registrant's telephone number, including area code)

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes x No ¨

The number of shares outstanding of the Registrant's Common Stock, $.001 par value (the "Common Stock") as of May 9, 2013 was 441,484,838.

THEGLOBE.COM, INC.

FORM 10-Q

TABLE OF CONTENTS

PART I:	FINANCIAL INFORMATION	1
Item 1.	Financial Statements	1
	Condensed Consolidated Balance Sheets at March 31, 2013 (unaudited) and December 31, 2012	1
	Unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2013 and 2012	2
	Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2013 and 2012	3
	Notes to Unaudited Condensed Consolidated Financial Statements	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	8
Item 3.	Quantitative and Qualitative Disclosure About Market Risk	11
Item 4.	Controls and Procedures	11
PART II:	OTHER INFORMATION	12
Item 1.	Legal Proceedings	12
Item 1A.	Risk Factors	12
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	15
Item 3.	Defaults Upon Senior Securities	15
Item 4.	Mine Safety Disclosures	15
Item 5.	Other Information	16
Item 6.	Exhibits	16
	SIGNATURES	17

PART I - FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THEGLOBE.COM, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2013 (UNAUDITED)	DECEMBER 31, 2012
ASSETS		
Current Assets:		
Cash	$ 1,003	$ 928
Prepaid expenses	5,457	5,490
Total current assets	$ 6,460	$ 6,418
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable to related party	$ 325,570	$ 334,570
Accounts payable	173,074	170,336
Accrued compensation due to related parties	130,769	130,769
Accrued expenses and other current liabilities	246,413	239,114
Accrued interest due to related party	235,562	223,233
Notes payable due to related party	500,000	500,000
Net liabilities of discontinued operations	180,935	195,934
Total current liabilities	1,792,323	1,793,956
Stockholders' Deficit:		
Common stock, $0.001 par value; 500,000,000 shares authorized; 441,484,838 issued and outstanding at March 31, 2013 and December 31, 2012	441,485	441,485
Additional paid-in capital	294,301,845	294,301,845
Accumulated deficit	(296,529,193)	(296,530,868)
Total stockholders' deficit	(1,785,863)	(1,787,538)
Total liabilities and stockholders’ deficit	$ 6,460	$ 6,418

See notes to unaudited condensed consolidated financial statements.

1

THEGLOBE.COM, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,	
	2013	2012
	(UNAUDITED)	
Net Revenue	$—	$—
Operating Expenses:		
General and administrative	25,872	49,353
Related party transactions	60,000	60,000
	85,872	109,353
Operating Loss from Continuing Operations	(85,872)	(109,353)
Other Income (Expense), net:		
Related party interest expense	(12,329)	(12,466)
Related party other income	100,000	93,750
	87,671	81,284
Income (Loss) from Continuing Operations Before Income Tax	1,799	(28,069)
Income Tax Provision	—	—
Income (Loss) from Continuing Operations	1,799	(28,069)
Discontinued Operations, net of tax	(125)	(125)
Net Income (Loss)	$ 1,674	$ (28,194)
Income (Loss) Per Share - Basic and Diluted:		
Continuing Operations	$—	$—
Discontinued Operations	$—	$—
Weighted Average Common Shares Outstanding	441,484,838	441,484,838

See notes to unaudited condensed consolidated financial statements.

THEGLOBE.COM, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2013	2012
	(UNAUDITED)	
Cash Flows from Operating Activities:		
Net income (loss)	$1,674	$(28,194)
Add back: loss from discontinued operations	125	125
Net loss from continuing operations	1,799	(28,069)
Adjustments to reconcile net income (loss) from continuing operations to net cash flows from operating activities		
Changes in operating assets and liabilities		
Prepaid and other current assets	33	25
Accounts payable to related party	(9,000)	21,000
Accounts payable	2,739	3,247
Accrued expenses and other current liabilities	7,299	6,100
Accrued interest due to related party	12,329	12,466
Net cash flows from operating activities of continuing operations	15,199	14,769
Net cash flows from operating activities of discontinued operations	(15,124)	(15,125)
Net cash flows from operating activities	75	(356)
Net Increase (Decrease) in Cash	75	(356)
Cash at beginning of period	928	1,354
Cash at end of period	$1,003	$998

See notes to unaudited condensed consolidated financial statements.

3

THEGLOBE.COM, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THEGLOBE.COM

theglobe.com, inc. (the "Company" or "theglobe") was incorporated on May 1, 1995 (inception) and commenced operations on that date. Originally, theglobe.com was an online community with registered members and users in the United States and abroad. However, due to the deterioration of the online advertising market, the Company was forced to restructure and ceased the operations of its online community on August 15, 2001. The Company then sold most of its remaining online and offline properties. The Company continued to operate its Computer Games print magazine and the associated CGOnline website, as well as the e-commerce games distribution business of Chips & Bits, until their shutdown in March 2007. On June 1, 2002, Chairman Michael S. Egan and Director Edward A. Cespedes became Chief Executive Officer and President of the Company, respectively. On November 14, 2002, the Company entered into the Voice over Internet Protocol ("VoIP") business by acquiring certain VoIP assets.

On May 9, 2005, the Company exercised an option to acquire all of the outstanding capital stock of Tralliance Corporation ("Tralliance"), an entity which had been designated as the registry for the ".travel" top-level domain through an agreement with the Internet Corporation for Assigned Names and Numbers ("ICANN").

As more fully discussed in Note 3, "Discontinued Operations," in March 2007, management and the Board of Directors of the Company made the decision to discontinue the operating, research and development activities of its VoIP telephony services business and terminate all of the remaining employees of that business.

On September 29, 2008, the Company sold its Tralliance business and issued 229,000,000 shares of its Common Stock to a company controlled by Michael S. Egan, the Company's Chairman and Chief Executive Officer. As a result of the sale of its Tralliance business, the Company became a shell company (as defined in Rule 12b-2 of the Securities and Exchange Act of 1934) with no material operations or assets. The Company presently intends to continue as a public company and make all the requisite filings under the Securities and Exchange Act of 1934. However, certain matters, as more fully discussed in Note 2, "Liquidity and Going Concern Considerations," raise substantial doubt about the Company's ability to continue as a going concern.

PRINCIPLES OF CONSOLIDATION

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries from their respective dates of acquisition. All significant intercompany balances and transactions have been eliminated in consolidation.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial statements of the Company as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 included herein have been prepared in accordance with the instructions for Form 10-Q under the Securities Exchange Act of 1934, as amended, and Article 10 of Regulation S-X under the Securities Act of 1933, as amended. Certain information and note disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations relating to interim condensed consolidated financial statements.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company at March 31, 2013 and the results of its operations and its cash flows for the three months ended March 31, 2013 and 2012. The results of operations and cash flows for such periods are not necessarily indicative of results expected for the full year or for any future period.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions relate primarily to valuations of accounts payable and accrued expenses. Our estimates, judgments and assumptions are continually evaluated based upon available information and experience. Because of estimates inherent in the financial reporting process, actual results could differ from those estimates. (see Note 2, “Liquidity and Going Concern Considerations” for a discussion of the Company’s derecognition and write off of certain accounts payable and accrued expenses).

NET INCOME PER SHARE

The Company reports basic and diluted net income per common share in accordance with FASB ASC Topic 260, "Earnings Per Share." Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Common equivalent shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method). Common equivalent shares are excluded from the calculation if their effect is anti-dilutive.

Due to the anti-dilutive effect of potentially dilutive securities or common stock equivalents that could be issued, such securities were excluded from the diluted net loss per common share calculation for all periods presented. Such potentially dilutive securities and common stock equivalents consisted of the following for the periods ended March 31:

	2013	2012
Options to purchase common stock	5,650,000	13,502,500
Common shares issuable upon exercise of warrants	500,000	2,250,000
Total	6,150,000	15,752,500

RECENT ACCOUNTING PRONOUNCEMENTS

Management has determined that all recently issued accounting pronouncements will not have a material impact on the Company’s financial statements or do not apply to the Company’s operations.

RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

(2) LIQUIDITY AND GOING CONCERN CONSIDERATIONS

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. However, for the reasons described below, Company management does not believe that cash on hand and cash flow generated internally by the Company will be adequate to fund its limited overhead and other cash requirements beyond a short period of time. These reasons raise significant doubt about the Company's ability to continue as a going concern.

Since 2008, the Company was able to continue operating as a going concern due principally to funding of $500,000 received during 2008 under a Revolving Loan Agreement with an entity controlled by Michael S. Egan, its Chairman and Chief Executive Officer and total proceeds of approximately $1,550,000 received during 2009 to 2013 under an Earn-out Agreement with an entity also controlled by Mr. Egan, as well as the forebearance of its creditors.

At March 31, 2013, the Company had a net working capital deficit of approximately $1,786,000. Such working capital deficit included (i) a total of approximately $736,000 in principal and accrued interest owed under the aforementioned Revolving Loan Agreement; (ii) a total of approximately $326,000 in management service fees owed under a Master Services Agreement to an entity controlled by Mr. Egan; (iii) a total of approximately $131,000 of accrued officer compensation due primarily to Mr. Egan, and (iv) an aggregate of approximately $600,000 in other unsecured accounts payable and accrued expenses owed to non-related parties (of which approximately $181,000 relates to liabilities of our VoIP telephony service discontinued business). Approximately $200,000 of the aforementioned unsecured accounts payable has been disputed by the Company. As more fully described in Note 3, "Discontinued Operations," the Company derecognized approximately $1,354,000 of old liabilities of its former VoIP telephony service business, including approximately $1,000,000 of disputed liabilities, during the fourth quarter of 2012 based upon our belief that the statute of limitations applicable to enforcement of such liabilities has lapsed. Additionally, the Company also wrote off approximately $85,000 of estimated contingent liabilities during the fourth quarter of 2012. Based upon the lapsing of the statute of limitations, the Company expects to derecognize the remaining $200,000 of disputed unsecured accounts payable during 2013. There can be no assurance that the holders of derecognized account payables will agree with our application of statutes of limitation to time bar claims related to such payables nor seek to assert a basis to toll or suspend the running of the otherwise applicable statutes of limitation.

As discussed previously, on September 29, 2008, the Company (i) sold the business and substantially all of the assets of its Tralliance Corporation subsidiary to Tralliance Registry Management, and (ii) issued 229,000,000 shares of its Common Stock (the “Shares”) to Registry Management (the “Purchase Transaction”). Tralliance Registry Management and Registry Management are entities controlled by Michael S. Egan. The closing of the Purchase Transaction resulted in the cancellation of all of the Company’s remaining Convertible Debt, related accrued interest and rent and accounts payable owed to entities controlled by Mr. Egan as of the date of closing (totaling approximately $6,400,000). However, the Company continues to be obligated to repay its principal borrowings totaling $500,000, plus accrued interest at the rate of 10% per annum (approximately $236,000 as of March 31, 2013), due to an entity controlled by Mr. Egan under the aforementioned Revolving Loan Agreement. All unpaid borrowings under the Revolving Loan Agreement, as amended on May 7, 2009, including accrued interest, are due and payable by the Company in one lump sum on the earlier of (i) five business days following demand for payment, which demand can be made at anytime, or (ii) the occurrence of an event of default as defined in the Revolving Loan Agreement. The Company currently has no ability to repay this loan should a demand for payment be made by the noteholder. All borrowings under the Revolving Loan Agreement are secured by a pledge of all of the assets of the Company and its subsidiaries. Immediately after giving effect to the closing of the Purchase Transaction and the issuance of the Shares thereunder, Mr. Egan beneficially owned approximately 76% of the Company’s Common Stock and continues to beneficially own such amount at March 31, 2013.

As additional consideration under the Purchase Transaction, Tralliance Registry Management is obligated to pay an earn-out to theglobe equal to 10% (subject to certain minimums) of Tralliance Registry Management’s net revenue (as defined) derived from “.travel” names registered by Tralliance Registry Management from September 29, 2008 through May 5, 2015 (the “Earn-out”). The minimum Earn-out payable by Tralliance Registry Management to theglobe was $300,000 in the first year of the Earn-Out, increasing by $25,000 in each subsequent year (pro-rated for the final year of the Earn-out). Due to various factors related to the collectability of Earn-out payments from Tralliance Registry Management, including the current weak financial condition of Tralliance Registry Management, and the fact that such Earn-out payments are payable to theglobe over an extended period of time (originally approximately 6 ½ years), there can be no assurance that theglobe will be able to collect the minimum Earn-out payments over the remaining life of the Earn-out.

In connection with the closing of the Purchase Transaction, the Company also entered into a Master Services Agreement with an entity controlled by Mr. Egan whereby for a fee of $20,000 per month ($240,000 per annum) such entity will provide personnel and services to the Company so as to enable it to continue its existence as a public company without the necessity of any full-time employees of its own. Additionally, commensurate with the closing of the Purchase Transaction, Termination Agreements with each of its current executive officers, which terminated their previous and then existing employment agreements, were executed. Notwithstanding the termination of these employment agreements, each of our current executive officers and directors remain as executive officers and directors of the Company.

Immediately following the closing of the Purchase Transaction, theglobe became a shell company with no material operations or assets, and no source of income other than under the Earn-out. As a shell company, theglobe’s operating expenses have consisted primarily of and are expected to continue to consist primarily of expenses incurred under the aforementioned Master Services Agreement and other customary public company expenses, including legal, audit and

other miscellaneous public company costs.

MANAGEMENT’S PLANS

On a short term liquidity basis, the Company must be successful in collecting the quarterly Earn-out payments contractually due from Tralliance Registry Management on a timely basis and must receive the continued indulgence of substantially all of its creditors, primarily including the continued forebearance of Mr. Egan and related entities in making demand for payment for amounts outstanding under the Revolving Loan Agreement and the Master Services Agreement, in order to continue as a going concern.

It is the Company’s preference to avoid filing for protection under the U.S. Bankruptcy Code. However, based upon the Company’s current financial condition as discussed above and recognizing that the Earn-out Agreement with Tralliance Registry Management terminates on May 5, 2015, management believes that additional debt or equity capital will need to be raised in order for theglobe to continue to operate as a going concern on a long-term basis. Any such capital would likely come from Mr. Egan, as the Company currently has no access to credit facilities and has traditionally relied on borrowings from related parties to meet short-term liquidity needs. Any such capital would likely result in very substantial dilution in the number of outstanding shares of the Company’s Common Stock. Given theglobe’s current financial condition, it has no intent to seek to acquire or start any new businesses at the present time.

(3) DISCONTINUED OPERATIONS

In March 2007, management and the Board of Directors of the Company decided to discontinue the operating, research and development activities of its VoIP telephony services business and terminate all of the remaining employees of the business. The Company’s decision to discontinue the operations of its VoIP telephony services business was based primarily on the historical losses sustained by this business, management’s expectations of continued losses for the foreseeable future and estimates of the amount of capital required to successfully monetize this business. All elements of its VoIP telephony services business shutdown plan were completed by the Company in 2007 except for the resolution of certain disputed vendor accounts payables, totaling approximately $1,000,000, and the payment of remaining non-disputed accounts payable. The disputed accounts payables related primarily to telecommunications network service fees charged by various former telecommunication vendors during the period from 2004 to 2007. These charges were disputed by the Company primarily due to such items as incorrect quantities, rates, in-service dates, regulatory fees/charges, late fees and contract termination charges.

During the fourth quarter of 2012, the Company re-evaluated all remaining liabilities of its VoIP telephony services business in light of the passage of time and applicable state statute of limitation laws. Based upon this re-evaluation, the Company derecognized accounts payable liabilities related to six (6) former telecommunication vendors totaling approximately $1,354,000, including the disputed liabilities of approximately $1,000,000 discussed earlier, from its balance sheet at December 31, 2012. At March 31, 2013 and December 31, 2012, "Liabilities of Discontinued Operations" consists of a non-disputed accounts payable to one former VoIP telephony services business vendor that the Company intends to pay over the next several years on a monthly installment basis.

(4) STOCK OPTION PLANS

We have several stock option plans under which nonqualified stock options may be granted to officers, directors, other employees, consultants and advisors of the Company. In general, options granted under the Company's stock option plans expire after a ten-year period and generally vest no later than three years from the date of grant. Incentive options granted to stockholders who own greater than 10% of the total combined voting power of all classes of stock of the Company must be issued at 110% of the fair market value of the stock on the date the options are granted. As of March 31, 2013, there were approximately 6,315,141 shares available for grant under the Company's stock option plans.

There were no stock option grants or exercises during each of the three months ended March 31, 2013 and 2012.

Stock option activity during the three months ended March 31, 2013 was as follows:

	Total Options	Weighted Average Exercise Price
Outstanding at December 31, 2012	5,650,000	$ 0.25
Granted	—	
Exercised	—	
Expired	—	—
Outstanding at March 31, 2013	5,650,000	$ 0.25
Options exercisable at March 31, 2013	5,650,000	$ 0.25

Each of the weighted-average remaining contractual terms of stock options outstanding and stock options exercisable at March 31, 2013 were 2.7 years. The aggregate intrinsic value of both options outstanding and stock options exercisable at March 31, 2013 was $0.

Stock compensation cost is recognized on a straight-line basis over the vesting period. At March 31, 2013, there was no unrecognized compensation expense related to unvested stock options.

The Company estimates the fair value of each stock option at the grant date by using the Black Scholes option-pricing model using the following assumptions: no dividend yield; a risk free interest rate based on the U.S. Treasury yield in effect at the time of grant; an expected option life based on historical and expected exercise behavior; and expected volatility based on the historical volatility of the Company's stock price over a time period that is consistent with the expected life of the option.

(5) RELATED PARTY TRANSACTIONS

On June 6, 2008, the Company entered into a Revolving Loan Agreement with Dancing Bear Investments, Inc. ("Dancing Bear"), pursuant to which Dancing Bear may loan up to $500,000 to the Company on a revolving basis (the "Credit Line"). Dancing Bear is an entity controlled by Michael S. Egan, the Company's Chairman and Chief Executive Officer. During 2008 the Company made borrowings totaling the full amount of the $500,000 Credit Line. At March 31, 2013, outstanding principal and accrued interest under the Credit Line totaled $500,000 and $236,000, respectively. During the three months ended March 31, 2013 and 2012, interest expense related to the Credit Line of $12,329 and $12,466, respectively, was recorded. All borrowings under the Credit Line, including accrued interest on borrowed funds at the rate of 10% per annum, were initially due and payable in one lump sum on the first anniversary of the Credit Line, or June 6, 2009, or sooner upon the occurrence of an event of default under the loan documentation. On May 7, 2009, such repayment terms were amended so as to require the Company to repay any or all amounts due under the Credit Line in one lump sum on the earlier of (i) five business days following any demand for payment that is made on or after June 6, 2009, or (ii) the occurrence of an event of default as defined in the Revolving Credit Agreement.

During the three months ended March 31, 2013 and 2012, the Company received minimum Earn-out installment payments totaling $100,000 and $93,750, respectively, from Tralliance Registry Management Company LLC ("Tralliance Registry Management") under an Earn-out Agreement entered into on September 29, 2008 by and between Tralliance Registry Management and the Company. Tralliance Registry Management is an entity controlled by Michael S. Egan, and each of our two remaining executive officers and Board members, Edward A. Cespedes, our President, and Robin S. Lebowitz, our Vice President of Finance, who own a minority interest in The Registry Management Company, LLC, the parent company of Tralliance Registry Management.

During the three months ended March 31, 2013 and 2012, the Company paid management services fees totaling $69,000 and $39,000, respectively, to Dancing Bear under a Master Services Agreement entered into on September 29, 2008 by and between Dancing Bear and the Company. At March 31, 2013 and December 31, 2012, a total of approximately $326,000 and $335,000, respectively, in management service fees remained unpaid and are accrued on the Company's condensed consolidated balance sheet.

(6) SUBSEQUENT EVENTS

We have performed an evaluation of subsequent events that have occurred after the balance sheet date, but before the financial statements were available to be issued, which the Company considers to be the date the financial statements were issued. There were none.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements within the meaning of the federal securities laws that relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology, such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "intend," "potential" or "continue" or the negative of such terms or other comparable terminology, although not all forward-looking statements contain such terms. In addition, these forward-looking statements include, but are not limited to, statements regarding:

- the outcome of pending litigation;
- our ability to negotiate favorable settlements with unsecured creditors or otherwise discharge claims of such creditors;
- our ability to successfully resolve disputed liabilities;
- our estimates or expectations of continued losses;

- our expectations regarding future income (and in particular, income from an earn-out due from an affiliate) and expenses;
- our ability to raise additional and sufficient capital;
- our ability to continue to operate as a going concern; and
- the continued forbearance of certain related parties from making demand for payment under certain contractual obligations of, and loans to, the Company.

These statements are only predictions. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are not required to and do not intend to update any of the forward-looking statements after the date of this Form 10-Q or to conform these statements to actual results. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Form 10-Q might not occur. Actual results, levels of activity, performance, achievements and events may vary significantly from those implied by the forward-looking statements. A description of risks that could cause our results to vary appears under "Risk Factors" and elsewhere in this Form 10-Q. The following discussion should be read together in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes thereto and the audited consolidated financial statements and notes to those statements contained in the Annual Report on Form 10-K for the year ended December 31, 2012.

OVERVIEW

On September 29, 2008, theglobe.com, inc. consummated the sale of the business and substantially all of the assets of its Tralliance Corporation subsidiary to Tralliance Registry Management Company, LLC, an entity controlled by Michael S. Egan, the Company’s Chairman and Chief Executive Officer. As a result of and on the effective date of the sale of its Tralliance business, which was theglobe’s remaining operating business, theglobe became a “shell company,” as that term is defined in Rule 12b-2 of the Exchange Act, with no material operations or assets.

As part of the consideration for the sale of its Tralliance business, theglobe received earn-out rights from Tralliance Registry Management ("Earn-out"), which constitutes the only source of revenue for theglobe as a shell company. theglobe's operating expenses as a shell company consist of customary public company expenses, including accounting, financial reporting, legal, audit and other related public company costs.

In March 2007, management and the Board of Directors of the Company made the decision to cease all activities related to its VoIP telephony services businesses. Results of operations for the VoIP telephony services businesses have been reported separately as "Discontinued Operations" in the accompanying condensed consolidated statements of operations for all periods presented. There are no discontinued operations assets included in the accompanying condensed consolidated balance sheets. Remaining liabilities of the VoIP telephony services business have been included in the caption, "Liabilities of Discontinued Operations" in the accompanying condensed consolidated balance sheets.

BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS; GOING CONCERN

We received a report from our independent registered public accountants, relating to our December 31, 2012 audited financial statements, containing an explanatory paragraph regarding our ability to continue as a going concern. As a shell company, management believes that theglobe will not be able to generate operating cash flows sufficient to fund its operations and pay its existing current liabilities (including those liabilities related to its discontinued operations) in the foreseeable future. Based upon our current cash resources and without the infusion of additional capital and/or the continued indulgence of its creditors, management does not believe the Company can operate as a going concern beyond a short period of time. See "Future and Critical Need for Capital" section of this Management's Discussion and Analysis of Financial Condition and Results of Operations for further details.

Our condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, our condensed consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should we be unable to continue as a going concern.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2013 COMPARED TO

THE THREE MONTHS ENDED MARCH 31, 2012

CONTINUING OPERATIONS

NET REVENUE. Commensurate with the sale of our Tralliance business on September 29, 2008, we became a shell company. As a result, net revenue for both the three months ended March 31, 2013 and 2012 was $0.

GENERAL AND ADMINISTRATIVE. General and administrative expenses include only customary public company expenses, including accounting, legal, audit, insurance and other related public company costs. General and administrative expenses totaled approximately $26 thousand in the first quarter of 2013 as compared to approximately $49 thousand for the same quarter of the prior year. The $23 thousand decrease was due primarily to legal costs incurred by the Company in defending itself against allegations made in the SendTec Distribution Trust complaint during 2012.

RELATED PARTY TRANSACTIONS. Related party transaction expense totaled $60 thousand for both the three months ended March 31, 2013 and 2012 and consisted of management services fees payable to Dancing Bear for accounting, finance, administrative and managerial support.

RELATED PARTY INTEREST EXPENSE. Related party interest expense for both the three months ended March 31, 2013 and 2012 was $12 thousand and consisted of interest due and payable to Dancing Bear under the Revolving Loan Agreement.

RELATED PARTY OTHER INCOME. Related party other income consists of the minimum Earn-out payable quarterly by Tralliance Registry Management to the Company as further discussed in Note 5, “Related Party Transactions” in the accompanying Notes to Unaudited Condensed Consolidated Financial Statements. Related party other income for the three months ended March 31, 2013 was $100 thousand compared to approximately $94 thousand for the three months ended March 31, 2012.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW ITEMS

As of March 31, 2013, we had $1,003 in cash as compared to approximately $928 as of December 31, 2012. Net cash flows provided from operating activities of continuing operations totaled approximately $15 thousand for both the three months ended March 31, 2013 and the three months ended March 31, 2012.

A total of approximately $15 thousand in net cash flows were used in the operating activities of discontinued operations during both the three months ended March 31, 2013 and the three months ended March 31, 2012.

FUTURE AND CRITICAL NEED FOR CAPITAL

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. However, for the reasons described below, Company management does not believe that cash on hand and cash flow generated internally by the Company will be adequate to fund its limited overhead and other cash requirements beyond a short period of time. These reasons raise significant doubt about the Company's ability to continue as a going concern.

Since 2008, the Company was able to continue operating as a going concern due principally to funding of $500 thousand received during 2008 under a Revolving Loan Agreement with an entity controlled by Michael S. Egan, its Chairman and Chief Executive Officer and total proceeds of approximately $1.5 million received during 2009 to 2013 under an Earn-out Agreement with an entity also controlled by Mr. Egan, as well as the forebearance of its creditors.

At March 31, 2013, the Company had a net working capital deficit of approximately $1.786 million. Such working capital deficit included (i) a total of approximately $736 thousand in principal and accrued interest owed under the aforementioned Revolving Loan Agreement; (ii) a total of approximately $326 thousand in management service fees owed under a Master Services Agreement to an entity controlled by Mr. Egan; (iii) a total of approximately $131 thousand of accrued officer compensation due primarily to Mr. Egan, and (iv) an aggregate of approximately $600 thousand in other unsecured accounts payable and accrued expenses owed to non-related parties (of which approximately $181 thousand relates to liabilities of our VoIP telephony service discontinued business). Approximately $200 thousand of the aforementioned unsecured accounts payable has been disputed by the Company. As more fully described in Note 3, "Discontinued Operations," the Company derecognized approximately $1.4 million

of old liabilities of its former VoIP telephony service business, including approximately $1 million of disputed liabilities, during the fourth quarter of 2012 based upon our belief that the statute of limitations applicable to enforcement of such liabilities has lapsed. Additionally, the Company also wrote off approximately $85 thousand of estimated contingent liabilities during the fourth quarter of 2012. Based upon the lapsing of the statute of limitations, the Company expects to derecognize the remaining $200 thousand of disputed unsecured accounts payable during 2013. There can be no assurance that the holders of derecognized account payables will agree with our application of statutes of limitation to time bar claims related to such payables nor seek to assert a basis to toll or suspend the running of the otherwise applicable statutes of limitation.

As discussed previously, on September 29, 2008, the Company (i) sold the business and substantially all of the assets of its Tralliance Corporation subsidiary to Tralliance Registry Management, and (ii) issued 229 million shares of its Common Stock (the "Shares") to Registry Management (the "Purchase Transaction"). Tralliance Registry Management and Registry Management are entities controlled by Michael S. Egan. The closing of the Purchase Transaction resulted in the cancellation of all of the Company's remaining Convertible Debt, related accrued interest and rent and accounts payable owed to entities controlled by Mr. Egan as of the date of closing (totaling approximately $6.4 million). However, the Company continues to be obligated to repay its principal borrowings totaling $500 thousand, plus accrued interest at the rate of 10% per annum (approximately $236 thousand as of March 31, 2013), due to an entity controlled by Mr. Egan under the aforementioned Revolving Loan Agreement. All unpaid borrowings under the Revolving Loan Agreement, as amended on May 7, 2009, including accrued interest, are due and payable by the Company in one lump sum on the earlier of (i) five business days following demand for payment, which demand can be made at anytime, or (ii) the occurrence of an event of default as defined in the Revolving Loan Agreement. The Company currently has no ability to repay this loan should a demand for payment be made by the noteholder. All borrowings under the Revolving Loan Agreement are secured by a pledge of all of the assets of the Company and its subsidiaries. Immediately after giving effect to the closing of the Purchase Transaction and the issuance of the Shares thereunder, Mr. Egan beneficially owned approximately 76% of the Company's Common Stock and continues to beneficially own such amount at March 31, 2013.

As additional consideration under the Purchase Transaction, Tralliance Registry Management is obligated to pay an earn-out to theglobe equal to 10% (subject to certain minimums) of Tralliance Registry Management's net revenue (as defined) derived from ".travel" names registered by Tralliance Registry Management from September 29, 2008 through May 5, 2015 (the "Earn-out"). The minimum Earn-out payable by Tralliance Registry Management to theglobe was $300 thousand in the first year of the Earn-Out, increasing by $25 thousand in each subsequent year (pro-rated for the final year of the Earn-out). Due to various factors related to the collectability of Earn-out payments from Tralliance Registry Management, including the current weak financial condition of Tralliance Registry Management, and the fact that such Earn-out payments are payable to theglobe over an extended period of time (originally approximately 6 ½ years), there can be no assurance that theglobe will be able to collect the minimum Earn-out payments over the remaining life of the Earn-out.

In connection with the closing of the Purchase Transaction, the Company also entered into a Master Services Agreement with an entity controlled by Mr. Egan whereby for a fee of $20 thousand per month ($240 thousand per annum) such entity will provide personnel and services to the Company so as to enable it to continue its existence as a public company without the necessity of any full-time employees of its own. Additionally, commensurate with the closing of the Purchase Transaction, Termination Agreements with each of its current executive officers, which terminated their previous and then existing employment agreements, were executed. Notwithstanding the termination of these employment agreements, each of our current executive officers and directors remain as executive officers and directors of the Company.

Immediately following the closing of the Purchase Transaction, theglobe became a shell company with no material operations or assets, and no source of income other than under the Earn-out. As a shell company, theglobe’s operating expenses have consisted primarily of and are expected to continue to consist primarily of expenses incurred under the aforementioned Master Services Agreement and other customary public company expenses, including legal, audit and other miscellaneous public company costs.

On a short term liquidity basis, the Company must be successful in collecting the quarterly Earn-out payments contractually due from Tralliance Registry Management on a timely basis and must receive the continued indulgence of substantially all of its creditors, primarily including the continued forebearance of Mr. Egan and related entities in making demand for payment for amounts outstanding under the Revolving Loan Agreement and the Master Services Agreement, in order to continue as a going concern.

It is the Company’s preference to avoid filing for protection under the U.S. Bankruptcy Code. However, based upon the Company’s current financial condition as discussed above and recognizing that the Earn-out Agreement with Tralliance Registry Management terminates on May 5, 2015, management believes that additional debt or equity capital will need to be raised in order for theglobe to continue to operate as a going concern on a long-term basis. Any such capital would likely come from Mr. Egan, as the Company currently has no access to credit facilities and has traditionally relied on borrowings from related parties to meet short-term liquidity needs. Any such capital would likely result in very substantial dilution in the number of outstanding shares of the Company’s Common Stock. Given theglobe’s current financial condition, it has no intent to seek to acquire or start any new businesses at the present time.

EFFECTS OF INFLATION

Management believes that inflation has not had a significant effect on our results of operations during 2013 and 2012.

MANAGEMENT'S DISCUSSION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Our estimates, judgments and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

Certain of our accounting policies require higher degrees of judgment than others in their application. Primarily, these include valuation of accounts payable and accrued expenses.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Management has determined that all recently issued accounting pronouncements will not have a material impact on the Company’s financial statements or do not apply to the Company’s operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not applicable to smaller reporting companies such as the Company.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure (1) that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms, and (2) that this information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost benefit relationship of possible controls and procedures.

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2013. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective in alerting them in a timely manner to material information regarding us (including our consolidated subsidiaries) that is required to be included in our periodic reports to the SEC.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated any change in our internal control over financial reporting that occurred during the quarter ended March 31, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting, and have determined there to be no reportable changes.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

In addition to the other information in this report, the following factors should be carefully considered in evaluating our business and prospects.

RISKS RELATING TO OUR BUSINESS GENERALLY

WE MAY NOT BE ABLE TO CONTINUE AS A GOING CONCERN.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that

might be necessary should the Company be unable to continue as a going concern. However, for the reasons described below, Company management does not believe that cash on hand and cash flow generated internally by the Company will be adequate to fund its limited overhead and other cash requirements beyond a short period of time. These reasons raise significant doubt about the Company's ability to continue as a going concern.

Since 2008, the Company was able to continue operating as a going concern due principally to funding of $500 thousand received during 2008 under a Revolving Loan Agreement with an entity controlled by Michael S. Egan, its Chairman and Chief Executive Officer and total proceeds of approximately $1.5 million received during 2009 to 2013 under an Earn-out Agreement with an entity also controlled by Mr. Egan, as well as the forebearance of its creditors.

At March 31, 2013, the Company had a net working capital deficit of approximately $1.786 million. Such working capital deficit included (i) a total of approximately $736 thousand in principal and accrued interest owed under the aforementioned Revolving Loan Agreement; (ii) a total of approximately $326 thousand in management service fees owed under a Master Services Agreement to an entity controlled by Mr. Egan; (iii) a total of approximately $131 thousand of accrued officer compensation due primarily to Mr. Egan, and (iv) an aggregate of approximately $600 thousand in other unsecured accounts payable and accrued expenses owed to non-related parties (of which approximately $181 thousand relates to liabilities of our VoIP telephony service discontinued business). Approximately $200 thousand of the aforementioned unsecured accounts payable has been disputed by the Company. As more fully described in Note 3, "Discontinued Operations," the Company derecognized approximately $1.4 million of old liabilities of its former VoIP telephony service business, including approximately $1 million of disputed liabilities, during the fourth quarter of 2012 based upon our belief that the statute of limitations applicable to enforcement of such liabilities has lapsed. Additionally, the Company also wrote off approximately $85 thousand of estimated contingent liabilities during the fourth quarter of 2012. Based upon the lapsing of the statute of limitations, the Company expects to derecognize the remaining $200 thousand of disputed unsecured accounts payable during 2013. There can be no assurance that the holders of derecognized account payables will agree with our application of statutes of limitation to time bar claims related to such payables nor seek to assert a basis to toll or suspend the running of the otherwise applicable statutes of limitation.

As discussed previously, on September 29, 2008, the Company (i) sold the business and substantially all of the assets of its Tralliance Corporation subsidiary to Tralliance Registry Management, and (ii) issued 229 million shares of its Common Stock (the "Shares") to Registry Management (the "Purchase Transaction"). Tralliance Registry Management and Registry Management are entities controlled by Michael S. Egan. The closing of the Purchase Transaction resulted in the cancellation of all of the Company's remaining Convertible Debt, related accrued interest and rent and accounts payable owed to entities controlled by Mr. Egan as of the date of closing (totaling approximately $6.4 million). However, the Company continues to be obligated to repay its principal borrowings totaling $500 thousand, plus accrued interest at the rate of 10% per annum (approximately $236 thousand as of March 31, 2013), due to an entity controlled by Mr. Egan under the aforementioned Revolving Loan Agreement. All unpaid borrowings under the Revolving Loan Agreement, as amended on May 7, 2009, including accrued interest, are due and payable by the Company in one lump sum on the earlier of (i) five business days following demand for payment, which demand can be made at anytime, or (ii) the occurrence of an event of default as defined in the Revolving Loan Agreement. The Company currently has no ability to repay this loan should a demand for payment be made by the noteholder. All borrowings under the Revolving Loan Agreement are secured by a pledge of all of the assets of the Company and its subsidiaries. Immediately after giving effect to the closing of the Purchase Transaction and the issuance of the Shares thereunder, Mr. Egan beneficially owned approximately 76% of the Company's Common Stock and continues to beneficially own such amount at March 31, 2013.

12

As additional consideration under the Purchase Transaction, Tralliance Registry Management is obligated to pay an earn-out to theglobe equal to 10% (subject to certain minimums) of Tralliance Registry Management's net revenue (as defined) derived from ".travel" names registered by Tralliance Registry Management from September 29, 2008 through May 5, 2015 (the "Earn-out"). The minimum Earn-out payable by Tralliance Registry Management to theglobe was $300 thousand in the first year of the Earn-Out, increasing by $25 thousand in each subsequent year (pro-rated for the final year of the Earn-out). Due to various factors related to the collectability of Earn-out payments from Tralliance Registry Management, including the current weak financial condition of Tralliance Registry Management, and the fact that such Earn-out payments are payable to theglobe over an extended period of time (originally approximately 6 ½ years), there can be no assurance that theglobe will be able to collect the minimum Earn-out payments over the remaining life of the Earn-out.

In connection with the closing of the Purchase Transaction, the Company also entered into a Master Services Agreement with an entity controlled by Mr. Egan whereby for a fee of $20 thousand per month ($240 thousand per annum) such entity will provide personnel and services to the Company so as to enable it to continue its existence as a public company without the necessity of any full-time employees of its own. Additionally, commensurate with the closing of the Purchase Transaction, Termination Agreements with each of its current executive officers, which terminated their previous and then existing employment agreements, were executed. Notwithstanding the termination of these employment agreements, each of our current executive officers and directors remain as executive officers and directors of the Company.

Immediately following the closing of the Purchase Transaction, theglobe became a shell company with no material operations or assets, and no source of income other than under the Earn-out. As a shell company, theglobe's operating expenses have consisted primarily of and are expected to continue to consist primarily of expenses incurred under the aforementioned Master Services Agreement and other customary public company expenses, including legal, audit and other miscellaneous public company costs.

On a short term liquidity basis, the Company must be successful in collecting the quarterly Earn-out payments contractually due from Tralliance Registry Management on a timely basis and must receive the continued indulgence of substantially all of its creditors, primarily including the continued forebearance of Mr. Egan and related entities in making demand for payment for amounts outstanding under the Revolving Loan Agreement and the Master Services Agreement, in order to continue as a going concern.

It is the Company's preference to avoid filing for protection under the U.S. Bankruptcy Code. However, based upon the Company's current financial condition as discussed above and recognizing that the Earn-out Agreement with Tralliance Registry Management terminates on May 5, 2015, management believes that additional debt or equity capital will need to be raised in order for theglobe to continue to operate as a going concern on a long-term basis. Any such capital would likely come from Mr. Egan, as the Company currently has no access to credit facilities and has traditionally relied on borrowings from related parties to meet short-term liquidity needs. Any such capital would likely result in very substantial dilution in the number of outstanding shares of the Company's Common Stock. Given theglobe's current financial condition, it has no intent to seek to acquire or start any new businesses at the present time.

WE MAY NOT BE SUCCESSFUL IN SETTLING DISPUTED VENDOR CHARGES.

Our balance sheet at March 31, 2013 includes approximately $200 thousand of disputed liabilities related to our former Tralliance business. We expect to derecognize these liabilities in 2013 based upon the expiration of the statute of limitations periods applicable to such liabilities. Additionally, during 2012, we derecognized approximately $1.354 million of old liabilities related to our former VoIP telephony services business, including approximately $1.0 million of disputed liabilities, based on our belief that the applicable statute of limitations periods to bring claims to collect such liabilities have expired. There can be no assurance the vendors will not file claims and attempt to collect certain of these disputed liabilities, including those liabilities that have been derecognized in 2012 for which we believe the statute of limitations has lapsed. Should vendors file claims, there can be no assurance that the Company will be successful in settling the claims without significant costs, including attorney's fees. Any adverse outcome in any of these matters could materially and adversely affect our financial position, utilize a significant portion of our cash resources and/or require additional capital to be infused into the Company, and adversely affect our ability to continue as a going concern.

OUR NET OPERATING LOSS CARRYFORWARDS MAY BE SUBSTANTIALLY LIMITED.

As of December 31, 2012, we had net operating loss carryforwards which may be potentially available for U.S. tax purposes of approximately $166 million. These carryforwards expire through 2032. The Tax Reform Act of 1986 imposes substantial restrictions on the utilization of net operating losses and tax credits in the event of an "ownership change" of a corporation. Due to various significant changes in our ownership interests, as defined in the Internal Revenue Code of 1986, as amended, that occurred prior to December 31, 2008, we have substantially limited the availability of our net operating loss carryforwards.

OUR OFFICERS, INCLUDING OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND PRESIDENT HAVE OTHER INTERESTS; WE HAVE CONFLICTS OF INTEREST WITH OUR DIRECTORS; ALL OF OUR DIRECTORS ARE EMPLOYEES OR STOCKHOLDERS OF THE COMPANY OR AFFILIATES OF OUR LARGEST STOCKHOLDER.

Our Chairman and Chief Executive Officer, Mr. Michael Egan, is an officer or director of other companies. Mr. Egan became our Chief Executive Officer effective June 1, 2002. Mr. Egan is also the controlling investor of The Registry Management Company, LLC, Dancing Bear Investments, Inc., E&C Capital Partners LLLP, and E&C Capital Partners II, LLC, which are our largest stockholders. Mr. Egan is also the controlling investor of Certified Vacations Group, Inc., License Holdings, LLC and Labigroup Holdings, LLC, entities which have had various ongoing business relationships with the Company. Additionally, Mr. Egan is the controlling investor of Tralliance Registry Management Company, LLC, an entity which has recently acquired our Tralliance business.

Our President, Treasurer and Chief Financial Officer and Director, Mr. Edward A. Cespedes, is also an officer, director or shareholder of other companies, including E&C Capital Partners LLLP, E&C Capital Partners II, LLC and The Registry Management Company, LLC. Additionally, Mr. Cespedes currently serves as the President and a director of MMAX Media Holdings, Inc., a location-based marketing company.

Our Vice President of Finance and Director, Ms. Robin Lebowitz is also an officer of Dancing Bear Investments, Inc and director of Certified Vacations Group, Inc. She is also an officer, director or shareholder of other companies or entities controlled by Mr. Egan and Mr. Cespedes, including The Registry Management Company, LLC.

Due to the relationships with his related entities, Mr. Egan will have an inherent conflict of interest in making any decision related to transactions between the related entities and us. Furthermore, the Company's Board of Directors presently is comprised entirely of individuals who are executive officers of theglobe, and therefore are not "independent." We intend to review related party transactions in the future on a case-by-case basis.

WE CURRENTLY HAVE NO BUSINESS OPERATIONS AND ARE A SHELL COMPANY.

Immediately following the closing of the Purchase Transaction, theglobe became a shell company with no material operations or assets, and no source of revenue other than under the “net revenue” earn-out arrangement with Tralliance Registry Management. It is expected that theglobe’s future operating expenses as a public shell company will consist primarily of expenses incurred under the aforementioned Master Services Agreement and other customary public company expenses, including legal, audit and other miscellaneous public company costs. Given theglobe’s current financial condition and the state of the current United States capital markets and economy, the Company has no current intent to seek to acquire, or start, any other business.

WE MAY SUFFER ADVERSE CONSEQUENCES IF WE ARE DEEMED AN INVESTMENT COMPANY (DEFINED BELOW) AND WE MAY INCUR SIGNIFICANT COSTS TO AVOID INVESTMENT COMPANY STATUS.

We believe that we are not an investment company as defined by the Investment Company Act of 1940. If the Commission or a court were to disagree with us, we could be required to register as an investment company. This would negatively affect our ability to consummate a potential acquisition of an operating company, subjecting us to disclosure and accounting guidance geared toward investment, rather than operating companies; limiting our liability to borrow money, issue options, issue multiple classes of stock and debt, and engage in transactions with affiliates; and requiring us to undertake significant costs and expenses to meet disclosure and regulatory requirements to which we would be subject as a registered investment company.

RISKS RELATING TO OUR COMMON STOCK

WE ARE CONTROLLED BY OUR CHAIRMAN.

On September 29, 2008, in connection with the sale of Tralliance, the Company issued 229 million shares of its Common Stock to Registry Management, an entity controlled by Michael S. Egan, its Chairman and Chief Executive Officer. Previously on June 10, 2008, Dancing Bear Investments, Inc., also an entity controlled by Mr. Egan, converted an aggregate of $400 thousand of outstanding convertible secured promissory notes due to them by the Company into 40 million shares of our Common Stock. As a result of the issuance of the 269 million shares under the transactions described above, Mr. Egan's beneficial ownership increased to approximately 76% of the Company's Common Stock and he continues to own such amount at March 31, 2013. Accordingly, Mr. Egan is now in a position to control the vote on all corporate actions in the future.

DELISTING OF OUR COMMON STOCK MAKES IT MORE DIFFICULT FOR INVESTORS TO SELL SHARES.

The shares of our Common Stock were delisted from the NASDAQ national market in April 2001 and are now traded in the over-the-counter market on what is commonly referred to as the electronic bulletin board or "OTCBB." As a result, an investor may find it more difficult to dispose of or obtain accurate quotations as to the market value of the securities. The delisting has made trading our shares more difficult for investors. It has also made it more difficult for us to raise additional capital. We may also incur additional costs under state blue-sky laws if we sell equity due to our delisting.

OUR COMMON STOCK IS SUBJECT TO CERTAIN "PENNY STOCK" RULES WHICH MAY MAKE IT A LESS ATTRACTIVE INVESTMENT.

Since the trading price of our Common Stock is less than $5.00 per share and our net tangible assets are less than $2.0 million, trading in our Common Stock is subject to the requirements of Rule 15g-9 of the Exchange Act. Under Rule 15g-9, brokers who recommend penny stocks to persons who are not established customers and accredited investors, as defined in the Exchange Act, must satisfy special sales practice requirements, including requirements that they make an individualized written suitability determination for the purchaser; and receive the purchaser's written consent prior to the transaction. The Securities Enforcement Remedies and Penny Stock Reform Act of 1990 also requires additional disclosures in connection with any trades involving a penny stock, including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated with that market. Such requirements may severely limit the market liquidity of our Common Stock and the ability of purchasers of our equity securities to sell their securities in the secondary market. For all of these reasons, an investment in our equity securities may not be attractive to our potential investors.

AS A RESULT OF THE CLOSING OF THE PURCHASE AGREEMENT, WE ARE A SHELL COMPANY AND ARE SUBJECT TO MORE STRINGENT REPORTING REQUIREMENTS AND RULE 144 IS NOT GENERALLY AVAILABLE AS A BASIS OF RESALE.

As a result of the consummation of the Purchase Transaction, we have no or nominal operations and assets, and pursuant to Rule 405 and Exchange Act Rule 12b-2, we are a shell company. Applicable securities rules prohibit shell companies from using a Form S-8 to register securities pursuant to employee compensation plans. However, the rules do not prevent us from registering securities pursuant to certain other registration statements. Additionally, Form 8-K requires shell companies to provide more detailed disclosure upon completion of a transaction that causes it to cease being a shell company. To the extent we acquire a business in the future, we must file a current report on Form 8-K containing the information required in a registration statement on Form 10, within four business days following completion of the transaction together with financial information of the private operating company. In order to assist the SEC in the identification of shell companies, we are also required to check a box on Form 10-Q and Form 10-K

indicating that we are a shell company. To the extent that we are required to comply with additional disclosure because we are a shell company, we may be delayed in executing any mergers or acquiring other assets that would cause us to cease being a shell company. In addition, the SEC adopted amendments to Rule 144 effective February 15, 2008, which (with limited exceptions related to restrictive securities acquired before we became a "shell company") do not allow a holder of restricted securities of a "shell company" to resell their securities pursuant to Rule 144. Preclusion from the use of the resale exemption from registration afforded by Rule 144 may make it more difficult for us to sell equity securities in the future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Unregistered Sales of Equity Securities.

None.

(b) Use of Proceeds From Sales of Registered Securities.

Not applicable.

(c) Repurchases.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

15

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a).

31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a).

32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

SIGNATURES

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

theglobe.com, inc.

Dated : *May 9, 2013* By: /s/ *Michael S. Egan*
Michael S. Egan
Chief Executive Officer
(Principal Executive Officer)

By: /s/ *Edward A. Cespedes*
Edward A. Cespedes
President and Chief Financial Officer
(Principal Financial Officer)

17

EXHIBIT INDEX

31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a).

31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a).

32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.